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H. R. 5122

[Report No. 109–452]

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2006

Mr. HUNTER (for himself and Mr. SKELTON) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

MAY 5, 2006

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 6, 2006]

A BILL

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2007".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
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Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

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Sec. 3501. Authorization of appropriations for fiscal year 2007.
Sec. 3502. Limitation on transfer of Maritime Security Fleet operating agreements.
Sec. 3503. Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 3504. Vessel transfer authority.
Sec. 3505. United States Merchant Marine Academy graduates: alternate service requirements.
Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.
Sec. 3507. Temporary authority to transfer obsolete combatant vessels to Navy for disposal.
Sec. 3508. Temporary requirement to maintain Ready Reserve Force.

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

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.

Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for Family of Medium Tactical Vehicles.
Sec. 112. Multiyear procurement authority for MH–60R helicopters and mission equipment.
Sec. 113. Funding profile for Modular Force Initiative of the Army.
Sec. 114. Bridge to Future Networks program.

Subtitle C—Navy Programs

Sec. 121. Attack submarine force structure.
Sec. 122. Adherence to Navy cost estimates for CVN–21 class of aircraft carriers.
Sec. 123. Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program.
Sec. 124. Adherence to Navy cost estimates for San Antonio (LPD–17) class amphibious ship program.
Sec. 125. Multiyear procurement authority for V–22 tiltrotor aircraft program.
Sec. 126. Quality control in procurement of ship critical safety items and related services.
Sec. 127. DD(X) Next-Generation Destroyer program.
Sec. 128. Sense of Congress that the Navy make greater use of nuclear-powered propulsion systems in its future fleet of surface combatants.

Subtitle D—Air Force Programs

Sec. 131. Requirement for B–52 force structure.
Sec. 132. Strategic airlift force structure.
Sec. 133. Limitation on retirement of U–2 aircraft.
Sec. 134. Multiyear procurement authority for F–22A Raptor fighter aircraft.
Sec. 135. Limitation on retirement of KC–135E aircraft during fiscal year 2007.
Sec. 136. Limitation on retirement of F–117A aircraft during fiscal year 2007.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $3,714,783,000.

(2) For missiles, $1,490,898,000.

(3) For weapons and tracked combat vehicles, $2,335,004,000.

(4) For ammunition, $1,691,475,000.

(5) For other procurement, $6,970,079,000.

(6) For National Guard Equipment, $318,000,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,760,671,000.

(2) For weapons, including missiles and torpedoes, $2,517,020,000.

(3) For shipbuilding and conversion, $11,183,153,000.

(4) For other procurement, $5,042,766,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,223,813,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $758,793,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $13,042,630,000.

(2) For ammunition, $1,076,749,000.

(3) For missiles, $4,171,495,000.

(4) For other procurement, $15,428,636,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,856,461,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR FAMILY OF MEDIUM TACTICAL VEHICLES.

(a) AUTHORITY.—The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the Family of Medium Tactical Vehicles (FMTV) program beginning with the fiscal year 2008 program year.

(b) CONTRACT REQUIREMENT.—Any multiyear contract or extension entered into under this section for procurement under the Family of Medium Tactical Vehicles program shall provide for incorporation of improvements in the areas of performance capability and survivability from lessons learned from operations involving the Global War on Terrorism (as well as from product improvement programs carried out for the Family of Medium Tactical Vehicles program)..

(c) LIMITATION ON TERM OF CONTRACT.—Notwithstanding subsection (k) of section 2306b of title 10, United

States Code, a contract or extension under this section may not be for a period in excess of three program years.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR MH–60R HELICOPTERS AND MISSION EQUIPMENT.

(a) MH–60R HELICOPTER.—Subject to subsection (c), the Secretary of the Army, acting as executive agent for the Department of the Navy, may enter into a multiyear contract for the procurement of 144 MH–60R helicopters.

(b) MH–60R HELICOPTER MISSION EQUIPMENT.—Subject to subsection (c), the Secretary of the Army, acting as executive agent for the Department of the Navy, may enter into a multiyear contract for the procurement of MH–60R helicopter mission equipment for the helicopters covered by a multiyear contract under subsection (a).

(c) CONTRACT REQUIREMENTS.—Any multiyear contract under this section—

(1) shall be entered into in accordance with section 2306b of title 10, United States Code, and shall commence with the fiscal year 2007 program year; and

(2) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose.

(d) COST LIMITATION.—The combined value for the contracts authorized by subsections (a) and (b) may not exceed $2,600,000,000, and the average unit cost per helicopter under those contracts may not exceed $37,790,000.

SEC. 113. FUNDING PROFILE FOR MODULAR FORCE INITIATIVE OF THE ARMY.

The Secretary of the Army shall set forth in the budget presentation materials of the Army submitted to Congress in support of the President's budget for any fiscal year after fiscal year 2007, and in other relevant materials submitted to Congress with respect to the budget of the Army for any such fiscal year, all amounts for procurement for the M1A2 Abrams tank System Enhancement Program (SEP) and for the Bradley A3 fighting vehicle as elements within the amounts requested for the Modular Force Initiative of the Army, in accordance with the report of the Army titled "The Army Modular Force Initiative", submitted to Congress in March 2006.

SEC. 114. BRIDGE TO FUTURE NETWORKS PROGRAM.

(a) LIMITATION ON FISCAL YEAR 2007 AMOUNT.—Of the amount authorized to be appropriated for the Army for fiscal year 2007 for Other Procurement, Army, that is available for the program of the Army designated as the Bridge to Future Networks, not more than 70 percent shall be made available for obligation until the Secretary of the

Army submits to the congressional defense committees a report on that program that includes the matters specified in subsection (b).

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include the following:

(1) An analysis of how the Joint Network Node (JNN) element of the Bridge to Future Networks program and the Warfighter Information Network-Tactical (WIN–T) program will fit together, including an analysis of whether there are opportunities to leverage technologies and equipment from the Joint Network Node program as part of the development of the Warfighter Information Network-Tactical program.

(2) A description of the extent to which components of the Joint Network Node and the Warfighter Information Network-Tactical programs could be used together as elements of a single tactical network.

(3) A description of the strategy of the Army for completing the systems engineering necessary to ensure the end-to-end interoperability of a single tactical network referred to in paragraph (2).

Subtitle C—Navy Programs

SEC. 121. ATTACK SUBMARINE FORCE STRUCTURE.

Section 5062 of title 10, United States Code, is amended—

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

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

"(c) The naval combat forces of the Navy shall include not less than 48 operational attack submarines. For purposes of this subsection, an operational attack submarine includes an attack submarine that is temporarily unavailable for worldwide deployment due to routine or scheduled maintenance or repair.".

SEC. 122. ADHERENCE TO NAVY COST ESTIMATES FOR CVN–21 CLASS OF AIRCRAFT CARRIERS.

(a) LIMITATION.—

(1) LEAD SHIP.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the aircraft carrier designated as CVN–21 may not exceed $10,500,000,000 (as adjusted pursuant to subsection (b)).

(2) FOLLOW-ON SHIPS.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the construction of any ship that is constructed in the

CVN–21 class of aircraft carriers after the lead ship of that class may not exceed $8,100,000,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed in the CVN–21 class of aircraft carriers by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined in the approved acquisition program baseline estimate of December 2005.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the

amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget

request for the year of procurement of the first ship referred to in subsection (a).

SEC. 123. ADHERENCE TO NAVY COST ESTIMATES FOR LHA REPLACEMENT AMPHIBIOUS ASSAULT SHIP PROGRAM.

(a) LIMITATION.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for procurement of any ship that is constructed under the LHA Replacement (LHA(R)) amphibious assault ship program may not exceed $2,813,600,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed under the LHA Replacement amphibious assault ship program by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined at the development stage referred to as Milestone B.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 124. ADHERENCE TO NAVY COST ESTIMATES FOR SAN ANTONIO (LPD–17) CLASS AMPHIBIOUS SHIP PROGRAM.

(a) LIMITATION.—

(1) PROCUREMENT COST.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the San Antonio-class amphibious ships designated as LPD–18, LPD–19, LPD–20, LPD–21, LPD–22, LPD–23, LPD–24, and LPD–25 may not exceed the amount for each such vessel specified in paragraph

(2) (those specified amounts being the estimated total procurement end cost of those vessels, respectively, in the fiscal year 2007 budget):

(2) SPECIFIED COST LIMIT BY VESSEL.—The limitation under this subsection for each vessel specified in paragraph (1) is the following:

(A) For the LPD–18 ship, $1,111,310,000 (as adjusted pursuant to subsection (b)).

(B) For the LPD–19 ship, $1,137,400,000 (as adjusted pursuant to subsection (b)).

(C) For the LPD–20 ship, $1,004,600,000 (as adjusted pursuant to subsection (b)).

(D) For the LPD–21 ship, $1,126,966,000 (as adjusted pursuant to subsection (b)).

(E) For the LPD–22 ship, $1,246,736,000 (as adjusted pursuant to subsection (b)).

(F) For the LPD–23 ship, $1,191,230,000 (as adjusted pursuant to subsection (b)).

(G) For the LPD–24 ship, $1,333,001,000 (as adjusted pursuant to subsection (b)).

(H) For the LPD–25 ship, $1,671,800,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNTS.—The Secretary of the Navy may adjust the amount set forth in sub-

section (a) for any ship specified in that subsection by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology built into the U.S.S. San Antonio (LPD–17), the lead ship of the LPD–17 class.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for any LPD–17 class ship with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the

new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 125. MULTIYEAR PROCUREMENT AUTHORITY FOR V–22 TILTROTOR AIRCRAFT PROGRAM.

The Secretary of the Navy, in accordance with section 2306b of title 10, United States Code, and acting as executive agent for the Secretary of the Air Force and the commander of the United States Special Operations Command, may enter into a multiyear contract, beginning with the fiscal year 2008 program year, for procurement of V–22 tiltrotor aircraft. The total number of aircraft procured through a multiyear contract under this section may not exceed 211, of which not more than 185 may be in the MV–22 configuration and not more than 26 may be in the CV–22 configuration.

SEC. 126. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) IN GENERAL.—

(1) QUALITY CONTROL POLICY.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7317. Ship critical safety items and related services: quality control in procurement

"(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of—

"(1) ship critical safety items; and

"(2) modifications, repair, and overhaul of ship critical safety items.

"(b) CONTENT OF REGULATIONS.—The policy set forth in the regulations under subsection (a) shall include the following requirements:

"(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of ship critical safety items.

"(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source that is on a qualified manufacturers list or is approved by the design control activity in accordance with section 2319 of this title.

"(3) That the ship critical safety items delivered, and the services performed with respect to ship critical safety items, meet all technical and quality requirements specified by the design control activity.

"(c) DEFINITIONS.—In this section:

"(1) The term 'ship critical safety item' means any part, assembly, or support equipment of a vessel that contains a critical characteristic the failure, malfunction, or absence of which may cause a cata-

strophic or critical failure resulting in loss or serious damage to the vessel or unacceptable risk of personal injury or loss of life.

"(2) The term 'design control activity', with respect to a ship critical safety item, means the systems command of a military department that is specifically responsible for ensuring the seaworthiness of a ship system or equipment in which the item is to be used.".

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

"7317. Ship critical safety items and related services: quality control in procurement.".

(b) CONFORMING AMENDMENTS.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting "or ship critical safety item" after "aviation critical safety item"; and

(2) In subsection (g)—

(A) by redesignating paragraph (2) as paragraph (3);

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

"(2) The term 'ship critical safety item' has the meaning given that term in section 7317(c) of this title."; and

(C) in paragraph (3) (as redesignated)—

(i) by inserting "or a ship critical safety item" after "aviation critical safety item" the first place it appears; and

(ii) by inserting ", or the seaworthiness of a ship system or equipment," after "equipment".

SEC. 127. DD(X) NEXT-GENERATION DESTROYER PROGRAM.

(a) FUNDING AUTHORIZED.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 is available for the DD(X) Next-Generation Destroyer program.

(b) CONTRACT AUTHORITY.—The Secretary of the Navy may enter into two contracts during fiscal year 2007 for the DD(X) Next-Generation Destroyer program. The contracts shall be entered into with two different shipbuilders. One such contract shall provide for procurement of a DD(X) Next-Generation destroyer, including detail design and construction. The other contract shall provide only for detail design of a DD(X) Next-Generation destroyer. The two contracts shall be awarded simultaneously.

SEC. 128. SENSE OF CONGRESS THAT THE NAVY MAKE GREATER USE OF NUCLEAR-POWERED PROPULSION SYSTEMS IN ITS FUTURE FLEET OF SURFACE COMBATANTS.

(a) FINDINGS.—Congress makes the following findings:

(1) Securing and maintaining access to affordable and plentiful sources of energy is a vital national security interest for the United States.

(2) The Nation's dependence upon foreign oil is a threat to national security due to the inherently volatile nature of the global oil market and the political instability of some of the world's largest oil producing states.

(3) Given the recent increase in the cost of crude oil, which cannot realistically be expected to improve over the long term, other energy sources must be seriously considered.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the Navy should make greater use of alternative technologies, including nuclear power, as a means of vessel propulsion for its future fleet of surface combatants.

Subtitle D—Air Force Programs

SEC. 131. REQUIREMENT FOR B–52 FORCE STRUCTURE.

(a) REQUIREMENT.—Before the date specified in subsection (b), the Secretary of the Air Force—

(1) may not retire any B–52 aircraft, other than the aircraft with tail number 61–0025; and

(2) shall maintain not less than 44 such aircraft as combat-coded aircraft.

(b) TERMINATION.—For purposes of subsection (a), the date specified in this subsection is the earlier of—

(1) January 1, 2018; and

(2) the date as of which a long-range strike replacement aircraft with equal or greater capability than the B–52H model aircraft has attained initial operational capability status.

SEC. 132. STRATEGIC AIRLIFT FORCE STRUCTURE.

(a) REQUIRED FORCE STRUCTURE.—

(1) MINIMUM NUMBER OF AIRCRAFT.—Effective October 1, 2008, the Secretary of the Air Force shall maintain a total aircraft inventory of strategic airlift aircraft of not less than 299 aircraft.

(2) DEFINITIONS.—For purposes of this subsection:

(A) The term "strategic airlift aircraft" means an aircraft that has a cargo capacity of at least 150,000 pounds and that is capable of transporting outsized cargo an unrefueled range of at least 2,400 nautical miles.

(B) The term "outsized cargo" means any single item of equipment that exceeds 1,090 inches in length, 117 inches in width, or 105 inches in height.

(b) REPEAL OF LIMITATION ON RETIREMENT OF C–5 AIRCRAFT.—Section 132 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1411) is repealed.

SEC. 133. LIMITATION ON RETIREMENT OF U–2 AIRCRAFT.

(a) FISCAL YEAR 2007.— The Secretary of the Air Force may not retire any U–2 aircraft of the Air Force in fiscal year 2007.

(b) YEARS AFTER FISCAL YEAR 2007.—After fiscal year 2007, the Secretary of the Air Force may retire a U–2 aircraft only if the Secretary of Defense certifies to Congress that the U–2 intelligence, surveillance, and reconnaissance (ISR) capability provided by the U–2 aircraft no longer contributes to mitigating any gaps in ISR capabilities identified in the 2006 Quadrennial Defense Review. No action may be taken by the Department of Defense to retire (or to prepare to retire) any U–2 aircraft—

(1) before such a certification is submitted to Congress; or

(2) during the 60-day period beginning on the date on which such a certification is submitted.

SEC. 134. MULTIYEAR PROCUREMENT AUTHORITY FOR F–22A RAPTOR FIGHTER AIRCRAFT.

(a) MULTIYEAR AUTHORITY.—The Secretary of the Air Force may enter into a multiyear contract for the procurement of up to 60 F–22A Raptor fighter aircraft beginning with the 2007 program year,

(b) COMPLIANCE WITH LAW APPLICABLE TO MULTIYEAR CONTRACTS.—A contract under subsection (a) for the procurement of F–22A aircraft shall be entered into in accordance with section 2306b of title 10, United States Code, except that, notwithstanding subsection (k) of that section, such a contract may not be for a period in excess of three program years.

(c) REQUIRED CERTIFICATIONS.—In the case of a contract under subsection (a) for the procurement of F–22A aircraft, a certification under subsection (i)(1)(A) of section 2306b of title 10, United States Code, with respect to that contract may only be submitted if the certification includes an additional certification that each of the conditions specified in subsection (a) of that section has been satisfied with respect to that contract.

(d) NOTICE-AND-WAIT REQUIREMENT.—Upon submission to Congress of a certification referred to in subsection (c) with respect to a proposed contract under subsection (a) for the procurement of F–22A aircraft, the contract may

then be entered into only after a period of 30 days has elapsed after the date of the submission of the certification.

SEC. 135. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of KC–135E aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 29.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each KC–135E aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service in the Air Force Reserve, Air National Guard, or active forces aerial refueling force structure.

SEC. 136. LIMITATION ON RETIREMENT OF F–117A AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of F–117A aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 10.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each F–117A aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Alternate engine for Joint Strike Fighter.
Sec. 212. Extension of authority to award prizes for advanced technology achievements.
Sec. 213. Extension of Defense Acquisition Challenge Program.
Sec. 214. Future Combat Systems milestone review.
Sec. 215. Independent cost analyses for Joint Strike Fighter engine program.
Sec. 216. Dedicated amounts for implementing or evaluating DD(X) and CVN–21 proposals under Defense Acquisition Challenge Program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Fielding of ballistic missile defense capabilities.
Sec. 222. Limitation on use of funds for space-based interceptor.

Subtitle D—Other Matters

Sec. 231. Review of test and evaluation policies and practices to address emerging acquisition approaches.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $10,932,209,000.

(2) For the Navy, $17,377,769,000.

(3) For the Air Force, $24,810,041,000.

(4) For Defense-wide activities, $20,944,559,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2007.—Of the amounts authorized to be appropriated by section 201, $11,735,555,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research, applied research, and advanced technology development" means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. ALTERNATE ENGINE FOR JOINT STRIKE FIGHTER.

Of the funds authorized to be appropriated for the Departments of the Navy and Air Force for the system development and demonstration program for the Joint Strike Fighter, not less than $408,000,000 shall be obligated for

continued development of an alternate engine for the Joint Strike Fighter.

SEC. 212. EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

Section 2374a(f) of title 10, United States Code, is amended by striking "September 30, 2007" and inserting "September 30, 2010".

SEC. 213. EXTENSION OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) EXTENSION.—Section 2359b of title 10, United States Code, is amended by striking subsection (j).

(b) CONFIDENTIALITY.—Such section is further amended in subsection (g)—

(1) by amending the heading to read as follows: "CONFLICTS OF INTEREST AND CONFIDENTIALITY.—"; and

(2) by inserting before the period at the end the following: "and that the identity of any person or activity submitting a challenge proposal is not disclosed outside the Federal Government without the consent of the person or activity".

SEC. 214. FUTURE COMBAT SYSTEMS MILESTONE REVIEW.

(a) MILESTONE REVIEW REQUIRED.—After the preliminary design review of the Future Combat Systems pro-

gram, but in no event later than the end of fiscal year 2008, the Secretary of Defense shall carry out a Defense Acquisition Board milestone review of the Future Combat Systems program. The milestone review shall include an assessment as to each of the following:

(1) Whether the warfighter's needs are valid and can be best met with the concept of the program.

(2) Whether the concept of the program can be developed and produced within existing resources.

(3) Whether the program should continue.

(b) DETERMINATIONS TO BE MADE IN ASSESSING WHETHER PROGRAM SHOULD CONTINUE.—In making the assessment required by subsection (a)(3), the Secretary shall make a determination with respect to each of the following:

(1) Whether each critical technology for the program is at least Technical Readiness Level 6.

(2) For each system and network component of the program, what the key design and technology risks are, based on System Functional Reviews, Preliminary Design Reviews, and Technical Readiness Levels.

(3) Whether actual demonstrations, rather than simulations, have shown that the concept of the program will work.

(4) Whether actual demonstrations, rather than plans, have shown that the software for the program is functional.

(5) What the cost estimate for the program is.

(6) What the affordability assessment for the program is, based on that cost estimate.

(c) REPORT.—The Secretary shall submit to the congressional defense committees a report on the findings and conclusions of the milestone review required by subsection (a). The report shall include, and display, each of the assessments required by subsection (a) and each of the determinations required by subsection (b).

(d) RESTRICTION ON FUNDS EFFECTIVE FISCAL 2009.—For fiscal years beginning with 2009, the Secretary may not obligate any funds for the Future Combat Systems program until after the report required by subsection (c) is submitted.

SEC. 215. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) INDEPENDENT COST ANALYSES.—A comprehensive and detailed cost analysis of the Joint Strike Fighter engine program shall be independently performed by the Comptroller General and by the Secretary of Defense, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense. The cost analysis shall cover—

(1) an alternative under which the aircraft are capable of using the F135 engine only;

(2) an alternative under which the aircraft are capable of using either the F135 engine or the F136 engine, and is carried out on a competitive basis; and

(3) any other alternative, whether competitive or sole source, that would reduce total life-cycle cost, improve program schedule, or both.

(b) REPORTS.—Not later than March 15, 2007, each official specified in subsection (a) shall independently submit to the congressional defense committees a report on the cost analysis carried out by that official under subsection (a). Each report shall include each of the following matters:

(1) The key assumptions used in carrying out the cost analysis.

(2) The methodology and techniques used in carrying out the cost analysis.

(3) For each alternative under subsection (a)—

(A) a comparison of the life-cycle costs, including costs in current and constant collars and a net-present-value analysis; and

(B) estimates of—

(i) supply, maintenance, and other operations manpower required to support the alternative;

(ii) the number of flight hours required to achieve engine maturity and in what year that is expected to be achieved; and

(iii) the total number of engines expected to be procured over the lifetime of the Joint Strike Fighter program.

(4) The acquisition strategies that were used for, and the experience with respect to cost, schedule, and performance under past acquisition programs for engines for tactical fighter aircraft, including the F–15, F–16, F–18, and F–22.

(5) A comparison of the experiences under past engine acquisition programs carried out on a sole-source basis, and those carried out on a competitive basis, with respect to performance, savings, maintainability, reliability, and technical innovation.

(6) Conclusions and recommendations.

(c) CERTIFICATION BY COMPTROLLER GENERAL.—In submitting the report required by subsection (b), the Comptroller General shall also submit a certification as to whether the Comptroller General had access to sufficient information to enable the Comptroller General to make informed judgments on the matters required to be included in the report.

(d) LIFE-CYCLE COSTS DEFINED.—In this section, the term "life-cycle costs" includes those elements of cost that would be considered for a life-cycle cost analysis for a major defense acquisition program, such as procurement of engines, procurement of spare engines, and procurement of engine components and parts, and also includes good-faith estimates of routine engine costs, such as performance upgrades and component improvement, that historically have occurred in tactical fighter engine programs.

SEC. 216. DEDICATED AMOUNTS FOR IMPLEMENTING OR EVALUATING DD(X) AND CVN–21 PROPOSALS UNDER DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) AMOUNTS REQUIRED.—Of the amounts appropriated pursuant to the authorization of appropriations in section 201(4) for research, development, test, and evaluation, Defense-wide, $4,000,000 shall be available only to implement or evaluate challenge proposals specified in subsection (b).

(b) CHALLENGE PROPOSALS COVERED.—A challenge proposal referred to in subsection (a) is a proposal under the Defense Acquisition Challenge Program established by section 2359b of title 10, United States Code, that relates to—

(1) the DD(X) next-generation destroyer program; or

(2) the CVN–21 next-generation aircraft carrier program.

Subtitle C—Ballistic Missile Defense

SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal years 2007 and 2008 for research, development, test, and evaluation for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 222. LIMITATION ON USE OF FUNDS FOR SPACE-BASED INTERCEPTOR.

(a) LIMITATION.—No funds appropriated or other wise made available to the Department of Defense may be obligated or expended for the testing or deployment of a space-based interceptor until 90 days after the date on which a report described in subsection (c) is submitted.

(b) SPACE-BASED INTERCEPTOR DEFINED.—For purposes of this section, the term "space-based interceptor" means a kinetic or directed energy weapon that is stationed on a satellite or orbiting platform and that is intended to

destroy another satellite in orbit or a ballistic missile launched from earth.

(c) REPORT.—A report described in this subsection is a report prepared by the Director of the Missile Defense Agency and submitted to the congressional defense committees containing the following:

(1) A description of the essential components of a proposed space-based interceptor system, including a description of how the system proposed would enhance or complement other missile defense systems.

(2) An estimate of the acquisition and life-cycle cost of the system described under paragraph (1), including lift cost and periodic replacement cost due to depreciation and attrition.

(3) An analysis of the vulnerability of such a system to counter-measures, including direct ascent and co-orbital interceptors, and an analysis of the functionality of such a system in the aftermath of a nuclear detonation in space.

(4) A projection of the foreign policy and national security implications of a space-based interceptor program, including the probable response of United States adversaries and United States allies.

Subtitle D—Other Matters

SEC. 231. REVIEW OF TEST AND EVALUATION POLICIES AND PRACTICES TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REVISION TO REPORT REQUIREMENT.—Section 2399(b)(2)(B) of title 10, United States Code, is amended by striking "tested are effective and suitable for combat" and inserting the following: "tested—

"(i) are effective and suitable for combat in accordance with the users' standards for effectiveness and suitability as reflected in the requirements process; or

"(ii) are operationally acceptable under certain restricted conditions, as delineated by the Director.".

(b) REVIEW OF TEST AND EVALUATION POLICIES.—

(1) IN GENERAL.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Director of Operational Test and Evaluation and the Director of the Defense Test Resource Management Center, shall conduct a review of test and evaluation policies and practices of the Department of Defense and issue such new or revised guidance as may be necessary to address emerging acquisition approaches.

(2) ISSUES TO BE ADDRESSED.—The issues to be addressed by the Under Secretary in the review under paragraph (1) shall include, at a minimum, appropriate polices and practices for—

(A) ensuring the adequacy and the expediency of test and evaluation activities with regard to—

(i) items that are acquired pursuant to the rapid acquisition authority in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(ii) programs that are conducted pursuant to the spiral development authority in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2430 note) (or other authority for the conduct of incremental acquisition programs) ;

(iii) systems that are acquired pursuant to other emerging acquisition approaches, as approved by the Under Secretary; and

(iv) materiel that is not subject to the operational test and evaluation require-

ments in sections 2366 and 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purposes of ensuring the safety and realistic survivability of the materiel and the personnel using the materiel; and

(B) the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for purposes of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(c) INCLUSION OF TESTING NEEDS IN STRATEGIC PLAN.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources required by section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified in the review under paragraph (1); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall

1 *submit to the congressional defense committees a report on*
2 *the review conducted, and any new or revised guidance*
3 *issued, pursuant to subsection (b).*

4 TITLE III—OPERATION AND 5 MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Other Department of Defense Programs.

Subtitle B—Environmental Provisions

Sec. 311. Revision of requirement for unexploded ordnance program manager.
Sec. 312. Identification and monitoring of military munitions disposal sites in ocean waters extending from United States coast to outer boundary of outer Continental Shelf.
Sec. 313. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
Sec. 314. Funding of cooperative agreements under environmental restoration program.
Sec. 315. Analysis and report regarding contamination and remediation responsibility for Norwalk Defense Fuel Supply Point, Norwalk, California.

Subtitle C—Workplace and Depot Issues

Sec. 321. Extension of exclusion of certain expenditures from percentage limitation on contracting for depot-level maintenance.
Sec. 322. Minimum capital investment for Air Force depots.
Sec. 323. Extension of temporary authority for contractor performance of security guard functions.

Subtitle D—Reports

Sec. 331. Report on Nuclear Attack Submarine Depot Maintenance.
Sec. 332. Report on Navy Fleet Response Plan.
Sec. 333. Report on Navy surface ship rotational crew programs.
Sec. 334. Report on Army live-fire ranges in Hawaii.
Sec. 335. Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations.
Sec. 336. Report on Personnel Security Investigations for Industry and National Industrial Security Program.

Subtitle E—Other Matters

Sec. 341. Department of Defense strategic policy on prepositioning of materiel and equipment.
Sec. 342. Authority to make Department of Defense horses available for adoption at end of useful working life.

Sec. 343. Sale and use of proceeds of recyclable munitions materials.
Sec. 344. Capital security cost sharing.
Sec. 345. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.
Sec. 346. Prioritization of funds within Army reconstitution and transformation.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,920,735,000.

(2) For the Navy, $31,089,075,000.

(3) For the Marine Corps, $3,974,081,000.

(4) For the Air Force, $31,098,957,000.

(5) For Defense-wide activities, $19,876,763,000.

(6) For the Army Reserve, $2,300,102,000.

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

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

(9) For the Air Force Reserve, $2,723,800,000.

(10) For the Army National Guard, $5,089,565,000.

(11) For the Air National Guard, $5,336,017,000.

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

(13) For Environmental Restoration, Army, $413,794,000.

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

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

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

(17) For Environmental Restoration, Formerly Used Defense Sites, $242,790,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $63,204,000.

(19) For Cooperative Threat Reduction programs, $372,128,000.

(20) For the Overseas Contingency Operations Transfer Fund, $10,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, $180,498,000.

(2) For the National Defense Sealift Fund, $1,138,732,000.

(3) For the Defense Working Capital Fund, Defense Commissary, $1,184,000,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, in the amount of $21,226,521,000, of which—

(1) $20,699,563,000 is for Operation and Maintenance;

(2) $130,603,000 is for Research, Development, Test, and Evaluation; and

(3) $396,355,000 is for Procurement.

(b) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, in the amount of $926,890,000.

(c) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the De-

partment of Defense, in the amount of $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance;

(2) $1,400,000 is for Procurement; and

(3) $0 is for Research, Development, Test, and Evaluation.

Subtitle B—Environmental Provisions

SEC. 311. REVISION OF REQUIREMENT FOR UNEXPLODED ORDNANCE PROGRAM MANAGER.

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

(1) in paragraph (1)—

(A) by striking "establish" and inserting "designate";

(B) by inserting "research," after "characterization,"; and

(C) by adding at the end the following: "The position of program manager shall be filled by—

"(A) in the case of an employee, an employee in a position that is equivalent to pay grade O–6 or above; or

"(B) in the case of a member of the armed forces, a commissioned officer of the Army, Navy, Air Force, or Marine Corps who is serving in the grade of colonel, or in the case of the Navy, captain, or a higher grade."; and

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

"(2) The program manager shall report to the Deputy Under Secretary of Defense for Installations and Environment.".

SEC. 312. IDENTIFICATION AND MONITORING OF MILITARY MUNITIONS DISPOSAL SITES IN OCEAN WATERS EXTENDING FROM UNITED STATES COAST TO OUTER BOUNDARY OF OUTER CONTINENTAL SHELF.

(a) IDENTIFICATION OF MILITARY MUNITIONS DISPOSAL SITES.—

(1) REVIEW OF HISTORICAL RECORDS.—The Secretary of Defense shall conduct a review of historical records to determine—

(A) the number and probable locations of sites where the Armed Forces disposed of military munitions within covered United States ocean waters;

(B) the size of the disposal sites; and

(C) the types and quantities of military munitions disposed of at the sites.

(2) COOPERATION.—The Secretary shall request the assistance of the Coast Guard, the National Oceanic and Atmospheric Administration, and other relevant Federal agencies in conducting the review required by this subsection.

(3) RELEASE OF INFORMATION.—The Secretary shall periodically release, but no less often than annually, information obtained during the review conducted under this subsection. The Secretary may withhold from public release information about the exact nature and location of a disposal site if the Secretary determines that the potential unauthorized retrieval of military munitions at the site could pose a significant threat to national defense or public safety.

(4) REPORTING REQUIREMENTS.—The Secretary shall include the information obtained during a year through the review conducted under this subsection in the report submitted to Congress under section 2706(a) of title 10, United States Code, for the same year.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) INFORMATION FOR NAUTICAL CHARTS AND OTHER NAVIGATIONAL MATERIALS.—The Secretary shall share information obtained through the review conducted under subsection (a) with the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for covered United States ocean waters to identify known or probable hazards from disposed military munitions.

(2) INFORMATION FOR USERS.—The Secretary shall continue activities to inform potentially affected users of the ocean environment, and particularly fishing operations, of the possible hazards from contact with military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary shall conduct research on the effects of military munitions disposed of in covered United States ocean waters.

(2) SPECIFIED RESEARCH EFFORTS.—The research conducted under this subsection shall include the following:

(A) The sampling and analysis of ocean waters and seabeds at or adjacent to the military

munitions disposal sites selected by the Secretary under paragraph (4).

(B) The investigation into the long-term effects of seawater exposure on military munitions, particularly chemical munitions.

(C) The development of effective safety measures when dealing with military munitions disposed of in seawater.

(3) RESEARCH METHODS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities, as determined by the Secretary.

(4) RESEARCH LOCATIONS.—In conducting research under this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at reasonably representative sites applying factors such as depth, water temperature, nature of the military munitions present, and relative proximity to shore populations. The Secretary shall select at least two representative sites from each of the following areas:

(A) Along the Atlantic coast.

(B) Along the Pacific coast (including the coast of Alaska).

(C) Off the shore of the Hawaiian Islands.

(d) MONITORING.—If research conducted under subsection (c) at a military munitions disposal site indicates that the disposed military munitions have caused or may be causing contamination of ocean waters or seabeds, the Secretary shall institute appropriate monitoring mechanisms at that site to recognize and track the potential release of contamination into the ocean waters from military munitions.

(e) DEFINITIONS.—In this Act:

(1) The term "coast line" has the same meaning given that term in section 2 of the Submerged Lands Act (43 U.S.C. 1301).

(2) The term "covered United States ocean waters" means that part of the ocean extending from the coast line to the outer boundary of the outer Continental Shelf.

(3) The term "military munitions" has the same meaning given that term in section 101(e) of title 10, United States Code.

(4) The term "outer Continental Shelf" has the same meaning given that term in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(5) The term "Secretary" means the Secretary of Defense.

SEC. 313. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account to reimburse the Environmental Protection Agency for the costs incurred by the Environmental Protection Agency in overseeing a remedial investigation and feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Wellfield Superfund Site, Moses Lake, Washington. This reimbursement is provided for in the March 1999 interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Wellfield Superfund Site.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

SEC. 314. FUNDING OF COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: "This two-year limitation does not apply to an agreement funded using amounts in the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established under sections 2906 and 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

SEC. 315. ANALYSIS AND REPORT REGARDING CONTAMINATION AND REMEDIATION RESPONSIBILITY FOR NORWALK DEFENSE FUEL SUPPLY POINT, NORWALK, CALIFORNIA.

(a) ANALYSIS REQUIRED.—The Secretary of the Air Force shall conduct a comprehensive analysis on the contamination and remediation costs of the Norwalk Defense Fuel Supply Point in Norwalk, California. As part of the analysis, the Secretary shall—

(1) characterize the contamination at the Norwalk Defense Fuel Supply Point;

(2) prepare a plan for the remediation of the Norwalk Defense Fuel Supply Point;

(3) prepare an estimate of anticipated costs to responsible parties;

(4) prepare a timeline for implementation and completion of the remediation at the Norwalk Defense Fuel Supply Point;

(5) describe the status of efforts to reach an allocation agreement of responsibility for remediation of the Norwalk Defense Fuel Supply Point with all entities that have contributed to the contamination of the property; and

(6) prepare a plan for removal or conveyance of infrastructure at the Norwalk Defense Fuel Supply Point, including costs and responsibility for those costs of elements of that plan.

(b) REPORT REQUIRED.—Not later than January 30, 2007, the Secretary shall submit to Congress a report containing the results of the analysis conducted under subsection (a) and addressing each of the matters specified in paragraphs (1) through (6) of such subsection.

(c) CONVEYANCE REQUIREMENTS.—The Secretary shall not convey property by public auction at the Norwalk Defense Fuel Supply Point before such time as the Secretary has—

(1) pursued a fair market transfer of the property to the City of Norwalk, California, taking into consideration all contamination of the property;

(2) submitted the report required by subsection (b); and

(3) submitted an additional report to Congress explaining the efforts undertaken by the Secretary to reach agreement with the City on the sale of the property, including the reasons that those efforts were not successful, and 30-days have elapsed after this report is submitted.

Subtitle C—Workplace and Depot Issues

SEC. 321. EXTENSION OF EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE LIMITATION ON CONTRACTING FOR DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking "fiscal years 2003 through 2009" and inserting "fiscal years 2003 through 2014".

SEC. 322. MINIMUM CAPITAL INVESTMENT FOR AIR FORCE DEPOTS.

(a) INVESTMENT REQUIRED.—Chapter 803 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8025. Minimum capital investment in Air Force depots

"(a) MINIMUM INVESTMENT REQUIREMENT.—Each fiscal year, the Secretary of the Air Force shall invest in the capital budgets of the depots of the Air Force a total amount equal to not less than six percent of the total combined revenue of all the depots of the Air Force for the preceding fiscal year.

"(b) WAIVER.—The Secretary of the Air Force may waive the requirement under subsection (a) if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees.".

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

"8025. Minimum capital investment for Air Force depots.".

(c) EFFECTIVE DATE.—Section 8025 of title 10, United States Code, shall apply with respect to fiscal years beginning after the date of the enactment of this Act.

SEC. 323. EXTENSION OF TEMPORARY AUTHORITY FOR CONTRACTOR PERFORMANCE OF SECURITY GUARD FUNCTIONS.

(a) ONE-YEAR EXTENSION.—Section 332(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) is amended by striking "Sep-

tember 30, 2007" both places it appears and inserting "September 30, 2008".

(b) REPORT ON CONTRACTOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS.—Not later than February 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, a report on contractor performance of security guard functions under section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314). The report shall include the following:

(1) An explanation of progress made toward implementing each of the seven recommendations in the Comptroller General report entitled "Contract Security Guards: Army's Guard Program Requires Greater Oversight and Reassessment of Acquisition Approach" (GAO–06–284).

(2) An assessment, taking into considerations the observations made by the GAO on the report of the Department of Defense of November 2005 that is entitled "Department of Defense Installation Security Guard Requirement Assessment and Plan", of the following:

(A) The cost-effectiveness of using contractors rather than Department of Defense employees to perform security-guard functions.

(B) The performance of contractors employed as security guards compared with the performance of military personnel who have served as security guards.

(C) Specific results of on-site visits made by officials designated by the Secretary of Defense to military installations using contractors to perform security-guard functions.

(c) CONTRACT LIMITATION.—No contract may be entered into under section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) after September 30, 2007, until the report required under subsection (b) is submitted.

Subtitle D—Reports

SEC. 331. REPORT ON NUCLEAR ATTACK SUBMARINE DEPOT MAINTENANCE.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report describing the criteria used when a nuclear attack submarine is sent to a facility other than a facility located

within 200 miles of the homeport of the submarine for maintenance described in subsection (d) when there is a public or private facility located within 200 miles of the homeport at which the maintenance required could be conducted.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An assessment of the cost of housing for the crew of the submarine.

(2) The costs associated with traveling to the homeport of the submarine for official duty.

(3) The treatment of crew time while the submarine is undergoing nondeployed maintenance work away from the homeport.

(4) An assessment of the effect that maintenance conducted away from the homeport of a submarine has on the families of the members stationed on that submarine.

(5) An analysis of the retention of officers and enlisted members stationed on the submarine.

(6) An analysis of the use of fixed maintenance crews or semi-permanent engineering crews for maintenance availabilities that exceed 13 months.

(c) RESTRICTION ON MAINTENANCE AWAY FROM HOMEPORT.—

(1) RESTRICTION.—During fiscal year 2007, the Secretary of the Navy may not conduct maintenance described in subsection (d) on a nuclear attack submarine at a facility other than a facility located within 200 miles of the homeport of that submarine if there is a public or private facility located within 200 miles of the homeport at which the maintenance required could be conducted without adversely affecting operational deployment schedules.

(2) NOTIFICATION REQUIRED.—Not later than five days before maintenance restricted under paragraph (1) is conducted due to operation deployment schedules, the Secretary of the Navy shall provide to the congressional defense committees written notice of the maintenance that is to be conducted and the justification for conducting that maintenance.

(d) COVERED MAINTENANCE.—Maintenance described in this subsection is any of the following:

(1) Maintenance referred to as selected restricted availability maintenance.

(2) Maintenance referred to as preinactivation restricted availability maintenance.

(3) Maintenance referred to as extended selected restricted availability maintenance.

(4) Maintenance referred to as interim dry dock availabilities.

SEC. 332. REPORT ON NAVY FLEET RESPONSE PLAN.

(a) REPORT REQUIRED.—Not later than December 1, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the program of the Navy referred to as the Fleet Response Plan. The report shall include the following:

(1) A directive that provides guidance for the conduct of the Plan and standardizes terms and definitions.

(2) Performance measures for evaluation of the Plan.

(3) Costs and resources needed to achieve objectives of the Plan.

(4) Operational tests, exercises, war games, experiments, and deployments used to test performance.

(5) A collection and synthesis of lessons learned from the implementation of the Plan as of the date on which the report is submitted.

(6) Evaluation of each of the following with respect to each ship participating in the Plan:

(A) Combat Readiness.

(B) Ship material condition.

(C) Number of maintenance deficiencies.

(D) Amount of maintenance accomplished while underway.

(E) Amount of maintenance accomplished at pier dockings.

(F) Number of voyage repairs during each deployment.

(G) Combat skills training requirements accomplished during a deployment and at the home station.

(H) Professional development training requirements accomplished during a deployment and at home station.

(I) Crew retention statistics.

(7) Any proposed changes to the Surface Force Training Manual.

(8) The amount of funding required to effectively implement the operations and maintenance requirements of the Plan and the effect of providing funding in an amount less than that amount.

(9) Any recommendations of the Secretary of the Navy with respect to expanding the Plan to include Expeditionary Strike Groups.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 15, 2007, the Comptroller General shall submit to

the congressional defense committees a report containing a review of the Navy report required under subsection (a). The report shall include the following:

(1) An examination of the management approaches of the Navy in implementing the Fleet Response Plan.

(2) An assessment of the adequacy of Navy directives and guidance with respect to maintenance and training requirements and procedures.

(3) An analysis and assessment of the adequacy of the Navy's test, exercises, and evaluation criteria.

(4) An evaluation of Navy data on aircraft carriers, destroyers, and cruisers that participated in the Fleet Response Plan with respect to readiness, response time, and availability for routine or unforeseen deployments.

(5) An assessment of the Navy's progress in identifying the amount of funding required to effectively implement the operations and maintenance requirements of the Fleet Response Plan and the effect of providing funding in an amount less than that amount.

(6) Any recommendations of the Comptroller General with respect to expanding the Fleet Response Plan to include Expeditionary Strike Groups.

(c) POSTPONEMENT OF EXPANSION.—The Secretary of the Navy may not expand the implementation of the Fleet Response Plan beyond the Carrier Strike Groups until October 1, 2007.

SEC. 333. REPORT ON NAVY SURFACE SHIP ROTATIONAL CREW PROGRAMS.

(a) REPORT REQUIRED.—Not later than April 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A comparison between the three destroyers participating in that experiment and destroyers not participating in the experiment that takes into consideration each of the following:

(A) Cost-effectiveness, including a comparison of travel and per diem expenses, maintenance costs, and other costs.

(B) Maintenance procedures, impacts, and deficiencies, including the number and characterization of maintenance deficiencies, the extent of voyage repairs, post-deployment assessments of the material condition of the ships, and the extent to which work levels were maintained.

(C) Mission training requirements.

(D) Professional development requirements and opportunities.

(E) Liberty port of call opportunities.

(F) Movement and transportation of crew.

(G) Inventory and property accountability.

(H) Policies and procedures for assigning billets for rotating crews.

(I) Crew retention statistics.

(J) Readiness and mission capability data.

(2) Results from surveys administered or focus groups held to obtain representative views from commanding officers, officers, and enlisted members on the effects of rotational crew experiments on quality of life, training, professional development, maintenance, mission effectiveness, and other issues.

(3) The extent to which standard policies and procedures were developed and used for participating ships.

(4) Lessons learned from the destroyer experiment.

(5) An assessment from the combatant commanders on the crew mission performance when deployed.

(6) An assessment from the commander of the Fleet Forces Command on the material condition, maintenance, and crew training of each participating ship.

(7) Any recommendations of the Secretary of the Navy with respect to the extension of the ship rotational crew experiment or the implementation of the experiment for other surface vessels.

(b) POSTPONEMENT OF IMPLEMENTATION.—The Secretary of the Navy may not begin implementation of any new surface ship rotational crew experiment or program during the period beginning on the date of the enactment of this Act and ending on October 1, 2009.

(c) TREATMENT OF EXISTING EXPERIMENTS.—

(1) DESTROYER EXPERIMENT.—Not later than January 1, 2007, the Secretary of the Navy shall terminate the existing ship rotational crew experiment involving the U.S.S. Gonzalez (DDG–66), the U.S.S. Stout (DDG–55), and the U.S.S. Laboon (DDG–58) that is known as the "sea swap".

(2) PATROL COASTAL CLASS SHIP EXPERIMENT.—The Secretary of the Navy may continue the existing ship rotational crew program that is currently in use by overseas-based Patrol Coastal class ships.

(d) COMPTROLLER GENERAL REPORT.—Not later than July 15, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A review of the report submitted by the Secretary of the Navy under subsection (a) and an assessment of the extent to which the Secretary fully addressed costs, quality of life, training, maintenance, and mission effectiveness, and other relevant issues in that report.

(2) An assessment of the extent to which the Secretary established and applied a comprehensive framework for assessing the use of ship rotational crew experiments, including formal objectives, metrics, and methodology for assessing the cost-effectiveness of such experiments.

(3) An assessment of the extent to which the Secretary established effective guidance for the use of ship rotational crew experiments.

(4) Lessons learned from recent ship rotational crew experiments and an assessment of the extent to which the Navy systematically collects and shares lessons learned.

(e) CONGRESSIONAL BUDGET OFFICE REPORT.—Not later than July 15, 2007, the Director of the Congressional Budget Office shall submit a report to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives on the long-term implications of the use of crew rotation on Navy ships on the degree of forward presence provided by Navy ships. The report shall include the following:

(1) An analysis of different approaches to crew rotation and the degree of forward presence each approach would provide.

(2) A comparison of the degree of forward presence provided by the fleet under the long-term shipbuilding plan of the Navy with and without the widespread use of crew rotation.

(3) The long-term benefits and costs of using crew rotation on Navy ships.

SEC. 334. REPORT ON ARMY LIVE-FIRE RANGES IN HAWAII.

Not later than March 1, 2007, the Secretary of the Army shall submit to Congress a report on the adequacy of the live-fire ranges of the Army in the State of Hawaii with respect to current and future training requirements. The report shall include the following:

(1) An evaluation of the capacity of the existing live-fire ranges to meet the training requirements of

the Army, including the training requirements of Stryker Brigade Combat Teams.

(2) A description of any existing plan to modify or expand any range in Hawaii for the purpose of meeting anticipated live-fire training requirements.

(3) A description of the current live-fire restrictions at the Makua Valley range and the effect of these restrictions on unit readiness.

(4) Cost and schedule estimates for the construction of new ranges or the modification of existing ranges that are necessary to support future training requirements if existing restrictions on training at the Makua Valley range remain in place.

SEC. 335. COMPTROLLER GENERAL REPORT ON JOINT STANDARDS AND PROTOCOLS FOR ACCESS CONTROL SYSTEMS AT DEPARTMENT OF DEFENSE INSTALLATIONS.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the assessment of the Comptroller General of—

(1) the extent to which consistency exists in standards, protocols, and procedures for access control across installations of the Department of Defense; and

(2) whether the establishment of joint standards and protocols for access control at such installations would be likely to—

(A) address any need of the Department identified by the Comptroller General; or

(B) improve access control across the installations by providing greater consistency and improved force protection.

(b) ISSUES TO BE ASSESSED.—In conducting the assessment required by subsection (a), the Comptroller General shall assess the extent to which each installation of the Department of Defense has or would benefit from having an access control system with the ability to—

(1) electronically check any identification card issued by any Federal agency or any State or local government within the United States, including any identification card of a visitor to the installation who is a citizen or legal resident of the United States;

(2) verify that an identification card used to obtain access to the installation was legitimately issued and has not been reported lost or stolen;

(3) check on a real-time basis all relevant watch lists maintained by the Government, including terrorist watch lists and lists of persons wanted by State, local, or Federal law enforcement authorities;

(4) maintain a log of individuals seeking access to the installation and of individuals who are denied access to the installation; and

(5) exchange information with any installation with a system that complies with the joint standards and protocols.

SEC. 336. REPORT ON PERSONNEL SECURITY INVESTIGATIONS FOR INDUSTRY AND NATIONAL INDUSTRIAL SECURITY PROGRAM.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act and every six months thereafter, the Secretary of Defense shall submit to the congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives, a report on the future requirements of the Department of Defense with respect to the Personnel Security Investigations for Industry and the National Industrial Security Program of the Defense Security Service.

(b) CONTENTS OF REPORTS.—

(1) INITIAL REPORT.—The initial report required under subsection (a) shall include each of the following:

(A) The number of personnel security clearance investigations conducted during the period beginning on October 1, 1999, and ending on September 30, 2006.

(B) The number of each type of security clearance granted during that period.

(C) The unit cost to the Department of Defense of each security clearance granted during that period.

(D) The amount of any fee or surcharge paid to the Office of Personnel Management as a result of conducting a personnel security clearance investigation.

(E) A description of the procedures used by the Secretary of Defense to estimate the number of personnel security clearance investigations to be conducted during a fiscal year.

(F) A description of any effect of delays and backlogs in the personnel security clearance investigation process on the national security of the United States.

(G) A description of any effect of delays and backlogs in the personnel security clearance investigation process on the defense industrial base assets of the United States.

(H) A plan developed by the Secretary of Defense to reduce such delays and backlogs.

(I) A plan developed by the Secretary of Defense to adequately fund the personnel security clearance investigation process.

(J) A plan developed by the Secretary of Defense to establish a more stable and effective Personnel Security Investigations Program.

(K) A plan developed by the Secretary of Defense to involve external sources, including defense contractors, in the plans of the Secretary of Defense under subparagraphs (H), (I), and (J).

(2) SUBSEQUENT REPORTS.—Each report required to be submitted under subsection (a) after the submission of the initial report shall include each of the following:

(A) The funding requirements of the personnel security clearance investigation program and ability of the Secretary of Defense to fund the program.

(B) The size of the personnel security clearance investigation process backlog.

(C) The length of the average delay for an individual case pending in the personnel security clearance investigation process.

(D) Any progress made by the Secretary of Defense during the six months preceding the date on which the report is submitted toward implementing planned changes in the personnel security clearance investigation process.

(E) A determination certified by the Secretary of Defense of whether the personnel security clearance investigation process has improved during the six months preceding the date on which the report is submitted.

(c) COMPTROLLER GENERAL REPORT.—As soon as practicable after the Secretary of Defense submits the initial report required under subsection (a), the Comptroller General shall submit a report to Congress that contains a review of such initial report.

(d) SENSE OF CONGRESS ON IMPROVING THE PERSONNEL SECURITY INVESTIGATIONS PROGRAM.—

(1) FINDINGS.—Congress finds the following:

(A) Since fiscal year 2000, the General Accountability Office has listed the Personnel Secu-

rity Investigations Program of the Department of Defense as a systemic weakness that affects more than one component of the Department and may jeopardize the operations of the Department.

(B) In 2005, the Government Accountability Office designated the Personnel Security Investigations Program as a high-risk area because delays by the Program in issuing security clearances can affect national security.

(C) In 2005, the Government Accountability Office found that the Department of Defense continues to face sizeable security clearance backlogs.

(D) The Government Accountability Office also reported in 2005 that security clearance delays increase national security risks, delay the start of classified work, hamper employers from hiring the best qualified workers, and increase the cost to the Government of national security-related contracts.

(E) These security clearance backlogs and delays continue in 2006, and have brought the security clearance program to a reported standstill.

(2) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the delays and backlogs associated with the Personnel Security Investigations Program threaten the national security of the United States and key defense industrial assets; and

(B) the Secretary of Defense should take such steps as are necessary to eliminate the backlogs of applications for security clearance and the delays associated with the security clearance application process and make systemic improvements to the Personnel Security Investigations Program.

Subtitle E—Other Matters

SEC. 341. DEPARTMENT OF DEFENSE STRATEGIC POLICY ON PREPOSITIONING OF MATERIEL AND EQUIPMENT.

(a) STRATEGIC POLICY REQUIRED.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2229. Strategic policy on prepositioning of materiel and equipment

"(a) POLICY REQUIRED.—The Secretary of Defense shall maintain a strategic policy on the programs of the Department of Defense for the prepositioning of materiel

and equipment. Such policy shall take into account national security threats, strategic mobility, and service requirements.

"(b) LIMITATION OF DIVERSION OF PREPOSITIONED MATERIEL.—The Secretary of a military department may not divert materiel or equipment from prepositioned stocks except—

"(1) in accordance with a change made by the Secretary of Defense to the policy maintained under subsection (a); or

"(2) for the purpose of supporting a contingency operation.

"(c) CONGRESSIONAL NOTIFICATION.—The Secretary of Defense may not implement or change the policy required under subsection (a) until the Secretary submits to the congressional defense committees a report describing the policy or change to the policy.".

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

"2229. Strategic policy on prepositioning of materiel and equipment.".

(c) DEADLINE FOR ESTABLISHMENT OF POLICY.—

(1) DEADLINE.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall establish the strategic policy on the programs of the Department of Defense for the

prepositioning of materiel and equipment required under section 2229 of title 10, United States Code, as added by subsection (a).

(2) LIMITATION ON DIVERSION OF PREPOSITIONED MATERIEL.—During the period beginning on the date of the enactment of this Act and ending on the date on which the Secretary of Defense submits the report required under section 2229(c) of title 10, United States Code, on the policy established under paragraph (1), the Secretary of a military department may not divert materiel or equipment from prepositioned stocks except for the purpose of supporting a contingency operation.

SEC. 342. AUTHORITY TO MAKE DEPARTMENT OF DEFENSE HORSES AVAILABLE FOR ADOPTION AT END OF USEFUL WORKING LIFE.

(a) INCLUSION OF DEPARTMENT OF DEFENSE HORSES IN EXISTING AUTHORITY.—Section 2583 of title 10, United States Code, is amended—

*(1) in the section heading, by striking "**working dogs**" and inserting "**animals**";*

(2) by striking "working" each place it appears;

(3) by striking "dog" and "dogs" each place they appear and inserting "animal" and "animals", respectively;

(4) by striking "dog's" in paragraphs (1) and (2) of subsection (a) and inserting "animal's";

(5) by striking "a dog's adoptability" in subsection (b) and inserting "the adoptability of the animal"; and

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

"(g) MILITARY ANIMAL DEFINED.—In this section, the term 'military animal' means the following:

"(1) A military working dog.

"(2) A horse owned by the Department of Defense.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 153 of such title is amended to read as follows:

"2583. Military animals: transfer and adoption at end of useful working life.".

SEC. 343. SALE AND USE OF PROCEEDS OF RECYCLABLE MUNITIONS MATERIALS.

(a) ESTABLISHMENT OF PROGRAM.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4690. Recyclable munitions materials: sale; use of proceeds

"(a) AUTHORITY FOR PROGRAM.—Notwithstanding section 2577 of this title, the Secretary of the Army may carry out a program to sell recyclable munitions materials

resulting from the demilitarization of conventional military munitions without regard to chapter 5 of title 40 and use any proceeds in accordance with subsection (c).

"(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell recyclable munitions materials under this section in accordance with Federal procurement laws and regulations.

"(c) PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under this section shall be credited to an account that is specified as being for Army ammunition demilitarization from funds made available for the procurement of ammunition, to be available only for reclamation, recycling, and reuse of conventional military munitions (including research and development and equipment purchased for such purpose).

"(2) Amounts credited under this subsection shall be available for obligation for the fiscal year during which the funds are so credited and for three subsequent fiscal years.

"(d) REGULATIONS.—The Secretary shall prescribe regulations to carry out the program established under this section. Such regulations shall be consistent and in compliance with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and the regulations implementing that Act.".

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

"4690. Recyclable munitions materials: sale; use of proceeds.".

SEC. 344. CAPITAL SECURITY COST SHARING.

(a) RECONCILIATION REQUIRED.—For each fiscal year, the Secretary of Defense shall reconcile (1) the estimate of overseas presence of the Secretary of Defense under subsection (b) for that fiscal year, with (2) the determination of the Secretary of State under section 604(e)(1) of the Secure Embassy Construction and Counterterrorism Act of 1999 (22 U.S.C. 4865 note) of the total overseas presence of the Department of Defense for that fiscal year.

(b) ANNUAL ESTIMATE OF OVERSEAS PRESENCE.—Not later than February 1 of each year, the Secretary of Defense shall submit to the congressional defense committees an estimate of the total number of Department of Defense overseas personnel subject to chief of mission authority pursuant to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) during the fiscal year that begins on October 1 of that year.

SEC. 345. PRIORITIZATION OF FUNDS WITHIN NAVY MISSION OPERATIONS, SHIP MAINTENANCE, COMBAT SUPPORT FORCES, AND WEAPONS SYSTEM SUPPORT.

(a) IN GENERAL.—The Secretary of the Navy shall take such steps as necessary through the planning, programming, budgeting, and execution systems of the Department of the Navy to ensure that financial resources are provided for each fiscal year as necessary to enable the Navy to fund the following requirements of the Navy for that fiscal year:

(1) 100 percent of the requirements for steaming days per quarter for deployed ship operations.

(2) 100 percent of the requirements for steaming days per quarter for non-deployed ship operations.

(3) 100 percent of the projected ship and air depot maintenance.

(b) LIMITATION OF FUNDS FOR NAVY EXPEDITIONARY COMBAT COMMAND.—Of the funds appropriated for the Department of Navy for any fiscal year after fiscal year 2006, no operation and maintenance funds may be expended for the Navy Expeditionary Combat Command until the funding priorities in subsection (a) are met for that fiscal year.

(c) ANNUAL REPORT.—The Secretary of Navy shall submit to the congressional defense committees an annual report, to be submitted each year with the annual operation and maintenance justification of estimates material for the

next fiscal year, that certifies that the requirements in subsection (a) are satisfied for the fiscal year for which that material is submitted.

SEC. 346. PRIORITIZATION OF FUNDS WITHIN ARMY RECONSTITUTION AND TRANSFORMATION.

(a) IN GENERAL.—The Secretary of the Army shall take such steps as necessary through the planning, programming, budgeting, and execution systems of the Department of the Army to ensure that financial resources are provided for each fiscal year as necessary to enable the Army to meet its requirements in that fiscal year for each of the following:

(1) The repair, recapitalization, and replacement of equipment used in the Global War on Terrorism, based on implementation of requirements based on a cost estimate for such purposes of at least $72,300,000,000 over the period of the five fiscal years beginning with fiscal year 2008.

(2) The fulfillment of equipment requirements of units transforming to modularity in accordance with the Modular Force Initiative report submitted to Congress in March 2006, based on implementation of requirements based on a cost estimate for such purposes of $47,600,000,000 over the period of the five fiscal years beginning with fiscal year 2008.

(3) The reconstitution of equipment and materiel in prepositioned stocks by 2012 in accordance with requirements under the Army Prepositioned Stocks Strategy 2012 or a subsequent strategy implemented under the guidelines in section 2229 of title 10, United States Code.

(b) ANNUAL REPORT.—The Secretary of the Army shall submit to the congressional defense committees an annual report, until the requirements of subsection (a) have been met, setting forth the progress toward meeting those requirements. Any information required to be included in the report concerning funding priorities under paragraph (1) or (2) of subsection (a) shall be itemized by active duty component and reserve component. The report for any year shall be submitted at the time the budget of the President for the next fiscal year is submitted to Congress. Each such report shall include the following:

(1) A complete itemization of the requirements for the funding priorities in subsection (a), including an itemization for all types of modular brigades for both active and reserve components.

(2) A list of any shortfalls that exist between available funding, equipment, supplies, and industrial capacity and required funding, equipment, sup-

plies, and industrial capacity in accordance with the funding priorities in subsection (a).

(3) A list of the requirements for the funding priorities in subsection (a) that the Army has included in the budget for that fiscal year, including a detailed listing of the type, quantity, and cost of the equipment the Army plans to repair, recapitalize, or procure, set forth by appropriations account and Army component.

(4) An assessment of the progress made during that fiscal year toward meeting the overall requirements of the funding priorities in subsection (a).

(5) A description of how the Army defines costs associated with modularity versus the costs associated with modernizing equipment platforms and repairing, recapitalizing, and replacing equipment used during the global war on terrorism.

(6) The results of Army assessments of modular force capabilities, including lessons learned from existing modular units and any modifications that have been made to modularity.

(7) The assessment of each of the Chief of the National Guard Bureau and the Chief of the Army Reserve of each of the items described in paragraphs (1) through (6).

(c) LIMITATION ON FUNDS FOR FUTURE COMBAT SYSTEMS.—Of the funds appropriated for the Army for any fiscal year after fiscal year 2007, not more than $2,850,000,000 may be expended for the Future Combat Systems until the funding priorities in subsection (a) are met for that fiscal year.

(d) USE OF EXCESS FUNDS FOR FUTURE COMBAT SYSTEMS.—Any funds appropriated for the Future Combat Systems for any fiscal year not expended in accordance with subsection (c) shall be used for programs specified in subsection (a).

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserve components.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) IN GENERAL.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.

(2) The Navy, 340,700.

(3) The Marine Corps, 180,000.

(4) The Air Force, 334,200.

(b) LIMITATION.—

(1) ARMY.—The authorized strength for the Army provided in paragraph (1) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Army for that fiscal year in excess of 482,400 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

(2) MARINE CORPS.—The authorized strength for the Marine Corps provided in paragraph (3) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Marine Corps for that fiscal year in excess of 175,000 shall be paid out of funds

authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

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

Section 691(b) of title 10, United States Code, is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) For the Army, 504,400.

"(2) For the Navy, 340,700.

"(3) For the Marine Corps, 180,000.

"(4) For the Air Force, 334,200.".

SEC. 403. ADDITIONAL AUTHORITY FOR INCREASES OF ARMY AND MARINE CORPS ACTIVE DUTY END STRENGTHS FOR FISCAL YEARS 2008 AND 2009.

Effective October 1, 2007, the text of section 403 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1863) is amended to read as follows:

"(a) AUTHORITY.—

"(1) ARMY.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes specified in paragraph (3), establish the active-duty end strength

for the Army at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 20,000.

"(2) MARINE CORPS.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes specified in paragraph (3), establish the active-duty end strength for the Marine Corps at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 4,000.

"(3) PURPOSE OF INCREASES.—The purposes for which increases may be made in Army and Marine Corps active duty end strengths under paragraphs (1) and (2) are—

"(A) to support operational missions; and

"(B) to achieve transformational reorganization objectives, including objectives for increased numbers of combat brigades and battalions, increased unit manning, force stabilization and shaping, and rebalancing of the active and reserve component forces.

"(4) FISCAL-YEAR 2007 BASELINE.—In this subsection, the term 'fiscal-year 2007 baseline', with respect to the Army and Marine Corps, means the ac-

tive-duty end strength authorized for those services in section 401 of the National Defense Authorization Act for Fiscal Year 2007.

"(5) ACTIVE-DUTY END STRENGTH.—In this subsection, the term 'active-duty end strength' means the strength for active-duty personnel of one of the Armed Forces as of the last day of a fiscal year.

"(b) RELATIONSHIP TO PRESIDENTIAL WAIVER AUTHORITY.—Nothing in this section shall be construed to limit the President's authority under section 123a of title 10, United States Code, to waive any statutory end strength in a time of war or national emergency.

"(c) RELATIONSHIP TO OTHER VARIANCE AUTHORITY.—The authority under subsection (a) is in addition to the authority to vary authorized end strengths that is provided in subsections (e) and (f) of section 115 of title 10, United States Code.

"(d) BUDGET TREATMENT.—

"(1) FISCAL YEAR 2008 BUDGET.—The budget for the Department of Defense for fiscal year 2008 as submitted to Congress shall comply, with respect to funding, with subsections (c) and (d) of section 691 of title 10, United States Code.

"(2) OTHER INCREASES.—If the Secretary of Defense plans to increase the Army or Marine Corps ac-

tive duty end strength for a fiscal year under subsection (a), then the budget for the Department of Defense for that fiscal year as submitted to Congress shall include the amounts necessary for funding that active duty end strength in excess of the fiscal year 2007 active duty end strength authorized for that service under section 401 of the National Defense Authorization Act for Fiscal Year 2007.".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

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

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

(2) The Army Reserve, 200,000.

(3) The Navy Reserve, 71,300.

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

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

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

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

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

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

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose

of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 28,165.

(2) The Army Reserve, 15,416.

(3) The Navy Reserve, 12,564.

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

(5) The Air National Guard of the United States, 13,291.

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

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

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

(2) For the Army National Guard of the United States, 27,615.

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

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

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

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

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

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

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

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

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

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

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

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

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

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

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

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

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $109,820,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

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

2 *There is hereby authorized to be appropriated for fiscal*
3 *year 2007 from the Armed Forces Retirement Home Trust*
4 *Fund the sum of $54,846,000 for the operation of the Armed*
5 *Forces Retirement Home.*

6 *TITLE V—MILITARY PERSONNEL*
7 *POLICY*

Subtitle A—Officer Personnel Policy

Sec. 501. Authorized strength of Navy Reserve flag officers.
Sec. 502. Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army.
Sec. 503. Management of chief warrant officers.
Sec. 504. Reduction in time-in-grade requirement for promotion to captain in the Army, Air Force, and Marine Corps and lieutenant in the Navy.
Sec. 505. Military status of officers serving in certain Intelligence Community positions.

Subtitle B—Reserve Component Management

Sec. 511. Revisions to reserve call-up authority.
Sec. 512. Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001.
Sec. 513. Report on private-sector promotion and constructive termination of members of the reserve components called or ordered to active service.

Subtitle C—Education and Training

Sec. 521. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.
Sec. 522. Junior Reserve Officers' Training Corps instruction eligibility expansion.
Sec. 523. Authority for United States Military Academy and United States Air Force Academy permanent military professors to assume command positions while on periods of sabbatical.
Sec. 524. Expansion of service academy exchange programs with foreign military academies.
Sec. 525. Review of legal status of Junior ROTC program.

Subtitle D—General Service Authorities

Sec. 531. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).
Sec. 532. Nondisclosure of selection board proceedings.

Sec. 533. Report on extent of provision of timely notice of long-term deployments.

Subtitle E—Authorities Relating to Guard and Reserve Duty

Sec. 541. Title 10 definition of Active Guard and Reserve duty.
Sec. 542. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.
Sec. 543. Governor's authority to order members to Active Guard and Reserve duty.
Sec. 544. National Guard officers authority to command.
Sec. 545. Expansion of operations of civil support teams.

Subtitle F—Decorations and Awards

Sec. 551. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.
Sec. 552. Cold War Victory Medal.
Sec. 553. Posthumous award of Purple Heart for prisoners of war who die in or due to captivity.
Sec. 554. Advancement on the retired list of certain decorated retired Navy and Marine Corps officers.
Sec. 555. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

Sec. 561. Criteria for removal of member from temporary disability retired list.
Sec. 562. Department of Defense computer/electronic accommodations program for severely wounded members.
Sec. 563. Transportation of remains of casualties dying in a theater of combat operations.
Sec. 564. Annual budget display of funds for POW/MIA activities of Department of Defense.

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

Sec. 571. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 572. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.

Subtitle I—Postal Benefits

Sec. 575. Postal benefits program for members of the Armed Forces.
Sec. 576. Funding.
Sec. 577. Duration.

Subtitle J—Other Matters

Sec. 581. Reduction in Department of Defense accrual contributions to Department of Defense Military Retirement Fund.
Sec. 582. Dental Corps of the Bureau of Medicine and Surgery.
Sec. 583. Permanent authority for presentation of recognition items for recruitment and retention purposes.

Sec. 584. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
Sec. 585. Persons authorized to administer enlistment and appointment oaths.
Sec. 586. Repeal of requirement for periodic Department of Defense Inspector General assessments of voting assistance compliance at military installations.
Sec. 587. Physical evaluation boards.
Sec. 588. Department of Labor transitional assistance program.
Sec. 589. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.
Sec. 590. Military chaplains.
Sec. 591. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
Sec. 592. Entrepreneurial Service Members Empowerment Task Force.
Sec. 593. Comptroller General report on military conscientious objectors.
Sec. 594. Commission on the National Guard and Reserves.

Subtitle A—Officer Personnel Policy

SEC. 501. AUTHORIZED STRENGTH OF NAVY RESERVE FLAG OFFICERS.

(a) SIMPLIFICATION OF COUNTING OF NAVY RESERVE FLAG OFFICERS.—Subsection (c) of section 12004 of title 10, United States Code, is amended to read as follows:

"(c) The authorized strength of the Navy under subsection (a) is exclusive of officers counted under section 526 of this title.".

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking "of those" and inserting "of officers".

SEC. 502. STANDARDIZATION OF GRADE OF SENIOR DENTAL OFFICER OF THE AIR FORCE WITH THAT OF SENIOR DENTAL OFFICER OF THE ARMY.

(a) AIR FORCE ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES.—Section 8081 of title 10, United States

Code, is amended by striking "brigadier general" in the second sentence and inserting "major general".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the occurrence of the next vacancy in the position of Assistant Surgeon General for Dental Services in the Air Force that occurs after the date of the enactment of this Act or, if earlier, on the date of the appointment to the grade of major general of the officer who is the incumbent in that position on the date of the enactment of the Act.

SEC. 503. MANAGEMENT OF CHIEF WARRANT OFFICERS.

(a) RETENTION OF CHIEF WARRANT OFFICERS, W-4, WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.—Section 580(e)(1) of title 10, United States Code, is amended by striking "continued on active duty if" and all that follows and inserting "continued on active duty if—

"(A) in the case of a warrant officer in the grade of chief warrant officer, W–2, or chief warrant officer, W–3, the warrant officer is selected for continuation on active duty by a selection board convened under section 573(c) of this title; and

"(B) in the case of a warrant officer in the grade of chief warrant officer, W–4, the warrant officer is selected for continuation on active duty by the Sec-

retary concerned under such procedures as the Secretary may prescribe.".

(b) MANDATORY RETIREMENT FOR LENGTH OF SERVICE.—Section 1305(a) of such title is amended—

(1) by striking "(1) Except as" and all the follows through "W–5)" and inserting "A regular warrant officer";

(2) by inserting "as a warrant officer" after "years of active service";

(3) by inserting "the date on which" after "60 days after"; and

(4) by striking paragraph (2).

SEC. 504. REDUCTION IN TIME-IN-GRADE REQUIREMENT FOR PROMOTION TO CAPTAIN IN THE ARMY, AIR FORCE, AND MARINE CORPS AND LIEUTENANT IN THE NAVY.

Section 619(a)(1) of title 10, United States Code, is amended by striking "he has completed" in the matter preceding subparagraph (A) and all that follows through the period at the end of subparagraph (B) and inserting "the officer has completed 18 months of service in the grade in which the officer holds a permanent appointment".

SEC. 505. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

(a) CLARIFICATION OF MILITARY STATUS.—Section 528 of title 10, United States Code, is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) MILITARY STATUS.—An officer of the armed forces, while serving in a position covered by this section—

"(1) shall not be subject to supervision or control by the Secretary of Defense or any other officer or employee of the Department of Defense, except as directed by the Secretary of Defense concerning reassignment from such position; and

"(2) may not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

"(b) DIRECTOR AND DEPUTY DIRECTOR OF CIA.—When the position of Director or Deputy Director of the Central Intelligence Agency is held by an officer of the armed forces, the officer serving in that position, while so serving, shall be excluded from the limitations in sections 525 and 526 of this title. However, if both such positions are held by an officer of the armed forces, only one such

officer may be excluded from those limitation while so serving.”; and

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

“(e) EFFECT OF APPOINTMENT.—Except as provided in subsection (a), the appointment or assignment of an officer of the armed forces to a position covered by this section shall not affect—

“(1) the status, position, rank, or grade of such officer in the armed forces; or

“(2) any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

“(f) MILITARY PAY AND ALLOWANCES.—An officer of the armed forces on active duty who is appointed or assigned to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances and shall not receive the pay prescribed for such position. Funds from which such military pay and allowances are paid to such officer while so serving shall be reimbursed from funds available to the Director of the Central Intelligence Agency (for an officer serving in a position within the Central Intelligence Agency) or from funds available to the Director

of National Intelligence (for an officer serving in a position within the Office of the Director of National Intelligence).

"(g) COVERED POSITIONS.—The positions covered by this section are the positions specified in subsections (b) and (c) and the positions designated under subsection (d).".

(b) CLERICAL AMENDMENTS.—

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

"§ 528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances".

(2) The table of sections at the beginning of chapter 32 of such title is amended to read as follows:

"528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances.".

Subtitle B—Reserve Component Management

SEC. 511. REVISIONS TO RESERVE CALL-UP AUTHORITY.

(a) MAXIMUM NUMBER OF DAYS.—Subsection (a) of section 12304 of title 10, United States Code, is amended by striking "270 days" and inserting "365."

(b) SUPPORT FOR DISASTERS.—Such section is further amended—

(1) in subsection (b)—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or"; and

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

"(3) a serious natural or manmade disaster, accident, or catastrophe that occurs in the United States, its territories and possessions, or Puerto Rico."; and

(2) in subsection (c)(1)—

(A) by striking "title or," and inserting "title,"; and

(B) by striking ", to provide" and all that follows through the end and inserting a period.

(c) FAIR TREATMENT.—Such section is further amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection (i):

"(i) CONSIDERATIONS FOR INVOLUNTARY ORDER TO ACTIVE DUTY.—(1) In determining which members of the Selected Reserve and Individual Ready Reserve will be or-

dered to duty without their consent under this section, appropriate consideration shall be given to—

"(A) the length and nature of previous service, to assure such sharing of exposure to hazards as the national security and military requirements will reasonably allow;

"(B) family responsibilities; and

"(C) employment necessary to maintain the national health, safety, or interest.

"(2) The Secretary of Defense shall prescribe such policies and procedures as the Secretary considers necessary to carry out this subsection.".

SEC. 512. MILITARY RETIREMENT CREDIT FOR CERTAIN SERVICE BY NATIONAL GUARD MEMBERS PERFORMED WHILE IN A STATE DUTY STATUS IMMEDIATELY AFTER THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

Subsection (c) of section 514 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3232) is amended by adding at the end the following new paragraph:

"(3) In the State of New Jersey: Bergen, Hudson, Union, and Middlesex.".

SEC. 513. REPORT ON PRIVATE-SECTOR PROMOTION AND CONSTRUCTIVE TERMINATION OF MEMBERS OF THE RESERVE COMPONENTS CALLED OR ORDERED TO ACTIVE SERVICE.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the promotion and constructive termination by private-sector employers of members of the reserve components called or ordered to active service.

(b) COLLECTION OF INFORMATION.—The Secretary of Defense shall base the report required under subsection (a) on information submitted voluntarily by members of the reserve components.

(c) CONSTRUCTIVE TERMINATION.—In this section, the term "constructive termination" means the voluntary resignation of an employee because of working conditions the employee finds unbearable.

Subtitle C—Education and Training

SEC. 521. AUTHORITY TO PERMIT MEMBERS WHO PARTICIPATE IN THE GUARANTEED RESERVE FORCES DUTY SCHOLARSHIP PROGRAM TO PARTICIPATE IN THE HEALTH PROFESSIONS SCHOLARSHIP PROGRAM AND SERVE ON ACTIVE DUTY.

Paragraph (3) of section 2107a(b) of title 10, United States Code, is amended—

(1) by inserting "or a cadet or former cadet under this section who signs an agreement under section 2122 of this title," after "military junior college,"; and

(2) by inserting ", or former cadet," after "consent of the cadet" and after "submitted by the cadet".

SEC. 522. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION ELIGIBILITY EXPANSION.

Section 2031 of title 10, United States Code, is amended—

(1) in subsection (d)(1), by inserting "who are receiving retired or retainer pay," after "Fleet Marine Corps Reserve,"; and

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

"(e) Instead of, or in addition to, the detailing of active-duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers and noncommissioned officers and members of the Fleet Reserve or Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program, retired officers and noncommissioned officers who qualify for retired pay for nonregular service under the provisions of chapter 1223 of this title but for being under the age specified in section 12731(a)(1) of this title for eligibility for such retired pay, whose qualifications are approved by the Secretary and the institution concerned, and who request such employment, subject to the following:

"(1) The compensation package for officers and noncommissioned officers employed under this subsection shall not be coupled with either active duty pay or retired pay, but instead shall be at a rate contracted individually and determined by the Secretary of the military department concerned. The Secretary may pay the institution an amount the Secretary determined to be appropriate, but the amount may not be more than the amount that would be paid on behalf of an equivalent retiree or member of the Fleet

Reserve or Fleet Marine Corps Reserve under the provisions of subsection (d)(1). The Secretary may continue to pay individuals employed under this subsection pre-determined compensation packages, even after they reach the age of 60. Payments by the Secretary concerned under this paragraph shall be made from funds appropriated for that purpose.

"(2) Such a retired member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.".

SEC. 523. AUTHORITY FOR UNITED STATES MILITARY ACADEMY AND UNITED STATES AIR FORCE ACADEMY PERMANENT MILITARY PROFESSORS TO ASSUME COMMAND POSITIONS WHILE ON PERIODS OF SABBATICAL.

(a) UNITED STATES MILITARY ACADEMY.—Section 4334(d) of title 10, United States Code, is amended—

(1) by striking "permanent professors and the";

(2) by striking "exercise" and inserting "exercises"; and

(3) by adding at the end the following new sentence: "The permanent professors exercise command only in the academic department of the Academy and, at the discretion of the Secretary of the Army, within Army units to which they are assigned.".

(b) UNITED STATES AIR FORCE ACADEMY.—Section 9334(b) of such title is amended—

(1) by striking "permanent professors and the"; and

(2) by striking "exercise" and inserting "exercises"; and

(3) by adding at the end the following new sentence: "The permanent professors exercise command only in the academic department of the Academy and, at the discretion of the Secretary of the Air Force, within Air Force units to which they are assigned.".

SEC. 524. EXPANSION OF SERVICE ACADEMY EXCHANGE PROGRAMS WITH FOREIGN MILITARY ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 4345 of title 10, United States Code, is amended by striking "24" and inserting "100".

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking "for the Academy" in paragraph (3) and all that follows in that paragraph and inserting "for the Academy and such additional funds as may be available to the Academy

from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

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

''(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.''.

(b) UNITED STATES NAVAL ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 6957a of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

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

"(4) Expenditures in support of the exchange program from funds appropriated for the Naval Academy may not exceed $1,000,000 during any fiscal year.".

(c) UNITED STATES AIR FORCE ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 9345 of title 10, United States Code, is amended by striking "24" and inserting "100".

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking "for the Academy" in paragraph (3) and all that follows in that paragraph and inserting "for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program."; and

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

"(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.".

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act. The amendments made by subsections (b) and (c) shall take effect on October 1, 2008.

SEC. 525. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps program as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

(b) REPORT.—The Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the review not later than 180 days after the date of the enactment of this Act.

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

Subtitle D—General Service Authorities

SEC. 531. TEST OF UTILITY OF TEST PREPARATION GUIDES AND EDUCATION PROGRAMS IN ENHANCING RECRUIT CANDIDATE PERFORMANCE ON THE ARMED SERVICES VOCATIONAL APTITUDE BATTERY (ASVAB) AND ARMED FORCES QUALIFICATION TEST (AFQT).

(a) REQUIREMENT FOR TEST.—The Secretary of Defense shall conduct a test of the utility of commercially available test preparation guides and education programs designed to assist recruit candidates achieve scores on military recruit qualification testing that better reflect the full

potential of those recruit candidates in terms of aptitude and mental category. The test shall be conducted through the Secretaries of the Army, Navy and Air Force.

(b) ASSESSMENT OF COMMERCIALLY AVAILABLE GUIDES AND PROGRAMS.—The test shall assess commercially available test preparation guides and education programs designed to enhance test performance. The test preparation guides assessed shall test both written formats and self-paced computer-assisted programs. Education programs assessed may test both self-study textbook and computer-assisted courses and instructor-led courses.

(c) OBJECTIVES.—The objectives of the test are to determine the following:

(1) The degree to which test preparation assistance degrades test reliability and accuracy.

(2) The degree to which test preparation assistance allows more accurate testing of skill aptitudes and mental capability.

(3) The degree to which test preparation assistance allows individuals to achieve higher scores without sacrificing reliability and accuracy.

(4) What role is recommended for test preparation assistance in military recruiting.

(d) CONTROL GROUP.—As part of the test, the Secretary shall identify a population of recruit candidates who

will not receive test preparation assistance and will serve as a control group for the test. Data from recruit candidates participating in the test and data from recruit candidates in the control group shall be compared in terms of both (1) test performance, and (2) subsequent duty performance in training and unit settings following entry on active duty.

(e) NUMBER OF PARTICIPANTS.—The Secretary shall provide test preparation assistance to a minimum of 2,000 recruit candidates and shall identify an equal number to be established as the control group population.

(f) DURATION OF TEST.—The Secretary shall begin the test not later than nine months after the date of the enactment of this Act. The test shall identify participants over a one-year period from the start of the test and shall assess duty performance for each participant for 18 months following entry on active duty. The last participant shall be identified, but other participants may not be identified.

(g) REPORT ON FINDINGS.—Not later than six months after completion of the duty performance assessment of the last identified participant in the test, the Secretary of Defense shall submit to the Committee on Armed Services in the Senate and the Committee on Armed Services of the House of Representatives a report providing the findings of the Secretary with respect to each of the objectives specified in subsection (c) and the Secretary's recommendations.

SEC. 532. NONDISCLOSURE OF SELECTION BOARD PROCEEDINGS.

(a) ACTIVE-DUTY SELECTION BOARD PROCEEDINGS.—

(1) EXTENSION TO ALL ACTIVE-DUTY BOARDS.—Chapter 36 of title 10, United States Code, is amended by inserting after section 613 the following new section:

"§ 613a. Nondisclosure of board proceedings

"(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 611 this title may not be disclosed to any person not a member of the board.

"(b) PROHIBITED USES OF BOARD RECORDS.—The discussions and deliberations of such a selection board and any written or documentary record of such discussions and deliberations—

"(1) are immune from legal process;

"(2) may not be admitted as evidence; and

"(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.

"(c) APPLICABILITY.—The section shall apply with respect to the proceedings of all selection boards convened under section 611 of this title, including selection boards convened before the date of the enactment of this section.".

(2) CONFORMING AMENDMENT.—Section 618 of such title is amended by striking subsection (f).

(b) RESERVE SELECTION BOARD PROCEEDINGS.—Section 14104 of such title is amended to read as follows:

"§ 14104. Nondisclosure of board proceedings

"(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 14101of this title may not be disclosed to any person not a member of the board.

"(b) PROHIBITED USES OF BOARD RECORDS.—The discussions and deliberations of such a selection board and any written or documentary record of such discussions and deliberations—

"(1) are immune from legal process;

"(2) may not be admitted as evidence; and

"(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.

"(c) APPLICABILITY.—The section shall apply with respect to the proceedings of all selection boards convened under section 14101 of this title, including selection boards convened before the date of the enactment of this section.".

(c) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of subchapter I of chapter 36 of such title is amended by

inserting after the item relating to section 613 the following new item:

"14104. Nondisclosure of board proceedings.".

(2) The item relating to section 14104 in the table of sections at the beginning of chapter 1403 of such title is amended to read as follows:

"14104. Nondisclosure of board proceedings.".

SEC. 533. REPORT ON EXTENT OF PROVISION OF TIMELY NOTICE OF LONG-TERM DEPLOYMENTS.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the number of members of the Armed Forces (shown by service and within each service by reserve component and active component) who, since September 11, 2001, have not received at least 30 days notice (in the form of an official order) before a deployment that will last 180 days or more. With respect to members of the reserve components, the report shall describe the degree of compliance (or noncompliance) with Department of Defense policy concerning the amount of notice to be provided before long-term mobilizations or deployments.

Subtitle E—Authorities Relating to Guard and Reserve Duty

SEC. 541. TITLE 10 DEFINITION OF ACTIVE GUARD AND RESERVE DUTY.

Section 101 of title 10, United States Code, is amended—

(1) by adding at the end of subsection (b) the following new paragraph:

"(16) The term 'Active Guard and Reserve' means a member of a reserve component who is on active duty pursuant to section 12301(d) of this title or, if a member of the Army National Guard or Air National Guard, is on full-time National Guard duty pursuant to section 502(f) of title 32, and who is performing Active Guard and Reserve duty."; and

(2) in paragraph (6)(A) of subsection (d)—

(A) by striking "or full-time National Guard duty" after "means active duty"; and

(B) by striking ", pursuant to an order to active duty or full-time National Guard duty" and inserting "pursuant to an order to full-time National Guard duty,".

SEC. 542. AUTHORITY FOR ACTIVE GUARD AND RESERVE DUTIES TO INCLUDE SUPPORT OF OPERATIONAL MISSIONS ASSIGNED TO THE RESERVE COMPONENTS AND INSTRUCTION AND TRAINING OF ACTIVE-DUTY PERSONNEL.

(a) AGR DUTY UNDER TITLE 10.—Subsections (a) and (b) of section 12310 of title 10, United States Code, are amended to read as follows:

"(a) AUTHORITY.—(1) The Secretary concerned may order a member of a reserve component under the Secretary's jurisdiction to active duty pursuant to section 12301(d) of this title to perform Active Guard and Reserve duty organizing, administering, recruiting, instructing, or training the reserve components.

"(2) A Reserve ordered to active duty under paragraph (1) shall be ordered in the Reserve's reserve grade. While so serving, the Reserve continues to be eligible for promotion as a Reserve, if otherwise qualified.

"(b) DUTIES.—A Reserve on active duty under subsection (a) may perform the following duties in addition to (and not in lieu of) the Reserve's primary Active Guard and Reserve duties described in subsection (a)(1):

"(1) Supporting operations or missions assigned in whole or in part to the reserve components.

"(2) Supporting operations or missions performed or to be performed by—

"(A) a unit composed of elements from more than one component of the same armed force; or

"(B) a joint forces unit that includes—

"(i) one or more reserve component units; or

"(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

"(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the unified combatant command regarding reserve component matters.

"(4) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(A) active-duty members of the armed forces;

"(B) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(C) Department of Defense contractor personnel; or

"(D) Department of Defense civilian employees.".

(b) MILITARY TECHNICIANS UNDER TITLE 10.—Section 10216(a) of such title is amended—

(1) in paragraph (1)(C), by striking "administration and" and inserting "organizing, administering, instructing, or"; and

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

"(3) A military technician (dual status) who is employed under section 3101 of title 5 may perform the following duties in addition to (and not in lieu of) those primary duties described in paragraph (1):

"(A) Supporting operations or missions assigned in whole or in part to the technician's unit;

"(B) Supporting operations or missions performed or to be performed by—

"(i) a unit composed of elements from more than one component of the technician's armed force; or

"(ii) a joint forces unit that includes—

"(I) one or more units of the technician's component; or

"(II) a member of the technician's component whose reserve component assign-

ment is in a position in an element of the joint forces unit.

"(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(i) active-duty members of the armed forces;

"(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(iii) Department of Defense contractor personnel; or

"(iv) Department of Defense civilian employees.".

(c) NATIONAL GUARD TITLE 32 TRAINING DUTY.—Section 502(f) of title 32, United States Code, title is amended—

(1) by inserting "(1)" before "Under regulations";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by striking the last sentence and inserting the following:

"(2) The training or duty ordered to be performed under paragraph (1) may include the following:

"(A) Support of operations or missions undertaken by the member's unit at the request of the President or Secretary of Defense.

"(B) Support of training operations and training missions assigned in whole or in part to the National Guard by the Secretary concerned, but only to the extent that such training missions and training operations—

"(i) are performed in the territorial limits of the United States, its territories and possessions, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(ii) are only to instruct active duty military, foreign military (under the same authorities and restrictions applicable to active duty troops), Department of Defense contractor personnel, or Department of Defense civilian employees.

"(3) Duty without pay shall be considered for all purposes as if it were duty with pay.".

(d) NATIONAL GUARD TECHNICIANS UNDER TITLE 32.—Section 709(a) of title 32, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking "administration and" and inserting "organizing, administering, instructing, or"; and

(B) by striking "and" at the end of such paragraph;

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

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

"(3) the performance of the following duties in addition to (and not in lieu of) those duties described by paragraphs (1) and (2):

"(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

"(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

"(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(i) active-duty members of the armed forces;

"(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(iii) Department of Defense contractor personnel; or

"(iv) Department of Defense civilian employees.".

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

"328. Active Guard and Reserve duty: Governor's authority.".

SEC. 543. GOVERNOR'S AUTHORITY TO ORDER MEMBERS TO ACTIVE GUARD AND RESERVE DUTY.

(a) IN GENERAL.—Chapter 3 of title 32, United States Code, is amended by adding at the end the following new section:

"§ 328. Active Guard and Reserve duty: Governor's authority

"(a) AUTHORITY.—The Governor of a State or the Commonwealth of Puerto Rico, Guam, or the Virgin Islands, or the commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform Active Guard and Reserve duty,

as defined by section 101(d)(6) of title 10, pursuant to section 502(f) of this title.

"(b) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following duties in addition to (and not in lieu of) that member's primary Active Guard and Reserve duties of organizing, administering, recruiting, instructing, and training the reserve components:

"(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

"(2) Support of training operations and training missions assigned in whole or in part by the Secretary concerned to the National Guard, but only to the extent that such training operation and training missions—

"(A) are performed in the territorial limits of the United States, its territories and possessions, and the Commonwealth of Puerto Rico; and

"(B) are only to instruct—

"(i) active-duty members of the armed forces;

"(ii) members of foreign military forces (under the same authorities and restrictions

applicable to active-duty members providing such instruction or training);

"(iii) Department of Defense contractor personnel; or

"(iv) Department of Defense civilian employees.".

SEC. 544. NATIONAL GUARD OFFICERS AUTHORITY TO COMMAND.

Section 325 of title 32, United States Code, is amended—

(1) in subsection (a)(2), by striking "in command of a National Guard unit";

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

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

"(b) ADVANCE AUTHORIZATION AND CONSENT.—The President and Governor of the State or Commonwealth of Puerto Rico, Guam, or the Virgin Islands, or the commanding general of the District of Columbia National Guard, as the case may be, respectively, may give the authorization and consent required by subsection (a)(2), in advance, for the purpose of establishing the succession of command of a unit."; and

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

"(d) NATIONAL GUARD DUTIES.—An officer who is not relieved from duty in the National Guard while serving on active duty pursuant to subsection (a)(2) may perform any duty authorized to be performed by the laws of that officer's State or the laws of the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or the District of Columbia, as the case may be, to be performed by the National Guard without regard to the limitations imposed by section 1385 of title 18.".

SEC. 545. EXPANSION OF OPERATIONS OF CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Section 12310(c) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking "involving—" and inserting "involving any of the following:"; and

(B) by striking subparagraphs (A) and (B) and inserting the following:

"(A) The use or threatened use of a weapon of mass destruction (as defined in section 12304(i)(2) of this title) in the United States.

"(B) A terrorist attack or threatened terrorist attack in the United States that results, or could result, in catastrophic loss of life or property.

"(C) The intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States that results, or could result, in catastrophic loss of life or property.

"(D) A natural or manmade disaster in the United States that results in, or could result in, catastrophic loss of life or property.";

(2) by amending paragraph (3) to read as follows:

"(3) A Reserve may perform duty described in paragraph (1) only while assigned to a reserve component weapons of mass destruction civil support team."; and

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

"(7) In this subsection, the term 'United States' includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking the subsection heading and inserting "OPERATIONS RELATING TO DEFENSE

AGAINST WEAPONS OF MASS DESTRUCTION AND TERRORIST ATTACKS.—";

(2) in paragraph (5), by striking "rapid assessment element team" and inserting "weapons of mass destruction civil support team"; and

(3) in paragraph (6)—

(A) in the matter preceding subparagraph (A), by striking "paragraph (3)" and inserting "paragraphs (1) and (3)"; and

(B) in subparagraph (B), by striking "paragraph (3)(B)" and inserting "paragraph (3)".

Subtitle F—Decorations and Awards

SEC. 551. AUTHORITY FOR PRESENTATION OF MEDAL OF HONOR FLAG TO LIVING MEDAL OF HONOR RECIPIENTS AND TO LIVING PRIMARY NEXT-OF-KIN OF DECEASED MEDAL OF HONOR RECIPIENTS.

(a) ARMY.—Section 3755 of title 10, United States Code, is amended—

(1) by striking "after October 23, 2002"; and

(2) by adding at the end the following new sentence: "In the case of a posthumous presentation of

the medal, the flag shall be presented to the person to whom the medal is presented".

(b) NAVY.—Section 6257 of such title is amended—

(1) by striking "after October 23, 2002"; and

(2) by adding at the end the following new sentence: "In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented".

(c) AIR FORCE.—Section 8755 of such title is amended—

(1) by striking "after October 23, 2002"; and

(2) by adding at the end the following new sentence: "In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented".

(d) COAST GUARD.—Section 505 of title 14, United States Code, is amended—

(1) by striking "after October 23, 2002"; and

(2) by adding at the end the following new sentence: "In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented".

(e) PRESENTATION OF FLAG FOR PRIOR RECIPIENTS OF MEDAL OF HONOR.—

(1) LIVING RECIPIENTS.—The President shall provide for the presentation of the Medal of Honor Flag as expeditiously as possible after the date of the enactment of this Act to each living recipient of the Medal of Honor who was awarded the Medal of Honor before that date.

(2) SURVIVORS OF DECEASED RECIPIENTS.—The President shall provide for posthumous presentation of the Medal of Honor Flag, upon written application therefor, to the primary next of kin of any recipient of the Medal of Honor who was awarded the Medal of Honor before the date of the enactment of this Act and who is deceased as of such date (or who dies after such date and before the presentation required by paragraph (1)). For purposes of this paragraph, the primary next-of-kin is the person who would be entitled to receive the award of the Medal of Honor for such deceased individual if the award were being made posthumously at the time of the presentation of the Medal of Honor Flag.

(3) MEDAL OF HONOR FLAG.—In this subsection, the term "Medal of Honor Flag" means the flag designated under section 903 of title 36, United States Code.

SEC. 552. COLD WAR VICTORY MEDAL.

(a) AUTHORITY.—Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1135. Cold War Victory Medal

"(a) MEDAL AUTHORIZED.—The Secretary concerned shall issue a service medal, to be known as the 'Cold War Victory Medal', to persons eligible to receive the medal under subsection (b). The Cold War Victory Medal shall be of an appropriate design approved by the Secretary of Defense, with ribbons, lapel pins, and other appurtenances.

"(b) ELIGIBLE PERSONS.—The following persons are eligible to receive the Cold War Victory Medal:

"(1) A person who—

"(A) performed active duty or inactive duty training as an enlisted member during the Cold War;

"(B) completed the person's initial term of enlistment or, if discharged before completion of such initial term of enlistment, was honorably discharged after completion of not less than 180 days of service on active duty; and

"(C) has not received a discharge less favorable than an honorable discharge or a release from active duty with a characterization of service less favorable than honorable.

"(2) A person who—

"(A) performed active duty or inactive duty training as a commissioned officer or warrant officer during the Cold War;

"(B) completed the person's initial service obligation as an officer or, if discharged or separated before completion of such initial service obligation, was honorably discharged after completion of not less than 180 days of service on active duty; and

"(C) has not been released from active duty with a characterization of service less favorable than honorable and has not received a discharge or separation less favorable than an honorable discharge.

"(c) ONE AWARD AUTHORIZED.—Not more than one Cold War Victory Medal may be issued to any person.

"(d) ISSUANCE TO REPRESENTATIVE OF DECEASED.—If a person described in subsection (b) dies before being issued the Cold War Victory Medal, the medal shall be issued to the person's representative, as designated by the Secretary concerned.

"(e) REPLACEMENT.—Under regulations prescribed by the Secretary concerned, a Cold War Victory Medal that is lost, destroyed, or rendered unfit for use without fault

or neglect on the part of the person to whom it was issued may be replaced without charge.

"(f) APPLICATION FOR MEDAL.—The Cold War Victory Medal shall be issued upon receipt by the Secretary concerned of an application for such medal, submitted in accordance with such regulations as the Secretary prescribes.

"(g) UNIFORM REGULATIONS.—The Secretary of Defense shall ensure that regulations prescribed by the Secretaries of the military departments under this section are uniform so far as is practicable.

"(h) DEFINITION.—In this section, the term 'Cold War' means the period beginning on September 2, 1945, and ending at the end of December 26, 1991.".

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

"1135. Cold War Victory Medal.".

SEC. 553. POSTHUMOUS AWARD OF PURPLE HEART FOR PRISONERS OF WAR WHO DIE IN OR DUE TO CAPTIVITY.

(a) DECEASED POWS NOT OTHERWISE ELIGIBLE FOR PURPLE HEART.—Chapter 57 of title 10, United States Code, is amended by adding after section 1135, as added by section 552(a), the following new section:

"§ 1136. Purple Heart: posthumous award for prisoners of war or former prisoners of war dying in or due to captivity

"(a) For purposes of the award of the Purple Heart, the Secretary concerned shall treat a death described in subsection (b) in the same manner as the death of a member of the armed forces in action as the result of an act of an enemy of the United States.

"(b) A death described in this subsection is either of the following:

"(1) The death of a member of the armed forces who dies in captivity under circumstances establishing eligibility for the prisoner-of-war medal under section 1128 of this title but under circumstances not otherwise establishing eligibility for the Purple Heart.

"(2) The death of a member or former member of the armed forces who following captivity as a prisoner of war is issued the prisoner-of-war medal under section 1128 of this title and who dies due to a disease or disability that was incurred during that captivity, unless the member or former member received a Purple Heart due to the injury or conditions resulting in that disease or disability.

"(c) The Secretary of Defense shall prescribe regulations for determining eligibility for the Purple Heart under this section. Such regulations shall include criteria for the

determination under paragraph (2) of subsection (b) of whether a death is due to a disease or disability incurred while a prisoner of war.

"(d) This section applies to any member of the armed forces who is held as a prisoner of war after December 7, 1941. ".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1135, as added by section 552(b), the following new item:

"1136. Purple Heart: posthumous award for prisoners of war or former prisoners of war dying in or due to captivity.".

(c) RETROACTIVE AWARDS.—In the case of a member or former member of the Armed Forces covered by section 1135 of title 10, United States Code, whose death is before the date of the enactment of this Act, the Secretary concerned shall award the Purple Heart under that section upon receipt of an application that is made to the Secretary in such manner, and containing such information, as the Secretary requires.

SEC. 554. ADVANCEMENT ON THE RETIRED LIST OF CERTAIN DECORATED RETIRED NAVY AND MARINE CORPS OFFICERS.

(a) ADVANCEMENT ON RETIRED LIST.—The Secretary of the Navy shall, upon receipt of a qualifying application, advance on the retired list of the Navy or Marine Corps,

as applicable, any retired officer of the Navy or Marine Corps described in subsection (b). Each such officer shall be advanced to the next higher grade above the officer's retired grade as of the day before the date of the enactment of this Act.

(b) COVERED OFFICERS.—Subsection (a) applies to any retired officer of the Navy or Marine Corps—

(1) who was eligible to retire before November 1, 1959, but who retired on or after that date; and

(2) who, under the provisions of law in effect before November 1, 1959, would have been eligible, by reason of having been specifically commended for performance of duty in actual combat, to have been retired in the next higher grade if the officer had retired before that date.

(c) QUALIFYING APPLICATION.—A qualifying application is an application from an officer described in subsection (b) or, in the case of a deceased officer, the surviving spouse or another immediate family member (as determined by the Secretary) of the officer, that—

(1) requests advancement on the retired list under this section; and

(2) provides such information as the Secretary may require.

(d) EFFECT OF ADVANCEMENT ON RETIRED LIST.—The advancement of an officer on the retired list pursuant to subsection (a) shall not affect—

(1) in the case of a retired office who is living as of the date of the enactment of this Act, the retired pay or other benefits of the officer or the grade in which the officer could be ordered or recalled to active duty; and

(2) any benefit to which any other person is or may become entitled based upon the officer's service.

SEC. 555. REPORT ON DEPARTMENT OF DEFENSE PROCESS FOR AWARDING DECORATIONS.

(a) REVIEW.— The Secretary of Defense shall conduct a review of the policy, procedures, and processes of the military departments for awarding decorations to members of the Armed Forces.

(b) TIME PERIODS.—As part of the review, the Secretary shall determine how long the award process takes—

(1) from the time a recommendation for the award of a decoration is submitted until the time the award of the decoration is approved; and

(2) from the time award of a decoration is approved until the time when the decoration is presented to the recipient.

(c) RESERVE COMPONENTS.—In conducting the review, the Secretary shall ensure that the timeliness of the awards process for members of the reserve components is the same or similar as that for members of the active components.

(d) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the Secretary's findings as a result of the review under subsection (a), together with a plan for implementing whatever changes are determined to be appropriate to the process for awarding decorations in order to ensure that decorations are awarded in a timely manner, to the extent practicable.

Subtitle G—Matters Relating to Casualties

SEC. 561. CRITERIA FOR REMOVAL OF MEMBER FROM TEMPORARY DISABILITY RETIRED LIST.

(a) CRITERIA.—Section 1210(e) of title 10, United States Code, is amended by inserting "of a permanent nature and stable and is" after "physical disability".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any case received for consider-

ation by a physical evaluation board after the date of the enactment of this Act.

SEC. 562. DEPARTMENT OF DEFENSE COMPUTER/ELECTRONIC ACCOMMODATIONS PROGRAM FOR SEVERELY WOUNDED MEMBERS.

(a) IN GENERAL.—Chapter 58 of title 10, United States Code, is amended by inserting after section 1150 the following new section:

"§ 1151. Severely wounded members: assistive technology and services

"(a) AUTHORITY.—The Secretary of Defense may provide assistive technology, assistive technology devices, and assistive technology services, as those terms are defined in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002), to a member of the armed forces who has sustained a severe or debilitating illness or injury while serving in support of a contingency operation.

"(b) DURATION AND PROVISION OF TECHNOLOGY AND SERVICES.—The Secretary may provide technology and services authorized by subsection (a) for an indefinite period, without regard to whether the person assisted continues to be a member of the armed forces.

"(c) AUTHORITY TO ALLOW RETENTION OF DEVICES, ETC.—Upon the separation from active service of a member who has been provided assistance as specified in subsection

(a), the Secretary may allow the member to retain any assistive technology, device, or service provided to the member before the member's separation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1150 the following new item:

"1151. Severely wounded members: assistive technology and services.".

SEC. 563. TRANSPORTATION OF REMAINS OF CASUALTIES DYING IN A THEATER OF COMBAT OPERATIONS.

(a) IN GENERAL.—The Secretary concerned shall provide transportation of the remains of a member of the Armed Forces who dies in a combat theater of operations and whose remains are returned to the United States through the mortuary facility at Dover Air Force Base, Delaware, in accordance with section 1482(a)(8) of title 10, United States Code, and this section.

(b) ESCORT.—The Secretary concerned shall ensure that such remains are escorted under that section at all times by at least one person, who shall be a member of the Armed Forces of appropriate grade.

(c) AIR TRANSPORTATION FROM DOVER AFB.—

(1) USE OF MILITARY AIRCRAFT.—If transportation of remains described in subsection (a) from Dover Air Force Base to the escorted remains destination includes transportation by aircraft, such trans-

portation by aircraft (unless otherwise directed by the next-of-kin) shall be made by military aircraft or military-contracted aircraft to the military airfield that is closest to the escorted remains destination. In the case of any such flight, the exclusive mission of the flight shall be the transportation of those remains.

(2) ESCORTED REMAINS DESTINATION.—In this subsection, the term "escorted remains destination" means the place to which remains are to be transported pursuant to section 1482(a)(8) of title 10, United States Code.

(d) HONOR GUARD ESCORT.—In a case of the transportation of remains covered by subsection (a), there shall be a military escort (in addition to the escort under subsection (b)) that either travels with the remains from Dover Air Force Base or meets the remains at the place to which transportation by air (or by rail or motor vehicle, if applicable) is made. Such escort shall be of sufficient number to transfer the casket containing the remains from the aircraft (or other means of transportation to that place) to a hearse for local transportation. Such escort shall remain with the remains until the remains are delivered to the next-of-kin. Such escort shall consist of members of the Armed Forces on active duty or in the Ready Reserve.

SEC. 564. ANNUAL BUDGET DISPLAY OF FUNDS FOR POW/MIA ACTIVITIES OF DEPARTMENT OF DEFENSE.

(a) CONSOLIDATED BUDGET JUSTIFICATION.—Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 234. POW/MIA activities: display of budget information

"(a) SUBMISSION WITH ANNUAL BUDGET JUSTIFICATION DOCUMENTS.—The Secretary of Defense shall submit to Congress, as a part of the defense budget materials for a fiscal year, a consolidated budget justification display, in classified and unclassified form, that covers all programs and activities of Department of Defense POW/MIA accounting and recovery organizations.

"(b) REQUIREMENTS FOR BUDGET DISPLAY.—The budget display under subsection (a) for a fiscal year shall include the following for each such organization:

"(1) The amount, by appropriation and functional area, originally requested by that organization for that fiscal year, with the supporting narrative describing the rationale for the requested funding level.

"(2) A summary of actual or estimated expenditures by that organization for the fiscal year during which the budget is submitted and for the fiscal year preceding that year.

"(3) The amount in the budget for that organization.

"(4) A detailed explanation of any inconsistencies between the amount originally requested by the organization (shown pursuant to paragraph (1)) and the amount in the budget for that organization (shown pursuant to paragraph (3)).

"(5) The budget estimate for that organization for the next five fiscal years after the fiscal year for which the budget is submitted.

"(c) DEPARTMENT OF DEFENSE POW/MIA ACCOUNTING AND RECOVERY ORGANIZATIONS.—In this section, the term 'Department of Defense POW/MIA accounting and recovery organization' means any of the following (and any successor organization):

"(1) The Defense Prisoner of War/Missing Personnel Office (DPMO).

"(2) The Joint POW/MIA Accounting Command (JPAC).

"(3) The Armed Forces DNA Identification Laboratory (AFDIL).

"(4) The Life Sciences Equipment Laboratory (LSEL) of the Air Force.

"(5) Any other element of the Department of Defense the mission of which (as designated by the Sec-

retary of Defense) involves the accounting for and recovery of members of the armed forces who are missing in action or prisoners of war or who are unaccounted for.

"(d) OTHER DEFINITIONS.—In this section:

"(1) The term 'budget', with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

"(2) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.".

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

"234. POW/MIA activities: display of budget information.".

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

SEC. 571. CONTINUATION OF AUTHORITY TO ASSIST LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) ASSISTANCE TO SCHOOLS WITH SIGNIFICANT NUMBERS OF MILITARY DEPENDENT STUDENTS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $50,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (a) of section 572 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b).

(b) ASSISTANCE TO SCHOOLS WITH ENROLLMENT CHANGES DUE TO BASE CLOSURES, FORCE STRUCTURE CHANGES, OR FORCE RELOCATIONS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $15,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (b) of such section 572.

(c) LOCAL EDUCATIONAL AGENCY DEFINED.—In this section, the term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 572. ENROLLMENT IN DEFENSE DEPENDENTS' EDUCATION SYSTEM OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.

Section 1404A of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923a) is amended—

(1) in subsection (a)—

(A) by striking "of the children" and inserting "of—

"(1) the children";

(B) by striking the period at the end and inserting "; and"; and

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

"(2) the children of a foreign military member assigned to the Supreme Headquarters Allied Powers, Europe, but only in a school of the defense dependents' education system in Mons, Belgium."; and

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

"(c) SPECIAL RULES REGARDING ENROLLMENT OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.—(1) In the regulations required by subsection (a), the Secretary shall prescribe a methodology based on the estimated total number of dependents of sponsors under section 1414(2) enrolled in schools of the defense dependents' education system in Mons, Belgium, to determine the number of children described in paragraph (2) of subsection (a) who will be authorized to enroll under such subsection.

"(2) If the number of children described in paragraph (2) of subsection (a) who seek enrollment in schools of the defense dependents' education system in Mons, Belgium, exceeds the number authorized by the Secretary under paragraph (1), the Secretary may enroll the additional children on a space-available, tuition-free basis notwithstanding section 1404(d)(2).".

Subtitle I—Postal Benefits

SEC. 575. POSTAL BENEFITS PROGRAM FOR MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—The Secretary of Defense, in consultation with the United States Postal Service, shall provide for a program under which postal benefits shall be provided to qualified individuals in accordance with this subtitle.

(b) QUALIFIED INDIVIDUAL.—For purposes of this subtitle, the term "qualified individual" means an individual—

(1) who is a member of the Armed Forces on active duty (as defined in section 101 of title 10, United States Code); and

(2) who is—

(A) serving in Iraq or Afghanistan; or

(B) hospitalized at a facility under the jurisdiction of the Armed Forces as a result of a disease or injury incurred as a result of service in Iraq or Afghanistan.

(c) POSTAL BENEFITS DESCRIBED.—

(1) IN GENERAL.—The postal benefits provided under this subtitle shall consist of such coupons or other similar evidence of credit (whether in printed, electronic, or other format, and hereinafter in this subtitle referred to as "vouchers") as the Secretary of Defense (in consultation with the Postal Service) shall determine, entitling the bearer or user to make qualified mailings free of postage.

(2) QUALIFIED MAILING.—For purposes of this subtitle, the term "qualified mailing" means the mailing of any mail matter which—

(A) is described in subparagraph (A), (B), (C), or (D) of paragraph (3);

(B) is sent from within an area served by a United States post office; and

(C) is addressed to a qualified individual.

(3) MAIL MATTER DESCRIBED.—The mail matter described in this paragraph is—

(A) any letter mail not exceeding 13 ounces in weight and having the character of personal correspondence;

(B) any sound- or video-recorded communications not exceeding 15 pounds in weight and having the character of personal correspondence;

(C) any ground parcel not exceeding 15 pounds in weight; and

(D) any bound printed matter not exceeding 15 pounds in weight.

(4) LIMITATIONS.—

(A) NUMBER.—An individual shall be eligible for one voucher for each month in which such individual is a qualified individual.

(B) USE.—Any such voucher may not be used—

(i) for more than a single qualified mailing; or

(ii) after the earlier of—

(I) the expiration date of such voucher, as designated by the Secretary of Defense; or

(II) the last day of the one-year period referred to in section 577.

(5) COORDINATION RULE.—Postal benefits under this subtitle shall be in addition to, and not in lieu of, any reduced rates of postage or other similar benefits which might otherwise be available by or under law, including any rates of postage resulting from the application of section 3401(b) of title 39, United States Code.

(d) REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense (in consultation with the Postal Service) shall prescribe any regulations necessary to carry out this subtitle, including—

(1) procedures by which vouchers will be provided or made available (including measures to allow vouchers to reach, in a timely manner, the persons selected by qualified individuals to use the vouchers); and

(2) procedures to ensure that the number of vouchers provided or made available with respect to

any qualified individual complies with subsection (c)(4)(A).

SEC. 576. FUNDING.

(a) IN GENERAL.—Funding for the expenses incurred by the Department of Defense for any fiscal year in providing postal benefits under this subtitle shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriations.

(b) TRANSFERS TO POSTAL SERVICE.—

(1) BASED ON ESTIMATES.—The Secretary of Defense shall transfer to the Postal Service, out of any amount so appropriated and in advance of each calendar quarter during which postal benefits under this subtitle may be used, an amount equal to the amount of postal benefits that the Secretary of Defense estimates will be used during such quarter, reduced or increased (as the case may be) by any amounts by which the Secretary finds that a determination under this subtitle for a prior quarter was greater than or less than the amount finally determined for such quarter.

(2) BASED ON FINAL DETERMINATION.—A final determination of the amount necessary to correct any previous determination under this section, and any

transfer of amounts between the Postal Service and the Department of Defense based on that final determination, shall be made not later than six months after the end of the one-year period referred to in section 577.

(c) CONSULTATION REQUIRED.—All estimates and determinations under this section of the amount of postal benefits under this subtitle used in any period shall be made by the Secretary of Defense in consultation with the Postal Service.

SEC. 577. DURATION.

The postal benefits under this subtitle shall apply with respect to mail matter sent during the one-year period beginning on the date on which the regulations under section 575(d) take effect.

Subtitle J—Other Matters

SEC. 581. REDUCTION IN DEPARTMENT OF DEFENSE ACCRUAL CONTRIBUTIONS TO DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.

(a) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—

(1) CALCULATION OF ANNUAL DEPARTMENT OF DEFENSE CONTRIBUTION.—Subsection (b)(1) of section 1465 of title 10, United States Code, is amended—

(A) in subparagraph (A)(ii), by striking "to members of " and all that follows and inserting "for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title."; and

(B) in subparagraph (B)(ii)—

(i) by striking "Ready Reserve" and inserting "Selected Reserve"; and

(ii) by striking "Coast Guard and other than members on full-time National Guard duty other than for training) who are" and inserting "Coast Guard) for service".

(2) QUADRENNIAL ACTUARIAL VALUATION.—Subsection (c)(1) of such section is amended —

(A) in subparagraph (A), by striking "for members of the armed forces" and all that follows through "for training only)" and inserting "for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be ex-

cluded for active-duty end strength purposes by section 115(i) of this title"; and

(B) in subparagraph (B)—

(i) by striking "Ready Reserve" and inserting "Selected Reserve"; and

(ii) by striking "Coast Guard and other than members on full-time National Guard duty other than for training) who are" and inserting "Coast Guard) for service".

(b) PAYMENTS INTO THE FUND.—Section 1466(a) of such title is amended—

(1) in paragraph (1)(B), by striking "by members" and all that follows and inserting "for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title"; and

(2) in paragraph (2)(B)—

(A) by striking "Ready" and inserting "Selected"; and

(B) by striking "Coast Guard and other than members on full-time National Guard duty

other than for training) who are" and inserting "Coast Guard) for service".

SEC. 582. DENTAL CORPS OF THE BUREAU OF MEDICINE AND SURGERY.

(a) DELETION OF REFERENCES TO DENTAL DIVISION.—Section 5138 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence; and

(B) by striking "Dental Division" and inserting "Dental Corps" in the second sentence;

(2) in subsection (b), by striking "Dental Division" and inserting "Dental Corps";

(3) in subsection (c)—

(A) by striking "so" in the first sentence;

(B) by striking ", that all such" in the first sentence and all that follows through "Dental Division"; and

(C) by striking the second sentence.; and

(b) FUNCTIONS OF CHIEF OF DENTAL CORPS.—Subsection (d) of such section is amended to read as follows:

"(d) The Chief of the Dental Corps shall serve as the advisor to the Surgeon General on all matters relating directly to dentistry, including professional standards and policies for dental practice.".

(c) CLERICAL AMENDMENTS.—

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

"§ 5138. Bureau of Medicine and Surgery: Dental Corps; Chief".

(2) The item relating to section 5138 in the table of sections at the beginning of chapter 513 of such title is amended to read as follows:

"5138. Bureau of Medicine and Surgery: Dental Corps; Chief.".

SEC. 583. PERMANENT AUTHORITY FOR PRESENTATION OF RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Section 2261 of title 10, United States Code, is amended by striking subsection (d).

SEC. 584. REPORT ON FEASIBILITY OF ESTABLISHMENT OF MILITARY ENTRANCE PROCESSING COMMAND STATION ON GUAM.

(a) REVIEW.—The Secretary of Defense shall review the feasibility and cost effectiveness of establishing on Guam a station of the Military Entrance Processing Command to process new recruits for the Armed Forces who are drawn from the western Pacific region. For the purposes of the review, the cost effectiveness of establishing such a facility on Guam shall be measured, in part, against the system in effect in early 2006 of using Hawaii and other locations

for the processing of new recruits from Guam and other locations in the western Pacific region.

(b) REPORT.—Not later than June 1, 2007, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report providing the results of the study under subsection (a).

SEC. 585. PERSONS AUTHORIZED TO ADMINISTER ENLISTMENT AND APPOINTMENT OATHS.

(a) ENLISTMENT OATH.—Section 502 of title 10, United States Code, is amended—

(1) by inserting "(a) ENLISTMENT OATH.—" before "Each person enlisting";

(2) by striking the last sentence; and

(3) by adding at the end the following:

"(b) WHO MAY ADMINISTER.—The oath may be taken before the President, the Vice-President, the Secretary of Defense, any commissioned officer, or any other person designated under regulations prescribed by the Secretary of Defense.".

(b) OATHS GENERALLY.—Section 1031 of such title is amended by striking "Any commissioned officer of any component of an armed force, whether or not on active duty, may administer any oath" and inserting "The President, the Vice-President, the Secretary of Defense, any commis-

sioned officer, and any other person designated under regulations prescribed by the Secretary of Defense may administer any oath".

SEC. 586. REPEAL OF REQUIREMENT FOR PERIODIC DEPARTMENT OF DEFENSE INSPECTOR GENERAL ASSESSMENTS OF VOTING ASSISTANCE COMPLIANCE AT MILITARY INSTALLATIONS.

(a) REPEAL OF DUPLICATIVE ASSESSMENT REQUIREMENT.—Section 1566 of title 10, United States Code, is amended by striking subsection (d).

(b) REPEAL OF EXPIRED PROVISION.—Subsection (g)(2) of such section is amended by striking the last sentence.

SEC. 587. PHYSICAL EVALUATION BOARDS.

(a) IN GENERAL.—

(1) PROCEDURAL REQUIREMENTS.—Chapter 61 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1222. Physical evaluation boards

"(a) RESPONSE TO APPLICATIONS AND APPEALS.—The Secretary of each military department shall ensure, in the case of any member of the armed forces appearing before a physical evaluation board under that Secretary's supervision, that documents announcing a decision of the board in the case convey the findings and conclusions of the board

in an orderly and itemized fashion with specific attention to each issue presented by the member in regard to that member's case. The requirement under the preceding sentence applies to a case both during initial consideration and upon subsequent consideration due to appeal by the member or other circumstance.

"(b) LIAISON OFFICER (PEBLO) REQUIREMENTS AND TRAINING.—(1) The Secretary of Defense shall prescribe regulations establishing —

"(A) a requirement for the Secretary of each military department to make available to members of the armed forces appearing before physical evaluation boards operated by that Secretary employees, designated as physical evaluation board liaison officers, to provide advice, counsel, and general information to such members on the operation of physical evaluation boards operated by that Secretary; and

"(B) standards and guidelines concerning the training of such physical evaluation board liaison officers.

"(2) The Secretary shall assess compliance by the Secretary of each military department with physical evaluation board liaison officer requirements and training standards and guidelines at least once every three years.

"(c) STANDARDIZED STAFF TRAINING AND OPERATIONS.—(1) The Secretary of Defense shall prescribe regulations on standards and guidelines concerning the physical evaluation board operated by each of the Secretaries of the military departments with regard to—

"(A) assignment and training of staff;

"(B) operating procedures; and

"(C) consistency and timeliness of board decisions.

"(2) The Secretary shall assess compliance with standards and guidelines prescribed under paragraph (1) by each physical evaluation board at least once every three years.".

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

"1222. Physical evaluation boards.".

(b) EFFECTIVE DATE.—Section 1222 of title 10, United States Code, as added by subsection (a), shall apply with respect to decisions rendered on cases commenced more than 120 days after the date of the enactment of this Act.

SEC. 588. DEPARTMENT OF LABOR TRANSITIONAL ASSISTANCE PROGRAM.

(a) REQUIRED PARTICIPATION FOR CERTAIN MEMBERS.—Subsection (c) of section 1144 of title 10, United States Code, is amended to read as follows:

"(c) PARTICIPATION.—(1) Except as provided in paragraph (2), the Secretary of Defense shall require participation by members of the armed forces eligible for assistance under the program carried out under this section.

"(2) The Secretary of Defense need not require, but shall encourage and otherwise promote, participation in the program by the following members described in paragraph (1):

"(A) A member who has previously participated in the program.

"(B) A member who, upon discharge or release from active duty, is returning to—

"(i) a position of employment; or

"(ii) pursuit of an academic degree or other educational or occupational training objective that the members was pursuing when called or ordered to such active duty.

"(3) Members of the armed forces eligible for assistance under this section include—

"(A) members of the reserve components being separated from service on active duty for a period of more than 30 days; and

"(B) members of the National Guard being separated from full-time National Guard duty.

"(4) The Secretary concerned shall ensure that commanders of members who are required to be provided assistance under this section authorize the members to be provided such assistance during duty time.".

(b) REQUIRED UPDATING OF MATERIALS.—Such section is further amended by adding at the end the following new subsection:

"(e) UPDATING OF MATERIALS.—The Secretary concerned shall, on a continuing basis, update the content of the materials used by the National Veterans Training Institute of the Department of Labor and the Secretary's other materials that provide direct training support to personnel who carry out the program established in this section.".

SEC. 589. REVISION IN GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) MEDICARE ELIGIBLE RETIREE HEALTH CARE FUND.—Section 1111 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "of the Department of Defense";

(2) in subsection (b), by adding at the end of the following new paragraph:

"(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United

States Military Academy, the United States Air Force Academy, or the Coast Guard Academy or a midshipman at the United States Naval Academy.''; and

(3) in the last sentence of subsection (c)—

(A) by striking ''Secretary of Defense'' and inserting ''Secretary of the Treasury''; and

(B) by striking ''section 1116(a)'' and inserting ''section 1116 of this title''.

(b) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—Section 1115 of such title is amended—

(1) in the last sentence of subsection (a)—

(A) by inserting ''by the Secretary of the Treasury'' after ''Contributions to the Fund''; and

(B) by striking ''section 1116(c)'' and inserting ''section 1116(a)(1)''.

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking the first sentence and inserting the following: ''The Secretary of the Treasury, based on data provided by the Secretary of Defense, shall determine, before the beginning of each fiscal year, the amount that the Secretary of the Treasury shall contribute to the Fund during

that fiscal year under section 1116(a)(2) of this title.";

(B) in paragraph (1)(B), by inserting before the period at the end the following: ", but excluding any member who would be excluded for active-duty end strength purposes by section 115(I) of this title"; and

(C) in paragraph (2)(B)—

(I) by striking "Ready Reserve" and inserting "Selected Reserve"; and

(ii) by striking "(other than members on full-time National Guard duty other than for training)"; and

(3) in subsection (c)—

(A) in paragraph (1)(A), by inserting before the semicolon the following: ", but excluding any member who would be excluded for active-duty end strength purposes by section 115(I) of this title";

(B) in paragraph (1)(B)—

(I) by striking "Ready Reserve" and inserting "Selected Reserve"; and

(ii) by striking "(other than members on full-time National Guard duty other than for training)"; and

(C) in paragraph (5), by inserting after "(5)" the following new sentence: "The Secretary of Defense, before the beginning of each fiscal year, shall promptly provide data to the Secretary of the Treasury regarding the actuarial valuations conducted under this subsection that would affect the contributions of the Secretary of the Treasury to the Fund for that fiscal year.".

(c) PAYMENTS INTO THE FUND.—Section 1116 of such title is amended—

(1) in the matter in subsection (a) preceding paragraph (1)—

(A) by striking "after September 30, 2005"; and

(B) by striking "Treasury—" and inserting "Treasury the following:";

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3);

(3) by striking paragraph (1) of subsection (a) and inserting the following:

"(1) The amount determined to be required as the contribution to the Fund under subsection (a) of section 1115 of this title.

"(2) The amount determined to be required as the contribution to the Fund under subsection (b) of section 1115 of this title.";

(4) in paragraph (3) of subsection (a) (as redesignated by paragraph (2)), by capitalizing the first letter of the first word;

(5) by transferring paragraphs (3), (4), and (5) of subsection (b) to the end of subsection (a) and redesignating those paragraphs as paragraphs (4), (5), and (6), respectively; and

(6) by striking subsection (b) (as amended by paragraph (5)) and subsections (c) and (d) and inserting the following new subsection (b):

"(b) No funds authorized or appropriated to the Department of Defense may be used to fund, or otherwise provide for, the payments required by this section.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to payments under chapter 56 of title 10, United States Code, beginning with fiscal year 2008.

SEC. 590. MILITARY CHAPLAINS.

(a) UNITED STATES ARMY.—Section 3547 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.".

(b) UNITED STATES MILITARY ACADEMY.—Section 4337 of such title is amended—

(1) by inserting "(a)" before "There"; and

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

"(b) The Chaplain shall have the prerogative to pray according to the dictates of the Chaplain's conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.".

(c) UNITED STATES NAVY AND MARINE CORPS.—Section 6031 of such title is amended by adding at the end the following new subsection:

"(d) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.".

(d) UNITED STATES AIR FORCE.—Section 8547 of such title is amended by adding at the end the following new subsection:

"(c) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.".

(e) UNITED STATES AIR FORCE ACADEMY.—Section 9337 of such title is amended—

(1) by inserting "(a)" before "There"; and

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

"(b) The Chaplain shall have the prerogative to pray according to the dictates of the Chaplain's conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.".

SEC. 591. REPORT ON PERSONNEL REQUIREMENTS FOR AIRBORNE ASSETS IDENTIFIED AS LOW-DENSITY, HIGH-DEMAND AIRBORNE ASSETS.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the

House of Representatives a report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets based on combatant commander requirements to conduct and sustain operations for the global war on terrorism.

(b) MATTER TO BE INCLUDED.—The report shall include the following for each airborne asset identified as a Low-Density, High-Demand Airborne Asset:

(1) The numbers of operations and maintenance crews to meet tasking contemplated to conduct operations for the global war on terrorism.

(2) The current numbers of operations and maintenance crews.

(3) If applicable, shortages of operations and maintenance crews.

(4) Whether such shortages are addressed in the future-years defense program.

(5) Whether end-strength increases are required to meet any such shortages.

(6) Costs of personnel needed to address shortfalls.

(7) If applicable, the number and types of equipment needed to address training shortfalls.

SEC. 592. ENTREPRENEURIAL SERVICE MEMBERS EMPOWERMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary of Defense, in coordination with the Administrator of the Small Business Administration, shall establish a task force to provide timely input to the Secretary and the Administrator with respect to—

(1) measures that would improve the programs and activities of the Department and the Administration that are designed to address the economic concerns, as well as the business challenges and opportunities, of entrepreneurial service members; and

(2) measures that would improve the coordination of the programs and activities relating to entrepreneurial service members conducted by—

(A) the National Committee for Employer Support of the National Guard and Reserve;

(B) Veterans Business Outreach Centers;

(C) Federal procurement entities; and

(D) any other elements within, or affiliates of, the Department of Defense or the Small Business Administration.

(b) PLAN.—The task force shall develop within 90 days after its first meeting, and revise as appropriate thereafter, a plan for carrying out the duty under subsection (a).

(c) CONSULTATION.—In carrying out the duty under subsection (a), the task force shall consult with appropriate Federal, State, and local agencies and appropriate elements of the private sector, including academic institutions and industry representatives.

(d) COMPOSITION.—

(1) CO-CHAIRS.—The task force shall have two co-chairs, one an officer or employee of the Department of Defense assigned by the Secretary, and one an officer or employee of the Small Business Administration assigned by the Administrator. The initial assignments shall be made within 60 days after the date of the enactment of this Act.

(2) OTHER MEMBERS.—The Secretary, in coordination with the Administrator, shall appoint the remaining task force members, numbering not less than 8 and not more than 15. The selections shall be made within 120 days after the date of the enactment of this Act. The Secretary, in coordination with the Administrator, shall ensure that the task force includes individuals from both public service and the private sector, and that each of the following groups is represented on the task force:

(A) Entrepreneurial service members who are owners of small businesses.

(B) Small businesses that employ entrepreneurial service members as essential employees.

(C) Associations that further the interests of small businesses, members of the reserve components of the Armed Forces, or both.

(D) Any other entities that the Secretary, in coordination with the Administrator, considers appropriate.

(3) COMPENSATION.—An individual serving as a member of the task force shall not receive compensation by reason of that service.

(e) MEETINGS.—

(1) FREQUENCY.—The task force shall meet not less frequently than twice per year. The initial meeting shall be held within 150 days after the date of the enactment of this Act.

(2) QUORUM.—A majority of the members of the task force shall constitute a quorum.

(f) REPORTS.—The task force shall provide to the Secretary and the Administrator not only the minutes of each meeting, but also a report of its findings and recommendations, should there be any, within 90 days of each meeting. Not later than 60 days after the receipt of such a report—

(1) the Secretary shall submit a copy of the report to the Committee on Armed Services of the House

of Representatives and the Committee on Armed Services of the Senate; and

(2) the Administrator shall submit a copy of the report to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate.

(g) DETAIL OF CERTAIN FEDERAL EMPLOYEES.—The Secretary may detail an officer or employee of the Department of Defense, and the Administrator may detail an officer or employee of the Small Business Administration, to the task force without additional reimbursement and without interruption or loss of civil status or privilege.

(h) EXPENSES.—The Department of Defense and the Small Business Administration shall share equally in the cost of supporting the task force.

(i) DEFINITION.—In this section, the term "entrepreneurial service member" means an individual who is both—

(1) an actual or prospective owner of, or an essential employee of, a small business; and

(2) a member of a reserve component of the Armed Forces.

(j) TERMINATION.—The task force shall terminate September 30, 2009.

SEC. 593. COMPTROLLER GENERAL REPORT ON MILITARY CONSCIENTIOUS OBJECTORS.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report concerning the frequency and consequences of members of the Armed Forces claiming status as a military conscientious objector between January 1, 1989, and December 31, 2006.

(b) CONTENT OF REPORT.—The report shall specifically address the following:

(1) The number of all applications for status as a military conscientious objector, even if the application was not acted on or other discharge given, broken down by military branch, including the Coast Guard, and regular and reserve components.

(2) Number of discharges or reassignments given.

(3) The process used to consider applications, including average time frame and any reassignment to non-combatant duties while claim pending.

(4) Reasons for approval or disapproval of applications.

(5) Any difference in benefits upon discharge as a military conscientious objector compared to other discharges.

(6) The effect of stop loss provisions in First Gulf War and currently, cancellation of orders to combat or rear attachment duty while claim pending.

(7) Pre-war statistical comparisons.

SEC. 594. COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) SIX-MONTH EXTENSION OF COMMISSION.—Subsection (f)(2) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882) is amended by striking "one year" and inserting "18 months".

(b) ADDITIONAL MATTERS TO BE REVIEWED BY COMMISSION.—The Commission on the National Guard and Reserves shall include among the matters it studies (in addition to the matters specified in subsection (c) of such section 513) the following:

(1) PROVISIONS OF H.R. 5200, 109TH CONGRESS.—The advisability and feasibility of implementing the provisions of H.R. 5200 of the 109th Congress, as introduced in the House of Representatives on April 26, 2006.

(2) CHIEF OF NATIONAL GUARD BUREAU.—As an alternative to implementation of the provisions of the bill specified in paragraph (1) that provide for the Chief of the National Guard Bureau to be a member

of the Joint Chiefs of Staff and to hold the grade of general, the advisability and feasibility of providing for the Chief of the National Guard Bureau to hold the grade of general in the performance of the current duties of that office.

(3) NATIONAL GUARD EQUIPMENT AND FUNDING REQUIREMENTS.—The adequacy of the Department of Defense processes for defining the equipment and funding necessary for the National Guard to conduct both its responsibilities under title 10, United States Code, and its responsibilities under title 32, United States Code, including homeland defense and related homeland missions, including as part of such study—

(A) consideration of the extent to which those processes should be developed taking into consideration the views of the Chief of the National Guard Bureau, as well as the views of the 54 Adjutant Generals and the views of the Chiefs of the Army National Guard and the Air Guard; and

(B) whether there should be an improved means by which National Guard equipment requirements are validated by the Joint Chiefs of Staff and are considered for funding by the Secretaries of the Army and Air Force.

(c) PRIORITY REVIEW AND REPORT.—

(1) PRIORITY REVIEW.—The Commission on the National Guard and Reserves shall carry out its study of the matters specified in paragraphs (1) and (2) of subsection (b) on a priority basis, with a higher priority for matters under those paragraphs relating to the grade and functions of the Chief of the National Guard Bureau.

(2) REPORT.—In addition to the reports required under subsection (f) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), the Commission shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an interim report, not later than March 1, 2007, specifically on the matters covered by paragraph (1). In such report, the Commission shall set forth its findings and any recommendations it considers appropriate with respect to those matters.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2007.
Sec. 602. Targeted increase in basic pay rates.
Sec. 603. Conforming change in general and flag officer pay cap to reflect increase in pay cap for Senior Executive Service personnel.

Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
Sec. 606. Clarification of effective date of prohibition on compensation for correspondence courses.
Sec. 607. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of bonus and special pay authorities for health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of other bonus, special pay, and separation pay authorities.
Sec. 615. Expansion of eligibility of dental officers for additional special pay.
Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 617. Authority to provide lump sum payment of nuclear officer incentive pay.
Sec. 618. Increase in maximum amount of nuclear career accession bonus.
Sec. 619. Increase in maximum amount of incentive bonus for transfer between armed forces.
Sec. 620. Clarification regarding members of the Army eligible for bonus for referring other persons for enlistment in the Army.
Sec. 621. Pilot program for recruitment bonus for critical health care specialties.
Sec. 622. Enhancement of temporary program of voluntary separation pay and benefits.
Sec. 623. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Authority to pay costs associated with delivery of motor vehicle to storage location selected by member and subsequent removal of vehicle.
Sec. 632. Transportation of additional motor vehicle of members on change of permanent station to or from nonforeign areas outside the continental United States.
Sec. 633. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.
Sec. 642. Retroactive payment of additional death gratuity for certain members not previously covered.
Sec. 643. Equity in computation of disability retired pay for reserve component members wounded in action.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 651. Treatment of price surcharges of tobacco products and certain other merchandise sold at commissary stores.

Sec. 652. Limitation on use of Department of Defense lease authority to undermine commissaries and exchanges and other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Sec. 653. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.

Sec. 654. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Subtitle F—Other Matters

Sec. 661. Repeal of annual reporting requirement regarding effects of recruitment and retention initiatives.

Sec. 662. Pilot project regarding providing golf carts accessible for disabled persons at military golf courses.

Sec. 663. Enhanced authority to remit or cancel indebtedness of members of the Armed Forces incurred on active duty.

1 # *Subtitle A—Pay and Allowances*

2 ***SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2007.***

3 *(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The ad-*
4 *justment to become effective during fiscal year 2007 re-*
5 *quired by section 1009 of title 37, United States Code, in*
6 *the rates of monthly basic pay authorized members of the*
7 *uniformed services shall not be made.*

8 *(b) INCREASE IN BASIC PAY.—Effective on January*
9 *1, 2007, the rates of monthly basic pay for members of the*
10 *uniformed services are increased by 2.7 percent.*

11 ***SEC. 602. TARGETED INCREASE IN BASIC PAY RATES.***

12 *Effective on April 1, 2007, the rates of monthly basic*
13 *pay for members of the uniformed services within each pay*
14 *grade are as follows:*

COMMISSIONED OFFICERS[1]

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,494.20	8,772.60	8,957.10	9,008.70	9,239.10
O–7	7,058.40	7,386.00	7,538.10	7,658.40	7,876.80
O–6	5,231.40	5,747.40	6,124.50	6,124.50	6,147.60
O–5	4,361.10	4,912.80	5,253.00	5,316.90	5,529.00
O–4	3,762.90	4,356.00	4,646.40	4,711.50	4,981.20
O–3[3]	3,308.40	3,750.60	4,048.20	4,413.60	4,624.50
O–2[3]	2,858.10	3,255.60	3,749.70	3,876.30	3,956.10
O–1[3]	2,481.30	2,582.40	3,121.80	3,121.80	3,121.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,624.00	9,713.40	10,079.10	10,183.80	10,498.80
O–7	8,092.20	8,341.80	8,590.80	8,840.40	9,624.00
O–6	6,411.30	6,446.10	6,446.10	6,812.40	7,460.10
O–5	5,656.20	5,935.20	6,140.10	6,404.40	6,809.70
O–4	5,270.40	5,630.10	5,911.20	6,105.90	6,217.80
O–3[3]	4,856.70	5,007.00	5,253.90	5,382.30	5,382.30
O–2[3]	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10
O–1[3]	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$13,725.90	$13,793.10	$14,079.90	$14,579.70
O–9	0.00	12,005.10	12,177.60	12,427.80	12,863.70
O–8	10,954.20	11,374.50	11,655.00	11,655.00	11,655.00
O–7	10,286.10	10,286.10	10,286.10	10,286.10	10,338.30
O–6	7,840.20	8,220.00	8,436.30	8,655.00	9,080.10
O–5	7,002.30	7,192.80	7,409.10	7,409.10	7,409.10
O–4	6,282.90	6,282.90	6,282.90	6,282.90	6,282.90
O–3[3]	5,382.30	5,382.30	5,382.30	5,382.30	5,382.30
O–2[3]	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10
O–1[3]	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned oficers in pay grades 0–7 through 0–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code, basic pay for this grade is $16,037.40, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

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

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

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$4,413.60	$4,624.50
O–2E	0.00	0.00	0.00	3,876.30	3,956.10
O–1E	0.00	0.00	0.00	3,121.80	3,333.90
	Over 8	Over 10	Over 12	Over 14	Over 16

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

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
0–3E	$4,856.70	$5,007.00	$5,253.90	$5,462.10	$5,581.20
0–2E	4,082.10	4,294.20	4,458.90.	4,581.00	4,581.00
0–1E	3,456.90	3,582.90	3,706.80	3,876.30	3,876.30
	Over 18	Over 20	Over 22	Over 24	Over 26
0–3E	$5,743.80	$5,743.80	$5,743.80	$5,743.80	$5,743.80
0–2E	4,581.00	4,581.00	4,581.00	4,581.00	4,581.00
0–1E	3,876.30	3,876.30	3,876.30	3,876.30	3,876.30

WARRANT OFFICERS[1]

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,418.80	3,677.70	3,783.60	3,887.40	4,066.20
W–3	3,122.10	3,252.30	3,385.50	3,429.60	3,569.40
W–2	2,762.70	3023.40	3,104.40	3,159.90	3,338.70
W–1	2,425.20	2,685.00	2,756.40	2,904.30	3,080.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,242.90	4,422.30	4,691.40	4,927.80	5152.80
W–3	3,843.90	4,130.10	4,265.40	4,421.40	4,582.20
W–2	3,616.80	3,754.80	3,890.70	4,056.60	4,186.20
W–1	3,337.80	3,458.40	3,627.00	3,792.90	3,922.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,078.30	$6,386.10	$6,615.60	$6,869.70
W–4	5,336.40	5,516.10	5,779.50	5,995.80	6,242.70
W–3	4,870.50	5,065.80	5,181.90	5,306.40	5,475.30
W–2	4,303.80	4,444.20	4,536.90	4,611.30	4,611.30
W–1	4,042.80	4,188.90	4,188.90	4,188.90	4,188.90

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.*

ENLISTED MEMBERS[1]

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,350.50	2,565.60	2,663.70	2,794.20	2,895.60
E–6	2,033.10	2,236.80	2,335.80	2,431.50	2,531.70
E–5	1,863.00	1,987.50	2,083.50	2,181.90	2,335.20
E–4	1,707.90	1,795.20	1,892.40	1,988.10	2,073.00
E–3	1,541.70	1,638.90	1,737.60	1,737.60	1,737.60
E–2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E–1[3]	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00

ENLISTED MEMBERS*[1]*—Continued

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

Pay Grade	*2 or less*	*Over 2*	*Over 3*	*Over 4*	*Over 6*
	Over 8	*Over 10*	*Over 12*	*Over 14*	*Over 16*
E–9[2]	*$0.00*	*$4,130.70*	*$4,224.30*	*$4,342.50*	*$4,481.40*
E–8	*3,381.30*	*3,531.00*	*3,623.70*	*3,734.40*	*3,854.70*
E–7	*3,070.20*	*3,168.30*	*3,326.70*	*3,471.00*	*3,569.70*
E–6	*2,757.60*	*2,845.20*	*3,000.00*	*3,051.90*	*3,089.70*
E–5	*2,483.70*	*2,613.90*	*2,630.10*	*2,630.10*	*2,630.10*
E–4	*2,073.00*	*2,073.00*	*2,073.00*	*2,073.00*	*2,073.00*
E–3	*1,737.60*	*1,737.60*	*1,737.60*	*1,737.60*	*1,737.60*
E–2	*1,465.80*	*1,465.80*	*1,465.80*	*1,465.80*	*1,465.80*
E–1[3]	*1,308.00*	*1,308.00*	*1,308.00*	*1,308.00*	*1,308.00*
	Over 18	*Over 20*	*Over 22*	*Over 24*	*Over 26*
E–9[2]	*$4,620.90*	*$4,845.30*	*$5,034.60*	*$5,234.70*	*$5,539.50*
E–8	*4,071.60*	*4,181.40*	*4,368.60*	*4,472.40*	*4,727.70*
E–7	*3,674.40*	*3,715.50*	*3,852.00*	*3,944.40*	*4,224.60*
E–6	*3,133.50*	*3,133.50*	*3,133.50*	*3,133.50*	*3,133.50*
E–5	*2,630.10*	*2,630.10*	*2,630.10*	*2,630.10*	*2,630.10*
E–4	*2,073.00*	*2,073.00*	*2,073.00*	*2,073.00*	*2,073.00*
E–3	*1,737.60*	*1,737.60*	*1,737.60*	*1,737.60*	*1,737.60*
E–2	*1,465.80*	*1,465.80*	*1,465.80*	*1,465.80*	*1,465.80*
E–1[3]	*1,308.00*	*1,308.00*	*1,308.00*	*1,308.00*	*1,308.00*

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Statff is $6,675.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,209.90.

SEC. 603. CONFORMING CHANGE IN GENERAL AND FLAG OFFICER PAY CAP TO REFLECT INCREASE IN PAY CAP FOR SENIOR EXECUTIVE SERVICE PERSONNEL.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking "level III of the Executive Schedule" and inserting "level II of the Executive Schedule".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 604. AVAILABILITY OF SECOND BASIC ALLOWANCE FOR HOUSING FOR CERTAIN RESERVE COMPONENT OR RETIRED MEMBERS SERVING IN SUPPORT OF CONTINGENCY OPERATIONS.

Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

"(2) The Secretary concerned may provide a basic allowance for housing to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing established under subsection (b) or the overseas basic allowance for housing established under subsection (c), whichever applies to the location at which the member is serving, for members in the same grade at that location without dependents. The member may receive both a basic allowance for housing under paragraph (1) and under this paragraph for the same month, but may not receive the portion of the allowance authorized under section 404 of this title, if any, for lodging expenses if a basic allowance for housing is provided under this paragraph."; and

(3) in paragraph (3), as so redesignated, by striking "Paragraph (1)" and inserting "Paragraphs (1) and (2)".

SEC. 605. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE ALSO MEMBERS.

(a) EXTENSION.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

"(3) An allowance may be paid under paragraph (2) to the spouse of the deceased member even though the spouse is also a member of the uniformed services. The allowance paid under such paragraph is in addition to any other pay and allowances to which the spouse is entitled as a member.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

(2) TRANSITIONAL RULE.—After October 1, 2006, the Secretary of Defense, and the Secretary of Homeland Security in the case of the Coast Guard, may pay the allowance authorized by section 403(l)(2) of title 37, United States Code, to a member of the uniformed services who is the spouse of a member who died on active duty during the one-year period ending

on that date, except that the payment of the allowance must terminate within 365 days after the date of the member's death.

SEC. 606. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(3) The prohibition in paragraph (1), including the prohibition as it relates to a member of the National Guard while not in Federal service, applies to—

"(A) any work or study performed on or after September 7, 1962, unless that work or study is specifically covered by the exception in paragraph (2); and

"(B) any claim based on that work or study arising after that date.".

SEC. 607. PAYMENT OF FULL PREMIUM FOR COVERAGE UNDER SERVICEMEMBERS' GROUP LIFE INSURANCE PROGRAM DURING SERVICE IN OPERATION ENDURING FREEDOM OR OPERATION IRAQI FREEDOM.

(a) ENHANCED ALLOWANCE TO COVER SGLI DEDUCTIONS.—Subsection (a)(1) of section 437 of title 37, United States Code, is amended by striking "for the first $150,000"

and all that follows through "of such title" and inserting "for the amount of Servicemembers' Group Life Insurance coverage held by the member under section 1967 of such title".

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

(1) in subsection (a)—

(A) by striking "(1)" before "in the case of"; and

(B) by striking paragraph (2);

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b) and in paragraph (2) of that subsection by striking "coverage amount specified in subsection (a)(1) or in effect pursuant to subsection (b)," and inserting "maximum coverage amount available for such insurance,".

(c) CLERICAL AMENDMENTS.—The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 7 of such title, are each amended by striking the fourth and fifth words.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act and shall apply with respect to service by members of the

Armed Forces in the theater of operations for Operation Enduring Freedom or Operation Iraqi Freedom for months beginning on or after that date.

(e) FUNDING SOURCE.—Of the amounts authorized to be appropriated to the Department of Defense for military personnel accounts as emergency supplemental appropriations for fiscal years 2006 and 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom, $31,000,000 shall be available to cover the additional costs incurred to implement the amendments made by this section.

Subtitle B—Bonuses and Special and Incentive Pays

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

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of

such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(h)(2) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

SEC. 612. EXTENSION OF BONUS AND SPECIAL PAY AUTHORITIES FOR HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by

striking "January 1, 2007" and inserting "January 1, 2008".

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e)

of title 37, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

SEC. 614. EXTENSION OF OTHER BONUS, SPECIAL PAY, AND SEPARATION PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking "December 31, 2007" and inserting "December 31, 2008".

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(d) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended

by striking "December 31, 2006" and inserting "December 31, 2007".

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(g) MILITARY OCCUPATIONAL SPECIALTY CONVERSION INCENTIVE BONUS.—Section 326(g) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(h) TRANSFER BETWEEN ARMED FORCES INCENTIVE BONUS.—Section 327(h) of such title is amended by striking "December 31, 2006" and inserting "December 31, 2007".

SEC. 615. EXPANSION OF ELIGIBILITY OF DENTAL OFFICERS FOR ADDITIONAL SPECIAL PAY.

(a) REPEAL OF INTERNSHIP AND RESIDENCY EXCEPTION.—Section 302b(a)(4) of title 37, United States Code, is amended by striking the first sentence and inserting the following new sentence: "An officer who is entitled to variable special pay under paragraph (2) or (3) is also entitled to additional special pay for any 12-month period during which an agreement executed under subsection (b) is in effect with respect to the officer.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 616. INCREASE IN MAXIMUM ANNUAL RATE OF SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

(a) INCREASE.—Section 302g(a) of title 37, United States Code, is amended by striking "$10,000" and inserting "$25,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006.

SEC. 617. AUTHORITY TO PROVIDE LUMP SUM PAYMENT OF NUCLEAR OFFICER INCENTIVE PAY.

(a) LUMP SUM PAYMENT OPTION.—Subsection (a) of section 312 of title 37, United States Code, is amended in the matter after paragraph (3)—

(1) by striking "in equal annual installments" and inserting "in a single lump-sum or in annual installments of equal or different amounts"; and

(2) by striking "with the number of installments being equal to the number of years covered by the contract plus one" and inserting "and, if the special pay will be paid in annual installments, the number of installments may not exceed the number of years covered by the agreement plus one".

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

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

(2) in subsection (a)—

(A) by striking "an officer" in the matter before paragraph (1) and inserting "the Secretary may pay special pay under subsection (b) to an officer";

(B) by striking the semicolon at the end of paragraph (3) and inserting a period;

(C) by striking "may, upon" and all that follows through "The Secretary of the Navy shall" and inserting the following:

"(b) PAYMENT AMOUNT; PAYMENT OPTIONS.—(1) The total amount paid to an officer under an agreement under subsection (a) or (e)(1) may not exceed $30,000 for each year of the active-service agreement. Amounts paid under the agreement are in addition to all other compensation to which the officer is entitled.

"(2) The Secretary shall";

(D) by striking "Upon acceptance of the agreement by the Secretary or his designee" and inserting the following:

"(3) Upon acceptance of an agreement under subsection (a) or (e)(1) by the Secretary ";

(E) by striking "The Secretary (or his designee)" and inserting the following:

"(4) The Secretary";

(3) in subsection (c), as redesignated by paragraph (1), by striking "subsection (a) or subsection (d)(1)" and inserting "subsection (b) or (e)(1)"; and

(4) in the first sentence of subsection (e)(1), as redesignated by paragraph (1)—

(A) by striking "such subsection" and inserting "subsection (b)"; and

(B) by striking "that subsection" and inserting "this subsection".

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "SPECIAL PAY AUTHORIZED; ELIGIBILITY.—" after "(a)";

(2) in subsection (c), as redesignated by subsection (b)(1), by inserting "REPAYMENT.—" after "(c)";

(3) in subsection (d), as redesignated by subsection (b)(1), by inserting "RELATION TO SERVICE OBLIGATION.—" after "(d)";

(4) in subsection (e), as redesignated by subsection (b)(1), by inserting "NEW AGREEMENT.—" after "(e)"; and

(5) in subsection (f), as redesignated by subsection (b)(1), by inserting "DURATION OF AUTHORITY.—" after "(f)".

SEC. 618. INCREASE IN MAXIMUM AMOUNT OF NUCLEAR CAREER ACCESSION BONUS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking "$20,000" and inserting "$30,000".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 619. INCREASE IN MAXIMUM AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.

(a) INCREASE.—Section 327(d)(1) of title 37, United States Code, is amended by striking "$2,500" and inserting "$10,000".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 620. CLARIFICATION REGARDING MEMBERS OF THE ARMY ELIGIBLE FOR BONUS FOR REFERRING OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

Section 645(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary";

(2) by striking ", whether in the regular component of the Army or in the Army National Guard or Army Reserve," and inserting "described in paragraph (2)"; and

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

"(2) MEMBERS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following members of the Army are eligible for a referral bonus under this section:

"(A) A member in the regular component of the Army.

"(B) A member of the Army National Guard.

"(C) A member of the Army Reserve.

"(D) A member of the Army in a retired status, including a member under 60 years of

age who, but for age, would be eligible for retired pay.".

SEC. 621. PILOT PROGRAM FOR RECRUITMENT BONUS FOR CRITICAL HEALTH CARE SPECIALTIES.

(a) PILOT PROGRAM.—Section 2121 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) The Secretary of Defense may carry out a pilot program for payment of a recruitment incentive bonus to increase participation in the program. The Secretary shall prescribe regulations specifying the amount and terms of the bonus. The bonus shall be used to improve recruitment for critical health care specialties. A bonus under the pilot program shall be in addition to the stipend under subsection (d).

"(2) The amount prescribed under paragraph (1) for the bonus under the pilot program shall be determined by the Secretary.

"(3) The scope of the pilot program shall be limited to no more than 100 total participants in no more than five critical medical specialties. The program shall last no more than two years, beginning on the earlier of the date the first participant is selected or January 1, 2010. ".

(b) REPORTS.—The Secretary of Defense shall prepare a mid-term report and a final report on the findings and

recommendations resulting from the pilot program. The Secretary shall submit those reports to the Committees on Armed Services of the Senate and the House of Representatives.

SEC. 622. ENHANCEMENT OF TEMPORARY PROGRAM OF VOLUNTARY SEPARATION PAY AND BENEFITS.

(a) ONE-YEAR EXTENSION OF AUTHORITY.—Section 1175a(k)(1) of title 10, United States Code, is amended by striking "December 31, 2008," and inserting "December 31, 2009".

(b) EXPANSION OF ELIGIBLE MEMBERS.—Section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3306) is amended by striking subsection (b).

SEC. 623. ADDITIONAL AUTHORITIES AND INCENTIVES TO ENCOURAGE RETIRED MEMBERS AND RESERVE COMPONENT MEMBERS TO VOLUNTEER TO SERVE ON ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY ASSIGNMENTS.

(a) AUTHORITY TO OFFER INCENTIVE BONUS.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments

"(a) INCENTIVE BONUS AUTHORIZED.—The Secretary of Defense may pay a bonus under this section to a retired member or former member of the Army, Navy, Air Force, or Marine Corps or to a member of a reserve component of the Army, Navy, Air Force, or Marine Corps (who is not otherwise serving on active duty) who executes a written agreement to serve on active duty for a period specified in the agreement in an assignment intended to alleviate a high-demand, low-density military capability or in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements.

"(b) MAXIMUM AMOUNT OF BONUS.—A bonus under subsection (a) and any incentive developed under subsection (d) may not exceed $50,000.

"(c) METHODS OF PAYMENT.—At the election of the Secretary, a bonus under subsection (a) and any incentive developed under subsection (d) shall be paid or provided—

"(1) when the member commences service on active duty; or

"(2) in annual installments in such amounts as may be determined by the Secretary.

"(d) DEVELOPMENT OF ADDITIONAL INCENTIVES.—(1) The Secretary may develop and provide to members referred

to in subsection (a) additional incentives to encourage such members to return to active duty in assignments intended to alleviate a high-demand, low-density military capability or in others specialties designated by the Secretary as critical to meet wartime or peacetime requirements.

"(2) The provision of any incentive developed under this subsection shall be subject to an agreement, as required for bonuses under subsection (a).

"(3) Not later than 30 days before first offering any incentive developed under this subsection, the Secretary shall submit to the congressional defense committees a report that contains a description of that incentive and an explanation why a bonus under subsection (a) or other pay and allowances are not sufficient to alleviate the high-demand, low-density military capability or otherwise fill critical military specialties.

"(e) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus or other incentive paid or provided to a member under this section is in addition to any other pay and allowances to which the member is entitled.

"(f) REPAYMENT.—A member who does not complete the period of active duty specified in the agreement executed under subsection (a) or (d) shall be subject to the repayment provisions of section 303a(e) of this title.

"(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT DEFINED.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational specialty that the Secretary determines has funding, equipment, or personnel levels that are substantially below the levels required to fully meet or sustain actual or expected operational requirements set by regional commanders.

"(h) REGULATIONS.—The Secretary of Defense may prescribe such regulations as the Secretary considers necessary to carry out this section.

"(i) TERMINATION OF AUTHORITY.—No agreement under subsection (a) or (d) may be entered into after December 31, 2010.".

(b) TEMPORARY AUTHORITY TO ORDER RETIRED MEMBERS TO ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY ASSIGNMENTS.—Section 688a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence and inserting the following new sentence: "The Secretary of a military department may order to active duty a retired member who agrees to serve on active duty in an assignment intended to alleviate a high-demand, low-density military capability or

in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements.''; and

(B) in the second sentence, by striking ''officer'' both places it appears and inserting ''member'';

(2) in subsection (b), by striking ''an officer'' and inserting ''a member'';

(3) in subsection (c), by striking ''500 officers'' and inserting ''1,000 members'';

(4) in subsection (d), by striking ''officer'' and inserting ''member'';

(5) in subsection (e), by striking ''Officers'' and inserting ''Retired members'';

(6) in subsection (f)—

(A) by striking ''An officer'' and inserting ''A retired member''; and

(B) by striking ''September 30, 2008'' and inserting ''December 31, 2010''; and

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

''(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT DEFINED.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational

specialty that the Secretary of Defense determines has funding, equipment, or personnel levels that are substantially below the levels required to fully meet or sustain actual or expected operational requirements set by regional commanders.".

(c) CLERICAL AMENDMENTS.—

(1) TITLE 37.—The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by adding at the end the following new item:

"329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments.".

(2) TITLE 10.—(A) The heading of section 688a of title 10, United States Code, is amended to read as follows:

"§ 688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments".

(B) The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 688a and inserting the following new item:

"688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments.".

(d) EFFECTIVE DATE.—No agreement may be entered into under section 329 of title 37, United States Code, as added by subsection (a), before October 1, 2006.

(e) LIMITATION ON FISCAL YEAR 2007 OBLIGATIONS.—During fiscal year 2007, obligations incurred under section 329 of title 37, United States Code, as added by subsection (a), to provide bonuses or other incentives to retired members and former members of the Army, Navy, Air Force, or Marine Corps or to members of the reserve components of the Army, Navy, Air Force, and Marine Corps may not exceed $5,000,000.

Subtitle C—Travel and Transportation Allowances

SEC. 631. AUTHORITY TO PAY COSTS ASSOCIATED WITH DELIVERY OF MOTOR VEHICLE TO STORAGE LOCATION SELECTED BY MEMBER AND SUBSEQUENT REMOVAL OF VEHICLE.

Subsection (b) of section 2634 of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) If a member elects to have a motor vehicle described in subsection (a) stored at a location other than a storage location approved by the Secretary concerned, the delivery and removal costs described in paragraph (3) are the only costs that may be paid by the Secretary. The deliv-

ery or removal costs paid by the Secretary under this paragraph may not exceed the total cost that would have been incurred by the United States had the storage location approved by the Secretary been used to store the motor vehicle. The United States is not responsible for any costs associated with the actual storage of the motor vehicle at the unapproved location.".

SEC. 632. TRANSPORTATION OF ADDITIONAL MOTOR VEHICLE OF MEMBERS ON CHANGE OF PERMANENT STATION TO OR FROM NONFOREIGN AREAS OUTSIDE THE CONTINENTAL UNITED STATES.

(a) AUTHORITY TO TRANSPORT ADDITIONAL MOTOR VEHICLE.—Subsection (a) of section 2634 of title 10, United States Code, is amended—

(1) by striking the sentence following paragraph (4);

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(3) by inserting "(1)" after "(a)"; and

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

"(2) One additional motor vehicle of a member (or a dependent of the member) may be transported as provided in paragraph (1) if—

"(A) the member is ordered to make a change of permanent station to or from a nonforeign area outside the continental United States and the member has at least one dependent of driving age who will use the motor vehicle; or

"(B) the Secretary concerned determines that a replacement for the motor vehicle transported under paragraph (1) is necessary for reasons beyond the control of the member and is in the interest of the United States and the Secretary approves the transportation in advance.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) by striking "his dependents" and inserting "a dependent of the member";

(2) by striking "him" and inserting "the member";

(3) by striking "his)" and inserting "the member)";

(4) by striking "his new" and inserting "the member's new"; and

(5) in paragraph (1)(C), as redesignated by subsection (a), by striking "clauses (1) and (2)" and inserting "subparagraphs (A) and (B)".

(c) EFFECTIVE DATE.—Paragraph (2)(A) of subsection (a) of section 2634 of title 10, United States Code, as added by subsection (a)(4), shall apply with respect to orders issued on or after the date of the enactment of this Act for members of the Armed Forces to make a change of permanent station to or from nonforeign areas outside the continental United States.

SEC. 633. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRANSPORTATION OF FAMILY MEMBERS INCIDENT TO ILLNESS OR INJURY OF MEMBERS.

Section 411h(b)(1) of title 37, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; and"; and

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

"(E) a person related to the member as described in subparagraph (A), (B), (C), or (D) who is also a member of the uniformed services.".

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MILITARY SURVIVOR BENEFIT PLAN BENEFICIARIES UNDER INSURABLE INTEREST COVERAGE.

(a) AUTHORITY TO ELECT NEW BENEFICIARY.—Section 1448(b)(1) of title 10, United States Code, is amended—

(1) by inserting "or under subparagraph (G) of this paragraph" in the second sentence of subparagraph (E) before the period at the end; and

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

"(G) ELECTION OF NEW BENEFICIARY UPON DEATH OF PREVIOUS BENEFICIARY.—

"(i) AUTHORITY FOR ELECTION.—If the reason for discontinuation in the Plan is the death of the beneficiary, the participant in the Plan may elect a new beneficiary. Any such beneficiary must be a natural person with an insurable interest in the participant. Such an election may be made only during the 180-day period beginning on the date of the death of the previous beneficiary.

"(ii) PROCEDURES.—Such an election shall be in writing, signed by the participant, and made in such form and manner as the Secretary concerned may prescribe. Such an election shall be effective the first day of the first month following the month in which the election is received by the Secretary.

"(iii) VITIATION OF ELECTION BY PARTICIPANT WHO DIES WITHIN TWO YEARS OF ELECTION.—If a person providing an annuity under a election under clause (i) dies before the end of the two-year period beginning on the effective date of the election—

"(I) the election is vitiated; and

"(II) the amount by which the person's retired pay was reduced under section 1452 of this title that is attributable to the election shall be paid in a lump sum to the person who would have been the deceased person's beneficiary under the vitiated election if the deceased person had died after the end of such two-year period.".

(b) CHANGE IN PREMIUM FOR COVERAGE OF NEW BENEFICIARY.—Section 1452(c) of such title is amended by adding at the end the following new paragraph:

"(5) RULE FOR DESIGNATION OF NEW INSURABLE INTEREST BENEFICIARY FOLLOWING DEATH OF ORIGINAL BENEFICIARY.—The Secretary of Defense shall prescribe in regulations premiums which a participant making an election under section 1448(b)(1)(G) of this title shall be required to pay for participating in the Plan pursuant to that election. The total amount of the premiums to be paid by a participant under the regulations shall be equal to the sum of the following:

"(A) The total additional amount by which the retired pay of the participant would have been reduced before the effective date of the election if the original beneficiary (i) had not died and had been covered under the Plan through the date of the election, and (ii) had been the same number of years younger than the participant (if any) as the new beneficiary designated under the election.

"(B) Interest on the amounts by which the retired pay of the participant would have been so reduced, computed from the dates on which

the retired pay would have been so reduced at such rate or rates and according to such methodology as the Secretary of Defense determines reasonable.

"(C) Any additional amount that the Secretary determines necessary to protect the actuarial soundness of the Department of Defense Military Retirement Fund against any increased risk for the fund that is associated with the election.".

(c) TRANSITION.—

(1) TRANSITION PERIOD.—In the case of a participant in the Survivor Benefit Plan who made a covered insurable-interest election (as defined in paragraph (2)) and whose designated beneficiary under that election dies before the date of the enactment of this Act or during the 18-month period beginning on such date, the time period applicable for purposes of the limitation in the third sentence of subparagraph (G)(i) of section 1448(b)(1) of title 10, United States Code, as added by subsection (a), shall be the two-year period beginning on the date of the enactment of this Act (rather than the 180-day period specified in that sentence).

(2) COVERED INSURABLE-INTEREST ELECTIONS.—For purposes of paragraph (1), a covered insurable-interest election is an election under section 1448(b)(1) of title 10, United States Code, made before the date of the enactment of this Act, or during the 18-month period beginning on such date, by a participant in the Survivor Benefit Plan to provide an annuity under that plan to a natural person with an insurable interest in that person.

(3) SURVIVOR BENEFIT PLAN.—For purposes of this subsection, the term "Survivor Benefit Plan" means the program under subchapter II of chapter 73 of title 10, United States Code.

SEC. 642. RETROACTIVE PAYMENT OF ADDITIONAL DEATH GRATUITY FOR CERTAIN MEMBERS NOT PREVIOUSLY COVERED.

(a) SPECIFICATION OF ADDITIONAL MEMBERS COVERED.—Section 1478(d)(2) of title 10, United States Code, is amended by striking "May 11, 2005" and inserting "August 31, 2005".

(b) FUNDING.—Amounts for payments under section 1478(d) of title 10, United States Code, as amended by subsection (a), with respect to deaths during the period beginning on May 12, 2005, and ending on August 31, 2005,

may be derived from appropriations available to for the Department of Defense for fiscal year 2006 or fiscal year 2007.

SEC. 643. EQUITY IN COMPUTATION OF DISABILITY RETIRED PAY FOR RESERVE COMPONENT MEMBERS WOUNDED IN ACTION.

Section 1208(b) of title 10, United States Code, is amended by adding at the end the following new sentence: "However, in the case of such a member who is retired under this chapter, or whose name is placed on the temporary disability retired list under this chapter, because of a disability incurred after the date of the enactment of this sentence for which the member is awarded the Purple Heart, the member shall be credited, for the purposes of this chapter, with the number of years of service that would be counted if computing the member's years of service under section 12732 of this title.".

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 651. TREATMENT OF PRICE SURCHARGES OF TOBACCO PRODUCTS AND CERTAIN OTHER MERCHANDISE SOLD AT COMMISSARY STORES.

(a) MERCHANDISE PROCURED FROM EXCHANGES.—Subsection (c)(3) of section 2484 of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)";

(2) by striking "Subsections" and inserting "Except as provided in subparagraph (B), subsections"; and

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

"(B) When a military exchange is the vendor of tobacco products or other merchandise authorized for sale in a commissary store under paragraph (1), any revenue above the cost of procuring the merchandise shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).".

(b) MERCHANDISE TREATED AS NONCOMMISSARY STORE INVENTORY.—Subsection (g) of such section is amended—

(1) by inserting "(1)" before "Notwithstanding";

(2) by striking "Subsections" and inserting "Except as provided in paragraph (2), subsections"; and

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

"(2) When tobacco products are authorized for sale in a commissary store as noncommissary store inventory, any revenue above the cost of procuring the tobacco products shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).".

SEC. 652. LIMITATION ON USE OF DEPARTMENT OF DEFENSE LEASE AUTHORITY TO UNDERMINE COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) Except in the case of a lease under this subsection, a lease of real property may not be entered into under this section to fascilitate the establishment or operation of an ancillary supporting facility (as defined in section 2871 of this title) if, as determined by the Secretary concerned, the facility is to be used for providing merchandise or services in direct competition with—

"(A) the Army and Air Force Exchange Service;

"(B) the Navy Exchange Service Command;

"(C) a Marine Corps exchange;

"(D) the Defense Commissary Agency; or

"(E) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

SEC. 653. USE OF NONAPPROPRIATED FUNDS TO SUPPLEMENT OR REPLACE APPROPRIATED FUNDS FOR CONSTRUCTION OF FACILITIES OF EXCHANGE STORES SYSTEM AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES, MILITARY LODGING FACILITIES, AND COMMUNITY FACILITIES.

(a) IN GENERAL.—Subchapter III of chapter 147 of title 10, United States Code, is amended by inserting after section 2491c the following new section:

"§ 2491d. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities

"(a) USE OF NONAPPROPRIATED FUNDS.—The Secretary of Defense may authorize the use of nonappropriated funds in lieu of or to supplement funds appropriated to the Department of Defense for the construction of the following:

"(1) Facilities of the exchange stores system and other revenue-generating facilities operated by nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

"(2) Facilities of other nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

"(3) Military lodging facilities used to provide temporary lodging to authorized members of the armed forces, including temporary duty lodging, permanent change of station lodging, recreational lodging, and military treatment facility lodging.

"(4) Community facilities intended to supplement mission activities, such as military museums and service academy extra-curricular activities, or to facilitate private organizations or enterprises, such as financial services, memorials, and thrift shop facilities, on military installations.

"(b) USE CRITERIA.—The Secretary of Defense may prescribe by regulation the criteria under which nonappropriated funds may be used under subsection (a).

"(c) CONGRESSIONAL NOTIFICATION.—When a decision is made to use nonappropriated funds under subsection (a), the Secretary of Defense shall submit a report to the congressional defense committees containing the reasons for using nonappropriated funds in lieu of or to supplement appropriated funds and the amount of nonappropriated funds to be used. The nonappropriated funds may be used

only after the end of the 21-day period beginning on the date the report is received by such committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2491c the end the following new item:

"2491d. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.".

SEC. 654. REPORT ON COST EFFECTIVENESS OF PURCHASING COMMERCIAL INSURANCE FOR COMMISSARY AND EXCHANGE FACILITIES AND FACILITIES OF OTHER MORALE, WELFARE, AND RECREATION PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) REPORT REQUIRED.—Not later than July 31, 2007, the Secretary of Defense shall submit to Congress a report evaluating the cost effectiveness of the Defense Commissary Agency and the nonappropriated fund activities specified in subsection (b) purchasing commercial insurance to protect financial interests in facilities operated by

the Defense Commissary Agency or those nonappropriated fund activities.

(b) COVERED NONAPPROPRIATED FUND ACTIVITIES.—The report shall apply with respect to—

(1) the Army and Air Force Exchange Service;

(2) the Navy Exchange Service Command;

(3) a Marine Corps exchange; and

(4) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

Subtitle F—Other Matters

SEC. 661. REPEAL OF ANNUAL REPORTING REQUIREMENT REGARDING EFFECTS OF RECRUITMENT AND RETENTION INITIATIVES.

(a) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of title 37, United States Code, is amended by striking the item relating to section 1015.

SEC. 662. PILOT PROJECT REGARDING PROVIDING GOLF CARTS ACCESSIBLE FOR DISABLED PERSONS AT MILITARY GOLF COURSES.

(a) PILOT PROJECT REQUIRED.—The Secretary of Defense shall conduct a pilot project at not less than three military golf courses to evaluate the cost effectiveness and

utility of making available at military golf courses golf carts that are accessible for disabled persons authorized to use such courses and the demand among disabled persons authorized to use such courses for accessible golf carts. The Secretary shall provide at least two accessible golf carts at each pilot project location.

(b) PILOT PROJECT LOCATIONS.—The military golf courses selected to participate in the pilot project shall be geographically dispersed, except that one of the military golf courses shall be in the Washington metropolitan area.

(c) DURATION.—The Secretary shall conduct the pilot project for a minimum of one year.

(d) REPORT REQUIRED.—Not later than 180 days after the conclusion of the pilot project, the Secretary shall submit a report to Congress containing the results of the project and such recommendations as the Secretary considers appropriate regarding providing golf carts accessible to disabled persons.

SEC. 663. ENHANCED AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS OF THE ARMED FORCES INCURRED ON ACTIVE DUTY.

(a) PERIOD OF EXERCISE OF SERVICE SECRETARY AUTHORITY AFTER SEPARATION FROM ACTIVE DUTY.—Sections 4837(b), 6161(b), and 9837(b) of title 10, United States Code, are each amended by striking "one-year pe-

riod" each place it appears and inserting "five-year period".

(b) TWO-YEAR EXTENSION OF ENHANCED AUTHORITY.—Subsections (a)(3), (b)(3), and (c)(3) of section 683 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3322) are amended by striking "December 31, 2007" in the first sentence and inserting "December 31, 2009".

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—TRICARE Program Improvements

Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
Sec. 703. Improvements to descriptions of cancer screening.
Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
Sec. 705. Services of mental health counselors.
Sec. 706. Demonstration project on coverage of selected over-the-counter medications under the pharmacy benefit program.
Sec. 707. Requirement to reimburse certain travel expenses of certain beneficiaries covered by TRICARE for life.
Sec. 708. Inflation adjustment of differential payments to children's hospitals participating in TRICARE program.
Sec. 709. Expanded eligibility of Selected Reserve members under TRICARE program.
Sec. 710. Extension to TRICARE of medicare prohibition of financial incentives not to enroll in group health plan.

Subtitle B—Studies and Reports

Sec. 711. Department of Defense task force on the future of military health care.
Sec. 712. Study and plan relating to chiropractic health care services.
Sec. 713. Comptroller General study and report on Defense Health Program.
Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
Sec. 715. Study on allowing dependents of activated members of Reserve Components to retain civilian health care coverage.

Subtitle C—Other Matters

Sec. 721. Costs of incentive payments to employees for TRICARE enrollment made unallowable for contractors.

Sec. 722. Requirement for military medical personnel to be trained in preservation of remains.

Subtitle D—Pharmacy Benefits Program Improvements

Sec. 731. TRICARE pharmacy program cost-share requirements.

Subtitle A—TRICARE Program Improvements

SEC. 701. TRICARE COVERAGE FOR FORENSIC EXAMINATION FOLLOWING SEXUAL ASSAULT OR DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(17) Forensic examinations following a sexual assault or domestic violence may be provided.".

SEC. 702. AUTHORIZATION OF ANESTHESIA AND OTHER COSTS FOR DENTAL CARE FOR CHILDREN AND CERTAIN OTHER PATIENTS.

Section 1079(a)(1) of title 10, United States Code, is amended to read as follows:

"(1) With respect to dental care—

"(A) except as provided in subparagraph (B), only that care required as a necessary adjunct to medical or surgical treatment may be provided; and

"(B) in connection with dental treatment for patients with developmental, mental, or phys-

ical disabilities or for pediatric patients age 5 or under, only institutional and anesthesia services may be provided.".

SEC. 703. IMPROVEMENTS TO DESCRIPTIONS OF CANCER SCREENING.

(a) TERMS RELATED TO PRIMARY AND PREVENTIVE HEALTH CARE SERVICES FOR WOMEN.—Section 1074d(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "Papanicolaou tests (pap smear)" and inserting "Cervical cancer screening"; and

(2) in paragraph (2), by striking "Breast examinations and mammography" and inserting "Breast cancer screening".

(b) TERMS RELATED TO CONTRACTS FOR MEDICAL CARE FOR SPOUSES AND CHILDREN.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking "the schedule of pap smears and mammograms" and inserting "the schedule and method of breast and cervical cancer screenings"; and

(2) in subparagraph (B), by striking "pap smears and mammograms or" and inserting "cervical, breast,".

SEC. 704. PROHIBITION ON INCREASES IN CERTAIN HEALTH CARE COSTS FOR MEMBERS OF THE UNIFORMED SERVICES.

(a) PROHIBITION ON INCREASE IN CHARGES UNDER CONTRACTS FOR MEDICAL CARE.—Section 1097(e) of title 10, United States Code, is amended by adding at the end the following: "A premium, deductible, copayment, or other charge prescribed by the Secretary under this subsection may not be increased during the period beginning on April 1, 2006, and ending on December 31, 2007.".

(b) PROHIBITION ON INCREASE IN CHARGES FOR INPATIENT CARE.—Section 1086(b)(3) of title 10, United States Code, is amended by inserting after "charges for inpatient care" the following: ", except that in no case may the charges for inpatient care for a patient exceed $535 per day during the period beginning on April 1, 2006, and ending on December 31, 2007.".

(c) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR CERTAIN MEMBERS IN THE SELECTED RESERVE.—Section 1076d(d)(3) of title 10, United States Code, is amended by adding at the end the following: "During the period beginning on April 1, 2006, and ending on December 31, 2007, the monthly amount of the premium may not be increased above the amount in effect for the month of March 2006.".

(d) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR MEMBERS OF THE READY RESERVE.—Section 1076b(e)(3) of title 10, United States Code, is amended by adding at the end the following: "During the period beginning on April 1, 2006, and ending on December 31, 2007, the monthly amount of a premium under paragraph (2) may not be increased above the amount in effect for the first month health care is provided under this section as amended by Public Law 109–163.".

SEC. 705. SERVICES OF MENTAL HEALTH COUNSELORS.

(a) REIMBURSEMENT OF MENTAL HEALTH COUNSELORS UNDER TRICARE.—

(1) REIMBURSEMENT UNDER TRICARE.—Section 1079(a)(8) of title 10, United States Code, is amended—

(A) by inserting "or licensed or certified mental health counselors" after "certified marriage and family therapists" both places it appears; and

(B) by inserting "or licensed or certified mental health counselors" after "that the therapists."

(2) AUTHORITY TO ASSESS MEDICAL OR PSYCHOLOGICAL NECESSITY OF SERVICE OR SUPPLY.—Section 1079(a)(13) of such title is amended by inserting

", licensed or certified mental health counselor, " after "certified marriage and family therapist".

(b) SERVICES OF MENTAL HEALTH COUNSELORS.—

(1) AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.—Section 704(c)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2799; 10 U.S.C. 1091 note) is amended by inserting "mental health counselors," after "psychologists,".

(2) APPLICABILITY OF LICENSURE REQUIREMENT FOR HEALTH-CARE PROFESSIONALS.—Section 1094 (e)(2) of title 10, United States Code, is amended by inserting "mental health counselor," after "psychologist,".

SEC. 706. DEMONSTRATION PROJECT ON COVERAGE OF SELECTED OVER-THE-COUNTER MEDICATIONS UNDER THE PHARMACY BENEFIT PROGRAM.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION.—The Secretary of Defense shall conduct a demonstration project under section 1092 of title 10, United States Code, to allow particular over-the-counter medications to be included on the uniform formulary under section 1074g of such title.

(b) ELEMENTS OF DEMONSTRATION PROJECT.—

(1) INCLUSION OF CERTAIN OVER-THE-COUNTER MEDICATIONS.—As part of the demonstration project, the Secretary shall modify uniform formulary specifications under section 1074g(a)(2) of such title to include on the uniform formulary any pharmaceutical agent that does not require a prescription (commonly referred to as an over-the-counter medication) if the Pharmacy and Therapeutics Committee finds that the over-the-counter medication is a clinically effective and cost-effective alternative to a pharmaceutical agent that requires a prescription. If the Pharmacy and Therapeutics Committee makes such a finding, the over-the-counter medication shall be considered to be in the same therapeutic class of pharmaceutical agents that the agent requiring a prescription is in, and to the same extent as any agent in the class that requires a prescription. Such an over-the-counter medication shall be made available to a beneficiary through the demonstration program only if the medication is in place of a pharmaceutical agent requiring a prescription and the beneficiary has a prescription for that pharmaceutical agent.

(2) CONDUCT THROUGH MILITARY FACILITIES, RETAIL PHARMACIES, OR MAIL ORDER PROGRAM.—The Secretary shall conduct the demonstration project

through at least two of the means described in subparagraph (E) of section 1074g(a)(2) through which over-the-counter medications are provided and may conduct the demonstration project throughout the entire pharmacy benefits program or at a limited number of sites. If the project is conducted at a limited number of sites, the number of sites shall be not less than five in each TRICARE region for each of the two means described in such subparagraph (E).

(3) PERIOD OF DEMONSTRATION.—The Secretary shall provide for conducting the demonstration project for a period of time necessary to evaluate the feasibility and cost effectiveness of the demonstration. Such period shall be at least as long as the period covered by pharmacy contracts in existence on the date of the enactment of this Act (including any extensions of the contracts), or five years, whichever is shorter.

(4) IMPLEMENTATION DEADLINE.— Implementation of the demonstration project shall begin not later than May 1, 2007.

(c) REPORT.—Not later than 60 days before the end of the demonstration project, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the demonstration

project. The report shall contain an evaluation by the Secretary of the costs and benefits of the project, and recommendations on whether permanent authority should be provided to cover over-the-counter medications under the pharmacy benefits program.

(d) CONTINUATION OF DEMONSTRATION PROJECT.—If the Secretary recommends in the report under subsection (c) that permanent authority should be provided, the Secretary may continue the demonstration project for up to one year after submitting the report.

SEC. 707. REQUIREMENT TO REIMBURSE CERTAIN TRAVEL EXPENSES OF CERTAIN BENEFICIARIES COVERED BY TRICARE FOR LIFE.

(a) REQUIREMENT.—Section 1074i of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) TRICARE FOR LIFE BENEFICIARIES.—

"(1) An eligible TRICARE for Life beneficiary shall be provided reimbursement for travel expenses to a military medical treatment facility if—

"(A) the purpose of the travel is for a follow-up appointment for medical treatment of a condition of the beneficiary; and

"(B) the initial appointment for medical treatment of the condition was at the same facility.

"(2) Reimbursement under this subsection shall, as nearly as practicable, be under the same terms and conditions, and shall be at the same rate, as apply to beneficiary travel reimbursement provided under subsection (a), except that reimbursement shall be provided—

"(A) for no more than 3 follow-up appointments; and

"(B) only if adequate follow-up medical treatment, as determined under the TRICARE program, cannot be obtained within 100 miles of the residence of the beneficiary.

"(3) In this subsection, the term 'eligible TRICARE for Life beneficiary' means a person—

"(A) who is eligible for health benefits under section 1086 of this title by reason of subsection (d)(2)(A) of that section;

"(B) who attained age 65 after an initial appointment for medical treatment at a military medical treatment facility; and

"(C) who resides more than 100 miles from the military medical treatment facility and was

referred to such facility for treatment by a specialty care provider.".

(b) EFFECTIVE DATE.—Subsection (c) of section 1074i of title 10, United States Code, as added by subsection (a), shall apply with respect to beneficiaries who attain age 65 after the date of the enactment of this Act.

SEC. 708. INFLATION ADJUSTMENT OF DIFFERENTIAL PAYMENTS TO CHILDREN'S HOSPITALS PARTICIPATING IN TRICARE PROGRAM.

(a) ANNUAL INFLATION ADJUSTMENT.—Beginning in fiscal year 2007, the Secretary of Defense shall annually adjust for inflation the TRICARE children's hospital differential payment rate. The adjustment for a fiscal year shall be the same as the applicable percentage increase defined under section 1886(d)(3)(B)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(B)(i)) for that fiscal year for hospitals located in large urban areas.

(b) TRICARE CHILDREN'S HOSPITAL DIFFERENTIAL PAYMENT RATE.—In this section, the term "TRICARE children's hospital differential payment rate" means the differential payment rate by the Department of Defense to children's hospitals for health care services for dependent children of members of the uniformed services under the TRICARE program.

SEC. 709. EXPANDED ELIGIBILITY OF SELECTED RESERVE MEMBERS UNDER TRICARE PROGRAM.

(a) GENERAL ELIGIBILITY.—Subsection (a) of section 1076d of title 10, United States Code, is amended—

(1) by striking "(a) ELIGIBILITY.—A member" and inserting "(a) ELIGIBILITY.—(1) Except as provided in paragraph (2), a member";

(2) by striking "after the member completes" and all that follows through "one or more whole years following such date"; and

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

"(2) Paragraph (1) does not apply to a member who is enrolled, or is eligible to enroll, in a health benefits plan under chapter 89 of title 5.".

(b) CONDITION FOR TERMINATION OF ELIGIBILITY.—Subsection (b) of such section is amended—

(1) by striking "(b) PERIOD OF COVERAGE.—(1) TRICARE Standard" and all that follows through "(4) Eligibility" and inserting "(b) TERMINATION OF ELIGIBILITY UPON TERMINATION OF SERVICE.—Eligibility"; and

(2) by striking paragraph (5).

(c) CONFORMING AMENDMENTS.—

(1) Such section is further amended—

(A) by striking subsection (e);

(B) by redesignating subsection (g) as subsection (e) and transferring such subsection within such section so as to appear following subsection (d); and

(C) by striking paragraph (3) of subsection (f).

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

"§ 1076d. TRICARE program: TRICARE standard coverage for members of the Selected Reserve".

(d) REPEAL OF OBSOLETE PROVISION.—Section 1076b of title 10, United States Code, is repealed.

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended—

(1) by striking the item relating to section 1076b; and

(2) by striking the item relating to section 1076d and inserting the following:

"1076d. TRICARE program: TRICARE Standard coverage for members of the Selected Reserve.".

(f) SAVINGS PROVISION.—Enrollments in TRICARE Standard that are in effect on the day before the date of the enactment of this Act under section 1076d of title 10, United States Code, as in effect on such day, shall be contin-

ued until terminated after such day under such section 1076d as amended by this section.

(g) EFFECTIVE DATE.—The Secretary of Defense shall ensure that health care under TRICARE Standard is provided under section 1076d of title 10, United States Code, as amended by this section, beginning not later than October 1, 2007.

SEC. 710. EXTENSION TO TRICARE OF MEDICARE PROHIBITION OF FINANCIAL INCENTIVES NOT TO ENROLL IN GROUP HEALTH PLAN.

(a) IN GENERAL.—Section 1097b of title 10, United States Code, is amended by redesignating subsection (c) as subsection (d) and by adding the following after subsection (b):

"(c) PROHIBITION OF FINANCIAL INCENTIVES NOT TO ENROLL IN A GROUP HEALTH PLAN.—(1) Except as provided in this subsection, the provisions of section 1862(b)(3)(C) of the Social Security Act shall apply with respect to financial or other incentives for an individual eligible for benefits under section 1086 of this title not to enroll (or to terminate enrollment) under a health plan which would (in the case of such enrollment) be a primary plan under sections 1079(j)(1) and 1086(g) of this title in the same manner as such section 1862(b)(3)(C) applies to financial or other incentives for an individual entitled to

benefits under title XVIII of the Social Security Act not to enroll (or to terminate enrollment) under a group health plan or a large group health plan which would (in the case of enrollment) be a primary plan (as defined in section 1862(b)(2)(A) of such Act).

"(2)(A) The Secretary of Defense may by regulation adopt such exceptions to the prohibition referenced and applied under paragraph (1) as the Secretary deems appropriate and such paragraph (1) shall be implemented taking into account the adoption of such exceptions.

"(B) The Secretary of Defense and the Secretary of Health and Human Services are authorized to enter into agreements for carrying out this subsection. Any such agreement shall provide that any expenses incurred by the Secretary of Health and Human Services pertaining to carrying out this subsection shall be reimbursed by the Secretary of Defense.

"(C) Authorities of the Inspector General of the Department of Defense shall be available for oversight and investigations of responsibilities of employers and other entities under this subsection.

"(D) Information obtained under section 1095(k) of this title may be used in carrying out this subsection in the same manner as information obtained under section 1862(b)(5) may be used in carrying out section 1862(b).

"(E) Any amounts collected in carrying out paragraph (1) shall be handled in accordance with section 1079a of this title.

"(3) In addition to any penalty applied under the authority of paragraph (1), the Secretary of Defense may by regulation provide that repeated violations by an employer or other entity of the prohibition referenced and applied under paragraph (1) are grounds for exclusion of the employer or other entity from any contract or subcontract to provide goods or services to, or any financial assistance from, the Department of Defense.".

(b) CONFORMING AMENDMENT.—Section 1095(k)(5) of such title is amended by striking "and 1086(d)" and inserting ", 1086(d), and 1097b(c)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 2008.

Subtitle B—Studies and Reports

SEC. 711. DEPARTMENT OF DEFENSE TASK FORCE ON THE FUTURE OF MILITARY HEALTH CARE.

(a) REQUIREMENT TO ESTABLISH.—The Secretary of Defense shall establish within the Department of Defense a task force to examine matters relating to the future of military health care.

(b) COMPOSITION.—

(1) MEMBERS.—The task force shall consist of not more than 14 members appointed by the Secretary of Defense from among individuals described in paragraph (2) who have demonstrated expertise in the area of health care programs and costs.

(2) RANGE OF MEMBERS.—The individuals appointed to the task force shall include—

(A) at least one member of each of the Medical Departments of the Army, Navy, and Air Force;

(B) a number of persons from outside the Department of Defense equal to the total number of personnel from within the Department of Defense (whether members of the Armed Forces or civilian personnel) who are appointed to the task force;

(C) persons who have experience in—

(i) health care actuarial forecasting;

(ii) health care program development;

(iii) health care budget management;

(iv) evidence-based medicine;

(v) health care performance measurement;

(vi) health care quality improvement; and

(vii) academic institute research in health care services;

(D) at least one member from the Institute of Medicine;

(E) at least one member from the Defense Business Board; and

(F) at least one representative from a military or veterans service organization who has experience in health care.

(3) INDIVIDUALS APPOINTED OUTSIDE THE DEPARTMENT OF DEFENSE.—

(A) Individuals appointed to the task force from outside the Department of Defense may include officers or employees of other departments or agencies of the Federal Government, officers or employees of State and local governments, or individuals from the private sector.

(B) Individuals appointed to the task force from outside the Department of Defense shall include—

(i) an officer or employee of the Department of Veterans Affairs; and

(ii) an officer or employee of the Department of Health and Human Services.

(4) DEADLINE FOR APPOINTMENT.—All appointments of individuals to the task force shall be made not later than 90 days after the date of the enactment of this Act.

(5) CO-CHAIRS OF TASK FORCE.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of Defense at the time of appointment from among the Department of Defense personnel appointed to the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by members so appointed.

(c) ASSESSMENT AND RECOMMENDATIONS ON THE FUTURE OF MILITARY HEALTH CARE.—

(1) IN GENERAL.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary a report containing an assessment of, and recommendations for, sustaining the military health care services being provided to members of the Armed Forces, retirees, and their families.

(2) UTILIZATION OF OTHER EFFORTS.—In preparing the report, the task force shall take into consideration the findings and recommendation included in the Healthcare for Military Retirees Task Group

of the Defense Business Board, previous Government Accountability Office reports, studies and reviews by the Assistant Secretary of Defense for Health Affairs, and any other studies or research conducted by organizations regarding improvements to sustain the military health care system.

(3) ELEMENTS.—The assessment and recommendations (including recommendations for legislative or administrative action) shall include measures to improve the following:

(A) Wellness initiatives and disease management programs of the Department of Defense, including health risk tracking and the use of rewards for wellness.

(B) Education programs focused on prevention awareness and patient-initiated health care.

(C) The ability to account for the true and accurate cost of health care in the military health system.

(D) Alternative health care initiatives to manage patient behavior and costs.

(E) The appropriate command and control structure within the Department of Defense and the Armed Forces to manage the military health system.

(F) The adequacy of the military health care procurement system, including methods to streamline existing procurement activities.

(G) The appropriate mix of military and civilian personnel to meet future readiness and high-quality health care service requirements.

(H) The beneficiary and Government cost sharing structure required to sustain the military health benefits over the long term.

(I) Programs focused on managing the health care needs of Medicare-eligible military beneficiaries.

(J) Efficient and cost effective contracts for health care services, including performance-based requirements for health care provider reimbursement.

(c) ADMINISTRATIVE MATTERS.—

(1) COMPENSATION.—Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be treated for purposes of section 3161 of title 5,

United States Code, as having been appointed under subsection (b) of such section.

(2) OVERSIGHT.—The Under Secretary of Defense for Personnel and Readiness shall oversee the activities of the task force.

(3) ADMINISTRATIVE SUPPORT.—The Washington Headquarters Services of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the duties of the task force.

(4) ACCESS TO FACILITIES.—The Under Secretary of Defense for Personnel and Readiness shall, in coordination with the Secretaries of the military departments, ensure appropriate access by the task force to military installations and facilities for purposes of the discharge of the duties of the task force.

(e) REPORT.—

(1) IN GENERAL.—The task force shall submit to the Secretary of Defense a report on its activities under this section. The report shall include—

(A) a description of the activities of the task force;

(B) the assessment and recommendations required by subsection (c); and

(C) such other matters relating to the activities of the task force that the task force considers appropriate.

(2) TRANSMITTAL TO CONGRESS.—Not later than 90 days after receipt of the report under paragraph (1), the Secretary shall transmit the report to the Committees on Armed Services of the Senate and the House of Representatives. The Secretary may include in the transmittal such comments on the report as the Secretary considers appropriate.

(f) PLAN REQUIRED.—Not later than 6 months after receipt of the report from the task force under subsection (e)(1), the Secretary of Defense shall develop a plan based on the recommendations of the task force and submit the plan to the Committees on Armed Services of the Senate and the House of Representatives.

(g) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to Congress under subsection (e)(2).

SEC. 712. STUDY AND PLAN RELATING TO CHIROPRACTIC HEALTH CARE SERVICES.

(a) STUDY REQUIRED.—

(1) GROUPS COVERED.—The Secretary of Defense shall conduct a study of providing chiropractic

health care services and benefits to the following groups:

(A) All members of the uniformed services on active duty and entitled to care under section 1074(a) of title 10, United States Code.

(B) All members described in subparagraph (A) and their eligible dependents, and all members of reserve components of the uniformed services and their eligible dependents.

(C) All members or former members of the uniformed services who are entitled to retired or retainer pay or equivalent pay and their eligible dependents.

(2) MATTERS EXAMINED.—

(A) For each group listed in subparagraphs (A), (B), and (C) of paragraph (1), the study shall examine the following with respect to chiropractic health care services and benefits:

(i) The cost of providing such services and benefits.

(ii) The feasibility of providing such services and benefits.

(iii) An assessment of the health care benefits of providing such services and benefits.

(iv) An estimate of the potential cost savings of providing such services and benefits in lieu of other medical services.

(v) The identification of existing and planned health care infrastructure, including personnel, equipment, and facilities, to accommodate the provision of chiropractic health care services.

(B) For the members of the group listed in subparagraph (A) of paragraph (1), the study shall examine the effects of providing chiropractic health care services and benefits—

(i) on the readiness of such members; and

(ii) on the acceleration of the return to duty of such members following an identified injury or other malady that can be appropriately treated with chiropractic health care services.

(3) SPACE AVAILABLE COSTS.—The study shall also include a detailed analysis of the projected costs of providing chiropractic health care services on a space available basis in the military treatment facilities currently providing chiropractic care under section 702 of the Floyd D. Spence National Defense Au-

thorization Act of Fiscal Year 2001 (as enacted by Public Law 106–398; 10 U.S.C. 1092 note).

(4) ELIGIBLE DEPENDENTS DEFINED.—In this section, the term "eligible dependent" has the meaning given that term in section 1076a(k) of title 10, United States Code.

(b) PLAN REQUIRED.—Not later than March 31, 2007, the Secretary of Defense shall revise the plan required under section 702 of the Floyd D. Spence National Defense Authorization Act of Fiscal Year 2001 (as enacted by Public Law 106–398; 10 U.S.C. 1092 note), including a detailed analysis of the projected costs, to provide chiropractic health care services and benefits as a permanent part of the Defense Health Program (including the TRICARE program) as required under that section.

(c) REPORT REQUIRED.—Not later than March 31, 2007, the Secretary of Defense shall submit a report on the study required under subsection (a), together with the plan required under subsection (b), to the Committees on Armed Services of the Senate and the House of Representatives.

SEC. 713. COMPTROLLER GENERAL STUDY AND REPORT ON DEFENSE HEALTH PROGRAM.

(a) STUDY REQUIRED.—The Comptroller General, in cooperation with the Congressional Budget Office, shall conduct a study of the projected cost savings to the Defense

Health Program included in the fiscal year 2007 budget request.

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

(1) An evaluation of the rationale for calculations made by the Department of Defense for the portion of total health care costs paid by beneficiaries in 1995 and in 2005, including issues such as—

(A) the rationale for the Department's stated costs of providing the benefit in 1995 and in 2005;

(B) the basis for the Department's calculations of increases in cost between 1995 and 2005; and

(C) the amounts paid by beneficiaries for health care in 1995 and 2005.

(2) An evaluation of the rationale for calculations and assumptions made by the Department of Defense for the estimated savings associated with the implementation of its cost share increases.

(3) A review of the annual rate of medical inflation of the Department of Defense and how it compares with the annual rates of increase in health care premiums in the Federal Employee Health Benefit

Program and other health care programs as well as other health care indexes for the past 5 years.

(4) An assessment of the rationale for the cost share increase amounts made by the Department of Defense.

(c) INDEPENDENT EXPERTS.—To ensure the availability of appropriate expertise in addressing the elements of the study required under this section, the Comptroller General may use independent experts, such as actuaries, if needed.

(d) REPORT.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required by subsection (a) not later than June 1, 2007.

SEC. 714. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-up Agency (in this section referred to as the "Agency") of the Institute of Medicine of the National Academy of

Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens

were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—The Secretary of Defense shall make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study and shipment of data and specimens to the Medical Follow-up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that year. The Secretary of Defense is authorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—The Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007

from amounts available from the Department of Defense for that year.

SEC. 715. STUDY ON ALLOWING DEPENDENTS OF ACTIVATED MEMBERS OF RESERVE COMPONENTS TO RETAIN CIVILIAN HEALTH CARE COVERAGE.

(a) STUDY REQUIREMENT.—The Secretary of Defense shall conduct a study on the feasibility of allowing family members of members of the Reserve Components who are called or ordered to active duty to continue health care coverage under a civilian health care program and provide reimbursement for such health care.

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

(1) An assessment of the number of military dependents with special health care needs (such as ongoing chemotherapy or physical therapy) who would benefit from continued coverage under the member's civilian health care plan instead of enrolling in the TRICARE program.

(2) An assessment of the feasibility of providing reimbursement to the member or the sponsor of the civilian health coverage.

(3) A recommendation on the appropriate rate of reimbursement for civilian employers or members.

(4) The feasibility of including dependents who do not have access to health care providers that accept payment under the TRICARE program (such as those in rural areas).

(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required under subsection (a).

Subtitle C—Other Matters

SEC. 721. COSTS OF INCENTIVE PAYMENTS TO EMPLOYEES FOR TRICARE ENROLLMENT MADE UNALLOWABLE FOR CONTRACTORS.

(a) DEFENSE CONTRACTS.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(Q) Costs incurred by a contractor for incentive payments to employees to encourage enrollment in the TRICARE program under chapter 55 of this title or any other Government-sponsored health care program, except that this subparagraph does not apply to such costs incurred by a contractor performing a contract to which any of the following applies:

"(i) The Services Contract Act of 1965 (41 U.S.C. 351 et seq.).

"(ii) Any other law or labor agreement that requires a company to compensate its employees for health care whether or not the employee participates in a company health plan.".

(b) CIVILIAN AGENCY CONTRACTS.—Section 306(e)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)) is amended by adding at the end the following new subparagraph:

"(P) Costs incurred by a contractor for incentive payments to employees to encourage enrollment in the TRICARE program under chapter 55 of title 10, United States Code, or any other Government-sponsored health care program, except that this subparagraph does not apply to such costs incurred by a contractor performing a contract to which any of the following applies:

"(i) The Services Contract Act of 1965 (41 U.S.C. 351 et seq.).

"(ii) Any other law or labor agreement that requires a company to compensate its employees for health care whether or not the employee participates in a company health plan.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contracts entered into

after the date occurring 180 days after the date of the enactment of this Act.

SEC. 722. REQUIREMENT FOR MILITARY MEDICAL PERSONNEL TO BE TRAINED IN PRESERVATION OF REMAINS.

(a) REQUIREMENT.—The Secretary of Defense shall develop a program requiring each military department to include training in the preservation of remains for health care professionals under the department's jurisdiction. The training shall be provided before a health care professional is deployed into a theater of operation and periodically thereafter as determined necessary for refresher training.

(b) MATTERS COVERED BY TRAINING.—The training shall include, at a minimum—

(1) best practices and procedures for the preservation of the remains of a member of the Armed Forces after death, taking into account the needs, sensitivities, and potential wishes of the family of the decedent, including the return of the remains to the family in the best possible condition; and

(2) practical case studies to illustrate the objectives of paragraph (1) and provide a real world perspective.

(c) HEALTH CARE PROFESSIONAL.—In this section, the term "health care professional" means a physician, den-

tist, clinical psychologist, nurse, nurse practitioner, or physician assistant and any other person providing direct patient care as may be designated by the Secretary of Defense in regulations.

Subtitle D—Pharmacy Benefits Program Improvements

SEC. 731. TRICARE PHARMACY PROGRAM COST-SHARE REQUIREMENTS.

Paragraph (6) of section 1074g(a) of title 10, United States Code, is amended to read as follows:

"(6)(A) The Secretary, in regulations prescribed under subsection (g), may establish cost-sharing requirements (which may be established as a percentage or fixed dollar amount) under the pharmacy benefits program for generic, formulary, and nonformulary agents.

"(B)(i) With respect to agents available through the national mail-order pharmacy program, the Secretary of Defense may not establish requirements for cost sharing for generic and formulary agents that are in excess of cost sharing requirements for generic and formulary agents available through facilities of the uniformed services.

"(ii) With respect to agents available through retail pharmacies, the Secretary of Defense may not establish cost sharing in excess of—

"(I) $6 for generic agents;

"(II) $16 for formulary agents; and

"(III) $22 for nonformulary agents.

"(iii) The cost sharing requirements of this subparagraph shall be in effect during the period beginning 90 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007 and ending on December 31, 2007.".

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

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

Sec. 801. Requirements Management Certification Training Program.
Sec. 802. Additional requirements relating to technical data rights.
Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.
Sec. 804. Quarterly updates on implementation of acquisition reform in the Department of Defense.
Sec. 805. Establishment of defense challenge process for critical cost growth threshold breaches in major defense acquisition programs.
Sec. 806. Market research required for major defense acquisition programs before proceeding to Milestone B.

Subtitle B—Acquisition Policy and Management

Sec. 811. Applicability of statutory executive compensation cap made prospective.
Sec. 812. Prohibition on procurement from beneficiaries of foreign subsidies.
Sec. 813. Time-certain development for Department of Defense information technology business systems.
Sec. 814. Establishment of Panel on Contracting Integrity.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

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Subtitle D—United States Defense Industrial Base Provisions

Sec. 831. Protection of strategic materials critical to national security.
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Subtitle A—Provisions Relating to Major Defense Acquisition Programs

SEC. 801. REQUIREMENTS MANAGEMENT CERTIFICATION TRAINING PROGRAM.

(a) TRAINING PROGRAM.—

(1) REQUIREMENT.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Defense Acquisition University, shall develop a training program to certify civilian and military personnel of the Department of Defense with responsibility for generating requirements for major defense acquisition programs (as defined in section 2430 of title 10, United States Code).

(2) COMPETENCY AND OTHER REQUIREMENTS.—The Under Secretary shall establish competency requirements for the personnel undergoing the training program. The Under Secretary shall define the target population for such training program by identifying which civilian and military personnel should have responsibility for generating requirements. The Under Secretary also may establish other training programs

for personnel not subject to chapter 87 of title 10, United States Code, and who contribute significantly to other types of acquisitions by the Department of Defense.

(3) MATTERS COVERED.—At a minimum, the training program shall, with respect to a major defense acquisition program—

(A) provide instruction on the interrelationship among the requirements generation process, the budget process, and the acquisition process within the Department of Defense for such a program;

(B) stress the importance of generating requirements for such a program that result in joint applications to the maximum extent possible;

(C) provide instruction on the effects of introducing new requirements for such a program—

(i) both before and after the commencement of system development and demonstration; and

(ii) during initial operational test and evaluation;

(D) ensure that requirements for such a program are derived primarily from capability shortfalls in the program identified by a commander of a combatant command;

(E) ensure that requirements for such a program are informed by a sound analysis of alternatives, by realistic technical assessments based on technology readiness levels, and by fiscal guidance, including consultation with production engineers on the cost, schedule and technical feasibility of the requirements;

(F) ensure that, for the introduction of any changes to requirements for such a program, an engineering feasibility assessment that weighs technology readiness, integration, cost, and schedule impacts is conducted after Milestone B approval at the latest, and before Milestone B approval to the maximum extent practicable;

(G) stress the importance of introducing requirements for such a program that are technologically mature, feasible, and achievable without schedule risk; and

(H) stress the importance of stable requirements for such a program to provide the baseline for successful execution of the program.

(4) AVAILABILITY.—The training program shall be made available on the Internet to ensure the widest dissemination possible.

(b) APPLICABILITY.—Effective on and after September 30, 2007, a member of the Armed Forces or an employee of the Department of Defense with authority to generate requirements for a major defense acquisition program may not continue to participate in the requirements generation process unless the member or employee successfully completes the certification training program developed under this section.

SEC. 802. ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS.

(a) ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS .—Section 2320 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) ADDITIONAL REGULATIONS.—(1) Regulations prescribed under subsection (a) shall ensure, at a minimum, that—

"(A) in the case of a major system that is developed exclusively with Federal funds, in part with Federal funds and in part at private expense, or exclusively at private expense, rights are acquired in full by the United States to technical data necessary

to support competition for contracts required for sustainment of the system; and

"(B) any contract for a major system includes price and delivery options for acquiring, at any point during the life cycle of the system, major elements of technical data not acquired at the time of initial contract award.

"(2) Regulations prescribed under subsection (a) also shall establish a standard for acquiring rights in technical data that supports the purchase of data rights appropriate to minimize life cycle costs.

"(3) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall ensure that members of the acquisition workforce working with any contract in an amount greater than $5,000,000 and involving the acquisition of rights in technical data be provided information and formal training sufficient to carry out the regulations prescribed under subsection (a) to implement this subsection.".

(b) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise regulations under section 2320 of title 10, United States Code, to implement subsection (e) of such section (as added by this section).

SEC. 803. STUDY AND REPORT ON REVISIONS TO SELECTED ACQUISITION REPORT REQUIREMENTS.

(a) STUDY REQUIREMENT.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics in coordination with the service acquisition executives of each military department, shall conduct a study on revisions to requirements relating to Selected Acquisition Reports, as set forth in section 2432 of title 10, United States Code.

(b) MATTERS COVERED.—The study required under subsection (a) shall—

(1) focus on incorporating into the Selected Acquisition Report those elements of program progress that the Department of Defense considers most relevant to evaluating the performance and progress of major defense acquisition programs, with particular reference to the cost estimates and program schedule established when a major defense acquisition program receives Milestone B approval; and

(2) include any recommendations to eliminate elements of the Selected Acquisition Report that the Department believes are no longer needed (other than the elimination of any unit cost information).

(c) REPORT.—Not later than March 1, 2007, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on

the results of the study, including such recommendations as the Secretary considers appropriate.

SEC. 804. QUARTERLY UPDATES ON IMPLEMENTATION OF ACQUISITION REFORM IN THE DEPARTMENT OF DEFENSE.

(a) QUARTERLY UPDATES REQUIREMENT.—Not later than 45 days after the date of the enactment of this Act, and on the first day of each calendar quarter thereafter, the Secretary of Defense shall provide an update to the Committees on Armed Services of the Senate and the House of Representatives on the implementation of plans to reform the acquisition system in the Department of Defense.

(b) MATTERS COVERED.—Each update provided under subsection (a) shall cover the implementation of reforms of the processes for acquisition, including generation of requirements, award of contracts, and financial management. At a minimum, the updates shall take into account the recommendations made by the following:

(1) The Defense Acquisition Performance Assessment Panel.

(2) The Defense Science Board Summer Study on Transformation, issued in February 2006.

(3) The Beyond Goldwater-Nichols Study of the Center for Strategic and International Studies.

(4) The Quadrennial Defense Review, issued February 6, 2006.

(5) The Committee Defense Review of the Committee on Armed Services of the House of Representatives (when available).

(c) RECOMMENDATIONS.—Each report submitted under subsection (a) shall include such recommendations as the Secretary considers appropriate, and implementation plans for the recommendations.

(d) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit reports under subsection (a) shall terminate on the first day of the calendar quarter following the first calendar quarter in which the Selected Acquisition Report submitted to Congress under section 2432 of title 10, United States Code, does not indicate that there has been an increase by a percentage equal to or greater than the significant cost growth threshold or the critical cost growth threshold in any major defense acquisition program (as such thresholds are defined in section 2433(a) of such title).

SEC. 805. ESTABLISHMENT OF DEFENSE CHALLENGE PROCESS FOR CRITICAL COST GROWTH THRESHOLD BREACHES IN MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) PRELIMINARY EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—

(1) SUBMISSION OF CHALLENGE PROPOSALS.—Section 2359b(c)) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking "Panel," and all that follows through the end and inserting the following: "Panel—

"(A) through the unsolicited proposal process;

"(B) in response to a broad agency announcement; or

"(C) in response to a solicitation issued as a result of a critical cost growth threshold breach (as defined in paragraph (4)).";

(B) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (7), and (8), respectively;

(C) by inserting after paragraph (3) the following new paragraph (4):

"(4)(A) If the program acquisition unit cost or procurement unit cost of a major defense acquisition program increases by a percentage equal to or greater

than the critical cost growth threshold for the program, as determined by the Secretary concerned under section 2433(d) of this title (in this section referred to as a 'critical cost growth threshold breach'), the Under Secretary shall issue a solicitation for challenge proposals that would result in improvements in affordability of the program. The solicitation shall specifically identify (i) the cost and schedule variances, and (ii) the design, engineering, manufacturing, or technology integration issues, contributing to the breach.

"(B) A solicitation referred to in subparagraph (A) shall be made public before the end of the 14-day period beginning on the day the Selected Acquisition Report containing the information described in section 2433(g) of this title is required to be submitted under section 2432(f) of this title.

"(C) A solicitation referred to in subparagraph (A) shall require any challenge proposals responding to the solicitation to be submitted within 30 days after the date of issuance of the solicitation.";

(D) in paragraph (5) (as so redesignated) in the matter preceding subparagraph (A)—

(i) by striking "or submitted" and inserting "submitted"; and

(ii) by inserting after "paragraph (2)," the following: "or submitted in response to a solicitation issued as a result of a critical cost growth threshold breach"; and

(E) by inserting after paragraph (5) (as so redesignated) the following new paragraph (6):

"(6) A panel shall complete a preliminary evaluation of challenge proposals submitted in response to a solicitation issued as a result of a critical cost growth threshold breach before the end of the 60-day period beginning on the day the Selected Acquisition Report referred to in paragraph (4)(B) is submitted to Congress and shall inform the Secretary of Defense of the results of the evaluation to aid in the completion of the Secretary's certification under section 2433(e)(2)(B) of this title.".

(b) ACTION UPON FAVORABLE FULL REVIEW AND EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—Section 2359b(e) of such title is amended by adding at the end the following new paragraph:

"(3) In the case of a challenge proposal referred to in paragraph (1) that was submitted in response to a solicitation issued as a result of a critical cost growth threshold breach, the costs of the proposal shall

be borne by the major defense acquisition program with respect to which the breach occurred.".

(c) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—Section 2359b of such title, as amended by section 213, is further amended—

(1) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), and (j), respectively; and

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

"(f) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION OF CRITICAL COST BREACH SOLICITATIONS.—In the case of a challenge proposal that was submitted in response to a solicitation issued as a result of a critical cost growth threshold breach and that is not determined under a full review and evaluation to satisfy each of the criteria specified in subsection (c)(5), the following provisions apply:

"(1) The office carrying out the full review and evaluation shall provide to the Panel that conducted the preliminary evaluation a statement containing a summary of the rationale for the unfavorable evaluation.

"(2) If the Panel disagrees with the rationale provided under paragraph (1), the Panel may return the challenge proposal to the office for further consideration.

"(3) The full review and evaluation, including a further consideration of the review and evaluation under paragraph (2), shall be completed not later than the expiration of the 60-day period beginning on the date of completion of the preliminary evaluation of the proposal by a Panel under subsection (c).

"(4) After a full review and evaluation of all such challenge proposals submitted for such review and evaluation are completed, including further consideration under paragraph (2), the Under Secretary shall submit to the congressional defense committees a report containing a list of each challenge proposal with an unfavorable evaluation, including an identification of each such challenge proposal returned to an office for further consideration, and a detailed rationale for the unfavorable evaluations upon both initial and further consideration (if any). Such report shall be submitted not later than the expiration of the 60-day period beginning on the date of completion of the last preliminary evaluation of the proposals by a Panel under subsection (c).".

(d) AMENDMENTS TO UNIT COST REPORTS PROVISIONS.—

(1) ADDITIONAL ASSESSMENT REQUIRED UPON BREACH OF CRITICAL COST GROWTH THRESHOLD.—Section 2433(e)(2)(A) of title 10, United States Code, is amended—

(A) by striking "and" at the end of clause (ii);

(B) by inserting "and" at the end of clause (iii); and

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

"(iv) the availability of components, subsystems, or systems that may result in near-term improvements in affordability of the program, as identified under the Defense Acquisition Challenge Program through a solicitation issued pursuant to section 2359b(c)(1)(C) of this title;".

(2) ADDITIONAL CERTIFICATION REQUIRED UPON BREACH OF CRITICAL COST GROWTH THRESHOLD.—Section 2433(e)(2)(B) of such title is amended—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following new clause (iii):

"(iii) the Panel conducting preliminary evaluation of challenge proposals submitted in response to the solicitation issued under the Defense Acquisition Challenge Program pursuant to section 2359b(c)(1)(C) of this title has identified no promising proposals meriting full review and evaluation;".

(3) ADDITIONAL INFORMATION IN CERTAIN REPORT REQUIRED.—Section 2433(g)(1)(P)(vi) of such title is amended by inserting after "of the program" the following: "and design, engineering, manufacturing, or technology integration issues".

(e) ADDITIONAL CONFORMING AMENDMENTS.—Section 2359b of such title is further amended—

(1) in subsection (c)(8), as redesignated by subsection (a), by striking "paragraph (4)" and inserting "paragraph (5)";

(2) in subsection (d)(1), by striking "subsection (c)(6)" and inserting "subsection (c)(8)";

(3) in subsection (d)(2), by striking "subsection (c)(4)" and inserting "subsection (c)(5)"; and

(4) in subsection (e)(1), by striking "subsection (c)(4)" and inserting "subsection (c)(5)".

SEC. 806. MARKET RESEARCH REQUIRED FOR MAJOR DEFENSE ACQUISITION PROGRAMS BEFORE PROCEEDING TO MILESTONE B.

Section 2366a(a) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

"(1) market research has been conducted prior to technology development to reduce duplication of existing technology and products;".

Subtitle B—Acquisition Policy and Management

SEC. 811. APPLICABILITY OF STATUTORY EXECUTIVE COMPENSATION CAP MADE PROSPECTIVE.

(a) PROSPECTIVE APPLICABILITY OF EXECUTIVE COMPENSATION CAP.—Section 808(e)(2) of Public Law 105–85 (41 U.S.C. 435 note; 111 Stat. 1838) is amended by striking "before, on," and inserting "on".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as if included in Public Law 105–85 as enacted.

SEC. 812. PROHIBITION ON PROCUREMENT FROM BENEFICIARIES OF FOREIGN SUBSIDIES.

(a) PROHIBITION.—The Secretary of Defense may not enter into a contract for the procurement of goods or services from any foreign person to which the government of a foreign country that is a member of the World Trade Organization has provided a subsidy if—

(1) the United States has requested consultations with that foreign country under the Agreement on Subsidies and Countervailing Measures on the basis that the subsidy is a prohibited subsidy under that Agreement; and

(2) either—

(A) the issue before the World Trade Organization has not been resolved; or

(B) the World Trade Organization has ruled that the subsidy provided by the foreign country is a prohibited subsidy under the Agreement on Subsidies and Countervailing Measures.

(b) JOINT VENTURES.—The prohibition under subsection (a) with respect to a foreign person also applies to any joint venture, cooperative organization, partnership, or contracting team of which that foreign person is a member.

(c) SUBCONTRACTS AND TASK ORDERS.—The prohibition under subsection (a) with respect to a contract also applies to any subcontracts at any tier entered into under

the contract and any task orders at any tier issued under the contract.

(d) DEFINITIONS.—In this section:

(1) The term "Agreement on Subsidies and Countervailing Measures" means the agreement described in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3501(d)(12)).

(2) The term "foreign person" means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(3) The term "United States person" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital

stock or other beneficial interest in such legal entity.

(e) APPLICABILITY.—

(1) PROGRAMS WITH MILESTONE B APPROVAL NOT COVERED.—The prohibition under subsection (a) shall not apply to any contract under a major defense acquisition program that has received Milestone B approval as of the date of the enactment of this Act.

(2) DEFINITIONS.—In this subsection:

(A) The term "major defense acquisition program" means a Department of Defense acquisition program that is a major defense acquisition program for purposes of section 2430 of title 10, United States Code.

(B) The term "Milestone B approval" has the meaning provided that term in section 2366(e)(7) of such title.

SEC. 813. TIME-CERTAIN DEVELOPMENT FOR DEPARTMENT OF DEFENSE INFORMATION TECHNOLOGY BUSINESS SYSTEMS.

(a) MILESTONE A LIMITATION.—The Department of Defense executive or entity that is the milestone decision authority for an information system described in subsection (c) may not provide Milestone A approval for the system unless, as part of the decision process for such approval,

that authority determines that the system will achieve initial operational capability within five years of such approval.

(b) INITIAL OPERATIONAL CAPABILITY LIMITATION.—Funds appropriated or otherwise available to the Department of Defense may not be obligated or expended for an information system described in subsection (c) if the system, having received Milestone A approval, has not achieved initial operational capability within five years of the date of such approval.

(c) COVERED SYSTEMS.—An information system described in this subsection is any Department of Defense information technology business system that is not a national security system, as defined in 3542(b)(2) of title 44, United States Code.

(d) APPLICABILITY TO EXISTING PROGRAMS.—

(1) WAIVER AUTHORITY FOR EXISTING PROGRAMS IN DEVELOPMENT.—The Secretary of Defense may waive the applicability of subsection (b) in the case of a program described in subsection (c) that as of the date of the enactment of this Act has received Milestone A approval but has not as of such date achieved initial operational capability.

(2) INAPPLICABILITY TO PROGRAMS THROUGH DEVELOPMENT.—This section does not apply to an

information system that achieved initial operational capability before the date of the enactment of this Act.

(e) DEFINITIONS.—In this section:

(1) MILESTONE DECISION AUTHORITY.—The term "milestone decision authority" has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

(2) MILESTONE A.—The term "Milestone A" has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

SEC. 814. ESTABLISHMENT OF PANEL ON CONTRACTING INTEGRITY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Defense shall establish a panel to be known as the "Panel on Contracting Integrity".

(2) COMPOSITION.—The panel shall be composed of the following:

(A) The Deputy Secretary of Defense, who shall be the chairman of the panel.

(B) The service acquisition executive of each military department.

(C) The Inspector General of the Department of Defense.

(D) The Director of the Defense Logistics Agency.

(E) The Director of the Defense Contract Management Agency.

(F) The Director of the Defense Contract Audit Agency.

(G) Such other members as determined appropriate by the Secretary of Defense.

(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the panel shall—

(1) conduct reviews of progress made by the Department of Defense to eliminate areas of vulnerability of the defense contracting system that allow fraud, waste, and abuse to occur;

(2) review the report by the Comptroller General required by section 841 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3389), relating to areas of vulnerability of Department of Defense contracts to fraud, waste, and abuse; and

(3) recommend changes in law, regulations, and policy that it determines necessary to eliminate such areas of vulnerability.

(c) MEETINGS.—The panel shall meet as determined necessary by the Secretary of Defense but not less often than once every six months.

(d) REPORT.—

(1) REQUIREMENT.—The panel shall prepare and submit to the congressional defense committees an annual report on its activities. The report shall contain a summary of its findings and recommendations for the year covered by the report.

(2) FIRST REPORT.—The first report under this subsection shall be submitted not later than 180 days after the date of the enactment of this Act and shall contain an examination of the current structure in the Department of Defense for personnel accountability relating to the contracting system and recommendations for any changes needed to the system of administrative safeguards and disciplinary actions to ensure accountability at the appropriate level for any violations of appropriate standards of behavior in contracting.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 821. EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1541) is amended in subsection (d) by striking "September 30, 2006" and inserting "September 30, 2007".

SEC. 822. LIMITATION ON CONTRACTS FOR THE ACQUISITION OF CERTAIN SERVICES.

(a) LIMITATION.—Except as provided in subsection (b), the Secretary of Defense may not enter into a contract for covered services if the amount of the contract—

(1) exceeds 75 percent of the estimated value of any asset required for the provision of services under the contract, as of the date on which contract performance begins; or

(2) exceeds $150,000,000 in payments over the life of the contract assuming all options to extend the contract are exercised.

(b) WAIVER.—The Secretary of Defense may waive subsection (a) with respect to a contract for covered services if the Secretary—

(1) determines that a waiver is necessary for national security purposes; and

(2) provides to the congressional defense committees an economic analysis as described in subsection (c) at least 30 days before the waiver takes effect.

(c) ECONOMIC ANALYSIS.—The economic analysis provided under subsection (b) shall include, at a minimum, the following:

(1) A clear explanation of the need for the contract for covered services.

(2) An examination of at least two alternatives for fulfilling the requirements that the contract is meant to fulfill, including the following with respect to each alternative:

(A) A rationale for including the alternative.

(B) A cost estimate of the alternative and an analysis of the quality of each cost estimate.

(C) A discussion of the benefits to be realized from the alternative.

(D) A best value determination of each alternative and a detailed explanation of the life-cycle cost calculations used in the determination.

(d) COVERED SERVICES.—The limitation in subsection (a) applies to any contract for the following types of services:

(1) Operation, maintenance, or support of facilities or installations, or construction of facilities needed for performing the contract.

(2) Maintenance or modification of aircraft, ships, vehicles, or other highly complex military equipment, or the provision of aircraft, ships, vehicles, or other highly complex military equipment needed for performing the contract.

(3) Specialized training necessitating high quality instructor skills (for example, pilot and air crew members; foreign language training).

(4) Base services (for example, ground maintenance, in-plane refueling; bus transportation; refuse collection and disposal).

SEC. 823. USE OF FEDERAL SUPPLY SCHEDULES BY STATE AND LOCAL GOVERNMENTS FOR GOODS AND SERVICES FOR RECOVERY FROM NATURAL DISASTERS, TERRORISM, OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

(a) AUTHORITY TO USE SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—Section 502 of title 40,

United States Code, is amended by adding at the end the following new subsection:

"(d) USE OF SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—

"(1) IN GENERAL.—The Administrator may provide for the use by State or local governments of Federal supply schedules of the General Services Administration for goods or services that are to be used to facilitate recovery from a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) or to facilitate recovery from terrorism or nuclear, biological, chemical, or radiological attack.

"(2) DETERMINATION BY SECRETARY OF HOMELAND SECURITY.—The Secretary of Homeland Security shall determine which goods and services qualify as goods and services described in paragraph (1) before the Administrator provides for the use of the Federal supply schedule relating to such goods and services.

"(3) VOLUNTARY USE.—In the case of the use by a State or local government of a Federal supply schedule pursuant to paragraph (1), participation by a firm that sells to the Federal Government through the supply schedule shall be voluntary with respect to

a sale to the State or local government through such supply schedule.

"(4) DEFINITIONS.—The definitions in subsection (c)(3) shall apply for purposes of this subsection.".

(b) PROCEDURES.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall establish procedures to implement section 502(d) of title 40, United States Code (as added by subsection (a)).

SEC. 824. WAIVERS TO EXTEND TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) DEFENSE CONTRACTS.—Section 2304b(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "The period";

(2) by inserting before the period the following: "or a waiver is issued under paragraph (2)"; and

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

"(2) The head of an agency may issue a waiver to extend a task order contract entered into under this section for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

"(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

"(B) that award of a new contract would create a large disruption in services provided to the Department of Defense; and

"(C) the Department of Defense would endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.".

(b) CIVILIAN AGENCY CONTRACTS.—Section 303I(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253i) is amended—

(1) by inserting "(1)" before "The period";

(2) by inserting before the period the following: "or a waiver is issued under paragraph (2)"; and

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

"(2) An executive agency may issue a waiver to extend a task order contract entered into under this section for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

"(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

"(B) that award of a new contract would create a large disruption in services provided to the executive agency; and

"(C) the executive agency would endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.".

(c) REPORT.—Not later than April 1, 2007, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on advisory and assistance services. The report shall include the following information:

(1) The methods used by the Department of Defense to identify a contract as an advisory and assistance services contract, as defined in section 2304b of title 10, United States Code.

(2) The number of such contracts awarded by the Department during the five-year period preceding the date of enactment of this Act.

(3) The average annual expenditures by the Department for such contracts.

(4) The average length of such contracts.

(5) The number of such contracts recompeted and awarded to the previous award winner.

(6) The number of contractors performing such contracts that previously qualified as a small business but no longer qualify as a small business for a recompetition.

(7) The number of such contracts required for a period of greater than five years and a justification of why those services are required for greater than five years, including the rationale for not performing the services inside the Department of Defense.

(8) The percentage of such contracts awarded by the Department during the five-year period preceding the date of the enactment of this Act for assistance in the introduction and transfer of engineering and technical knowledge for fielded systems, equipment, and components.

(9) The actions taken by the Department to prevent organizational conflicts of interest in the use of such contracts.

(d) PROHIBITION ON USE OF AUTHORITY BY DEPARTMENT OF DEFENSE IF REPORT NOT SUBMITTED.—The

head of an agency may not issue a waiver under 2304b(b)(2) of title 10, United States Code, as added by subsection (a), if the report required by subsection (c) is not submitted by the date set forth in that subsection.

SEC. 825. ENHANCED ACCESS FOR SMALL BUSINESS.

Section 9(a) of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended by striking the period at the end of the first sentence and inserting the following: "or, in the case of a small business concern (as defined in the Small Business Act and regulations under that Act), $150,000 or less.".

SEC. 826. PROCUREMENT GOAL FOR HISPANIC-SERVING INSTITUTIONS.

Section 2323 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

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

"(D) Hispanic-serving institutions, as designated by the Department of Education.";

(2) in subsection (a)(2)—

(A) by inserting after "historically Black colleges and universities" the following: ", Hispanic-serving institutions,"; and

(B) by inserting after "such colleges and universities" the following: "and institutions";

(3) in subsection (c)(1), by inserting after "historically Black colleges and universities" the following: ", Hispanic-serving institutions,"; and

(4) in subsection (c)(3), by inserting after "historically Black colleges and universities" the following: ", to Hispanic-serving institutions,".

SEC. 827. PROHIBITION ON DEFENSE CONTRACTORS REQUIRING LICENSES OR FEES FOR USE OF MILITARY LIKENESSES AND DESIGNATIONS.

The Secretary of Defense shall require that any contract entered into or renewed by the Department of Defense include a provision prohibiting the contractor from requiring toy and hobby manufacturers, distributors, or merchants to obtain licenses from or pay fees to the contractor for the use of military likenesses or designations on items provided under the contract.

Subtitle D—United States Defense Industrial Base Provisions

SEC. 831. PROTECTION OF STRATEGIC MATERIALS CRITICAL TO NATIONAL SECURITY.

(a) REQUIREMENT TO BUY FROM AMERICAN SOURCES.—

(1) IN GENERAL.—Chapter 148 of title 10, United States Code, is amended by inserting after section 2533a the following new section:

"§ 2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions

"(a) REQUIREMENT.—Except as provided in subsections (c) through (h), funds appropriated or otherwise available to the Department of Defense may not be used for the procurement of an item described in subsection (b) if the item is not reprocessed, reused, or produced in the United States.

"(b) COVERED ITEMS.—An item referred to in subsection (a) is any of the following:

"(1) A specialty metal.

"(2) An item critical to national security, as determined by the Strategic Materials Protection Board.

"(c) AVAILABILITY EXCEPTION.—Subsection (a) does not apply to the extent that the Secretary of Defense or the

Secretary of the military department concerned determines that satisfactory quality and sufficient quantity of any item described in subsection (b) cannot be procured as and when needed.

"(d) EXCEPTION FOR CERTAIN PROCUREMENTS.—Subsection (a) does not apply to the following:

"(1) Procurements outside the United States in support of combat operations or in support of contingency operations.

"(2) Procurements by vessels in foreign waters for use of the item.

"(3) Procurements for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.

"(e) EXCEPTION RELATING TO AGREEMENTS WITH FOREIGN GOVERNMENTS.—Subsection (a) does not preclude the procurement of an item described in subsection (b) if—

"(1) the procurement is necessary—

"(A) to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under

approved programs serving defense requirements; or

"(B) in furtherance of agreements with foreign governments in which both such governments agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country;

"(2) any such agreement with a foreign government complies, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and with section 2457 of this title; and

"(3) the item is grown, produced, or manufactured in the United States or in the country from which it is procured.

"(f) EXCEPTION FOR COMMISSARIES, EXCHANGES, AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES.—Subsection (a) does not apply to items purchased for resale purposes in commissaries, exchanges, and nonappropriated fund instrumentalities operated by the Department of Defense.

"(g) EXCEPTION FOR SMALL PURCHASES.—Subsection (a) does not apply to procurements in amounts not greater than the simplified acquisition threshold referred to in section 2304(g) of this title.

"(h) APPLICABILITY TO PROCUREMENTS OF COMMERCIAL ITEMS.—This section applies to procurements of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).

"(i) APPLICABILITY TO SUBCONTRACTS.—This section applies to subcontracts at any tier under a prime contract.

"(j) APPLICABILITY TO NONCOMPLIANT COMPONENTS.—A procurement subject to subsection (a) shall not be considered to be in compliance with subsection (a) if noncompliant components are delivered under the procurement without charge to the Federal Government. In this subsection, the term 'noncompliant component' means a component that is not reprocessed, reused, or produced in the United States.

"(k) SPECIALTY METAL DEFINED.—In this section, the term 'specialty metal' means any of the following:

"(1) Steel—

"(A) with a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

"(B) containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

"(2) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent.

"(3) Titanium and titanium alloys.

"(4) Zirconium and zirconium base alloys.

"(5) A metal determined by the Strategic Materials Protection Board (established under section 187 of this title) to be a specialty metal critical to national security.

"(l) ADDITIONAL DEFINITIONS.—In this section:

"(1) The term 'United States' includes possessions of the United States.

"(2) The term 'micropurchase' means a procurement in an amount not greater than the micropurchase threshold, as defined by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

"(3) The term 'component' has the meaning provided in section 4 of such Act (41 U.S.C. 403).".

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

"2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions.".

(3) CONFORMING AMENDMENTS.—Section 2533a of title 10, United States Code, is amended—

(A) by striking paragraph (2) of subsection (b);

(B) in subsection (c), by striking "or specialty metals (including stainless steel flatware)"; and

(C) in subsection (e)—

(i) by striking "SPECIALTY METALS AND" in the heading; and

(ii) by striking "specialty metals or".

(4) EFFECTIVE DATES.—

(A) Section 2533b of title 10, United States Code, as added by paragraph (1), shall apply with respect to contracts entered into after the date occurring 30 days after the date of the enactment of this Act.

(B) The amendments made by paragraph (3) shall take effect on the date occurring 30 days after the date of the enactment of this Act.

(b) ONE-TIME INADVERTENT MICROPURCHASE WAIVER OF SPECIALTY METALS DOMESTIC SOURCE REQUIREMENT.—

(1) NOTICE OF NONCOMPLIANCE.—In the case of a contract with the Department of Defense in effect before the date of the enactment of this Act with respect to which the contracting officer for the contract

determines the contractor is not in compliance with section 2533a of title 10, United States Code (as in effect before such date of enactment) with respect to specialty metals, the contracting officer shall—

(A) post a notice on FedBizOpps.gov that the contractor is not in compliance with such section;

(B) notify the contractor (and any subcontractor under the prime contract that is also noncompliant) in writing that the contractor (or subcontractor) is not in compliance with such section; and

(C) require the contractor and any subcontractor notified under subparagraph (B) to submit to the contracting officer a compliance plan for becoming compliant with such section.

(2) WAIVER AUTHORITY.—In the case of a contract described in paragraph (1), the contracting officer for the contract may waive the applicability to the contract of section 2533a of title 10, United States Code (as in effect before such date of enactment) with respect to specialty metals if—

(A) the procurement is a micropurchase of components (whether in a prime contract or a subcontract under such contract) and the aggre-

gate value of all such procurements in the prime contract and all the subcontracts under such contract does not exceed 1 percent of the amount of the contract or $100,000, whichever is less;

(B) the contracting officer determines in writing that the contractor was and continues to be inadvertently not in compliance with such section with respect to such metals and the contractor has submitted a compliance plan under paragraph (1)(C); and

(C) the Secretary of the military department concerned approves the waiver.

(3) NOTICE.—Not later than 15 days after a contracting officer makes a determination under paragraph (2)(B) with respect to a contract, the contracting officer shall post a notice on FedBizOpps.gov that a waiver has been granted for the contract under this subsection. The notice shall include information about the applicability of section 1001 of title 18, United States Code (relating to criminal penalties for false statements).

(4) CHALLENGE PERIOD.—

(A) During the 15-day period beginning on the date of the posting of a notice of a waiver under paragraph (3) for a contract (in this sub-

section referred to as the "challenge period"), the contracting officer shall accept challenges submitted with respect to the contract.

(B) For purposes of this paragraph, a challenge, with respect to a contract for which a waiver has been granted under this subsection, is a submission of information by an entity (referred to as a "challenger" in this section) stating that the challenger can provide the specialty metals needed for performance of the contract and can certify in writing that the metals are reprocessed, reused, or produced in the United States. The information shall be submitted to the contracting officer in such form and manner as may be prescribed by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(5) DETERMINATION BY CONTRACTING OFFICER.—During the 15-day period beginning on the day after the end of the challenge period with respect to a contract, if any challenge has been submitted to the contracting officer, the contracting officer shall make a determination regarding whether the challenger can provide the specialty metals for the components concerned in sufficient quantity, of satisfactory

quality, within a reasonable time, and at a cost that is not unreasonable.

(6) RESCISSION OF WAIVER.—(A) Except as provided in subparagraph (B), if the determination under paragraph (5) is in the affirmative, the contracting officer shall—

(i) rescind the waiver granted with respect to the contract under this subsection; and

(ii) require the contractor to comply with subsection (a) by purchasing specialty metals from the challenger.

(B) If the contracting officer makes a determination in the affirmative under paragraph (5) with respect to two or more challengers, the contracting officer shall select or require the contractor to select, in such manner as the contracting officer considers appropriate, the challenger to provide specialty metals under the contract.

(7) DEFINITIONS.—In this subsection:

(A) The term "micropurchase" means a procurement in an amount not greater than the micropurchase threshold, as defined by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(B) The term "component" has the meaning provided in section 4 of such Act (41 U.S.C. 403).

(C) The term "FedBizOpps.gov" means the website maintained by the General Services Administration known as FedBizOpps.gov (or any successor site).

(8) TERMINATION OF WAIVER AUTHORITY.—A contracting officer may exercise the waiver authority under this subsection only after the date of the enactment of this Act and before July 1, 2008.

SEC. 832. STRATEGIC MATERIALS PROTECTION BOARD.

(a) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 187. Strategic Materials Protection Board

"(a) ESTABLISHMENT.—(1) The Secretary of Defense shall establish a Strategic Materials Protection Board.

"(2) The Board shall be composed of the following:

"(A) The Secretary of Defense, who shall be the chairman of the Board.

"(B) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(C) The Under Secretary of Defense for Intelligence.

"(D) The Secretary of the Army.

"(E) The Secretary of the Navy.

"(F) The Secretary of the Air Force.

"(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the Board shall—

"(1) determine the need to provide a long term domestic supply of items designated as critical to national security to ensure that national defense needs are met;

"(2) analyze the risk associated with each item designated as critical to national security and the affect on national defense that the nonavailability of such item from a domestic source would have;

"(3) recommend a strategy to the President to ensure the domestic availability of items designated as critical to national security;

"(4) recommend such other strategies to the President as the Board considers appropriate to strengthen the industrial base with respect to items critical to national security; and

"(5) publish, not less frequently than once every two years, in the Federal Register a list of items determined to be critical to national security, including a list of specialty metals determined to be critical to national security for purposes of section 2533b of this

title (and referred to in section 2533b(l)((1)(5) of such title).

"(c) MEETINGS.—The Board shall meet as determined necessary by the Secretary of Defense but not less frequently than once every two years to—

"(1) determine and publish a list of items critical to national security as described in subsection (b)(5); and

"(2) review items previously determined by the Board to be critical to national security, including specialty metals critical to national security for purposes of section 2533b of this title, to determine the appropriateness of their continuing classification as critical to national security.

"(d) REPORTS.—After each meeting of the Board, the Board shall prepare and submit to Congress a report containing the results of the meeting and such recommendations as the Board determines appropriate.

"(e) REMOVAL OF ITEMS FROM LIST.—The Board may not remove from the list referred to in subsection (b)(5) an item previously determined to be critical to national security by the Board until a period of 30 days expires after the Board submits to the congressional defense committees a written notification of the removal.".

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

"187. Strategic Materials Protection Board.".

(c) FIRST MEETING OF BOARD.—The first meeting of the Strategic Materials Protection Board, established by section 187 of title 10, United States Code (as added by paragraph (1)) shall be not later than 180 days after the date of the enactment of this Act.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Management

Sec. 901. Standardization of statutory references to "national security system" within laws applicable to Department of Defense.
Sec. 902. Correction of reference to predecessor of Defense Information Systems Agency.
Sec. 903. Addition to membership of specified council.
Sec. 904. Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies.
Sec. 905. Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps.

Subtitle B—Space Activities

Sec. 911. Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board.
Sec. 912. Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities.
Sec. 913. Operationally Responsive Space.

Subtitle C—Chemical Demilitarization Program

Sec. 921. Transfer to Secretary of the Army of responsibility for Assembled Chemical Weapons Alternatives Program.
Sec. 922. Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana.
Sec. 923. Sense of Congress regarding the safe and expeditious disposal of chemical weapons.

Subtitle D—Intelligence-Related Matters

Sec. 931. Repeal of termination of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

Subtitle A—Department of Defense Management

SEC. 901. STANDARDIZATION OF STATUTORY REFERENCES TO "NATIONAL SECURITY SYSTEM" WITHIN LAWS APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking "in section 2315 of this title" and inserting "in section 3542(b)(2) of title 44".

(b) CHIEF INFORMATION OFFICER RESPONSIBILITIES.—Section 2223(c)(3) of such title is amended by striking "section 11103 of title 40" and inserting "section 3542(b)(2) of title 44".

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

"For purposes of subtitle III of title 40, the term 'national security system', with respect to a telecommunications and information system operated by the Department of Defense, has the meaning given that term by section 3542(b)(2) of title 44.".

SEC. 902. CORRECTION OF REFERENCE TO PREDECESSOR OF DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

"(1) The Defense Information Systems Agency.".

SEC. 903. ADDITION TO MEMBERSHIP OF SPECIFIED COUNCIL.

Section 179(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) The commander of the United States Strategic Command.".

SEC. 904. CONSOLIDATION AND STANDARDIZATION OF AUTHORITIES RELATING TO DEPARTMENT OF DEFENSE REGIONAL CENTERS FOR SECURITY STUDIES.

(a) BASIC AUTHORITIES FOR REGIONAL CENTERS.—

(1) IN GENERAL.—Section 184 of title 10, United States Code, is amended to read as follows:

"§ 184. Regional Centers for Security Studies

"(a) IN GENERAL.—The Secretary of Defense shall administer the Department of Defense Regional Centers for Security Studies in accordance with this section as international venues for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

"(b) REGIONAL CENTERS SPECIFIED.—(1) A Department of Defense Regional Center for Security Studies is a Department of Defense institution that—

"(A) is operated, and designated as such, by the Secretary of Defense for the study of security issues relating to a specified geographic region of the world; and

"(B) serves as a forum for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

"(2) The Department of Defense Regional Centers for Security Studies are the following:

"(A) The George C. Marshall European Center for Security Studies, established in 1993 and located in Garmisch-Partenkirchen, Germany.

"(B) The Asia-Pacific Center for Security Studies, established in 1995 and located in Honolulu, Hawaii.

"(C) The Center for Hemispheric Defense Studies, established in 1997 and located in Washington, D.C.

"(D) The Africa Center for Strategic Studies, established in 1999 and located in Washington, D.C.

"(E) The Near East South Asia Center for Strategic Studies, established in 2000 and located in Washington, D.C.

"(3) No institution or element of the Department of Defense may be designated as a Department of Defense Regional Center for Security Studies for purposes of this section, other than the institutions specified in paragraph (2), except as specifically provided by law after the date of the enactment of this section.

"(c) REGULATIONS.—The administration of the Regional Centers under this section shall be carried out under regulations prescribed by the Secretary.

"(d) PARTICIPATION.—Participants in activities of the Regional Centers may include United States military and civilian personnel, governmental and nongovernmental personnel, and foreign military and civilian, governmental and nongovernmental personnel.

"(e) EMPLOYMENT AND COMPENSATION OF FACULTY.—At each Regional Center, the Secretary may, subject to appropriations—

"(1) employ a Director, a Deputy Director, and as many civilians as professors, instructors, and lecturers as the Secretary considers necessary; and

"(2) prescribe the compensation of such persons, in accordance with Federal guidelines.

"(f) PAYMENT OF COSTS.—(1) Participation in activities of a Regional Center shall be on a reimbursable basis (or by payment in advance), except in a case in which reimbursement is waived in accordance with paragraph (3).

"(2) For a foreign national participant, payment of costs may be made by the participant, the participant's own government, by a Department or agency of the United States other than the Department of Defense, or by a gift or donation on behalf of one or more Regional Centers accepted under section 2611 of this title on behalf of the participant's government.

"(3) The Secretary of Defense may waive reimbursement of the costs of activities of the Regional Centers for foreign military officers and foreign defense and security civilian government officials from a developing country if the Secretary determines that attendance of such personnel without reimbursement is in the national security interest of the United States. Costs for which reimbursement is waived pursuant to this paragraph shall be paid from appropriations available to the Regional Centers.

"(4) Funds accepted for the payment of costs shall be credited to the appropriation then currently available to the Department of Defense for the Regional Center that incurred the costs. Funds so credited shall be merged with the appropriation to which credited and shall be available to

that Regional Center for the same purposes and same period as the appropriation with which merged.

"(5) Funds available for the payment of personnel expenses under the Latin American cooperation authority set forth in section 1050 of this title are also available for the costs of the operation of the Center for Hemispheric Defense Studies.

"(g) SUPPORT TO OTHER AGENCIES.—The Director of a Regional Center may enter into agreements with the Secretaries of the military departments, the heads of the Defense Agencies, and, with the concurrence of the Secretary of Defense, the heads of other Federal departments and agencies for the provision of services by that Regional Center under this section. Any such participating department and agency shall transfer to the Regional Center funds to pay the full costs of the services received.

"(h) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the operation of the Regional Centers for security studies during the preceding fiscal year. The annual report shall include, for each Regional Center, the following information:

"(1) The status and objectives of the center.

"(2) The budget of the center, including the costs of operating the center.

"(3) A description of the extent of the international participation in the programs of the center, including the costs incurred by the United States for the participation of each foreign nation.

"(4) A description of the foreign gifts and donations, if any, accepted under section 2611 of this title.".

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

"184. Regional Centers for Security Studies.".

(b) CONFORMING AMENDMENTS.—

(1) EMPLOYMENT AND COMPENSATION AUTHORITY FOR CIVILIAN FACULTY.—Section 1595 of title 10, United States Code, is amended—

(A) in subsection (c)—

(i) by striking paragraphs (3) and (5); and

(ii) by redesignating paragraphs (4) and (6) as paragraphs (3) and (4), respectively; and

(B) by striking subsection (e).

(2) STATUS OF CENTER FOR HEMISPHERIC DEFENSE STUDIES.—Section 2165 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking paragraph (6); and

(ii) by redesignating paragraph (7) as paragraph (6); and

(B) by striking subsection (c).

SEC. 905. REDESIGNATION OF THE DEPARTMENT OF THE NAVY AS THE DEPARTMENT OF THE NAVY AND MARINE CORPS.

(a) REDESIGNATION OF MILITARY DEPARTMENT.—The military department designated as the Department of the Navy is redesignated as the Department of the Navy and Marine Corps.

(b) REDESIGNATION OF SECRETARY AND OTHER STATUTORY OFFICES.—

(1) SECRETARY.—The position of the Secretary of the Navy is redesignated as the Secretary of the Navy and Marine Corps.

(2) OTHER STATUTORY OFFICES.—The positions of the Under Secretary of the Navy, the four Assistant Secretaries of the Navy, and the General Counsel of the Department of the Navy are redesignated as the Under Secretary of the Navy and Marine Corps, the

Assistant Secretaries of the Navy and Marine Corps, and the General Counsel of the Department of the Navy and Marine Corps, respectively.

(c) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—

(1) DEFINITION OF "MILITARY DEPARTMENT".—Paragraph (8) of section 101(a) of title 10, United States Code, is amended to read as follows:

"(8) The term 'military department' means the Department of the Army, the Department of the Navy and Marine Corps, and the Department of the Air Force.".

(2) ORGANIZATION OF DEPARTMENT.—The text of section 5011 of such title is amended to read as follows: "The Department of the Navy and Marine Corps is separately organized under the Secretary of the Navy and Marine Corps.".

(3) POSITION OF SECRETARY.—Section 5013(a)(1) of such title is amended by striking "There is a Secretary of the Navy" and inserting "There is a Secretary of the Navy and Marine Corps".

(4) CHAPTER HEADINGS.—

(A) The heading of chapter 503 of such title is amended to read as follows:

"CHAPTER 503—DEPARTMENT OF THE NAVY AND MARINE CORPS".

(B) The heading of chapter 507 of such title is amended to read as follows:

"CHAPTER 507—COMPOSITION OF THE DEPARTMENT OF THE NAVY AND MARINE CORPS".

(5) OTHER AMENDMENTS.—

(A) Title 10, United States Code, is amended by striking "Department of the Navy" and "Secretary of the Navy" each place they appear other than as specified in paragraphs (1), (2), (3), and (4) (including in section headings, subsection captions, tables of chapters, and tables of sections) and inserting "Department of the Navy and Marine Corps" and "Secretary of the Navy and Marine Corps", respectively, in each case with the matter inserted to be in the same typeface and typestyle as the matter stricken.

(B)(i) Sections 5013(f), 5014(b)(2), 5016(a), 5017(2), 5032(a), and 5042(a) of such title are amended by striking "Assistant Secretaries of the Navy" and inserting "Assistant Secretaries of the Navy and Marine Corps".

(ii) The heading of section 5016 of such title, and the item relating to such section in the table of sections at the beginning of chapter 503 of such title, are each amended by inserting "and Marine Corps" after "of the Navy", with the matter inserted in each case to be in the same typeface and typestyle as the matter amended.

(d) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended by striking "Department of the Navy" and "Secretary of the Navy" each place they appear and inserting "Department of the Navy and Marine Corps" and "Secretary of the Navy and Marine Corps", respectively.

(e) OTHER REFERENCES.—Any reference in any law other than in title 10 or title 37, United States Code, or in any regulation, document, record, or other paper of the United States, to the Department of the Navy shall be considered to be a reference to the Department of the Navy and Marine Corps. Any such reference to an office specified in subsection (b)(2) shall be considered to be a reference to that office as redesignated by that subsection.

(f) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

Subtitle B—Space Activities

SEC. 911. DESIGNATION OF SUCCESSOR ORGANIZATIONS FOR THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING EXECUTIVE BOARD.

(a) SUCCESSOR ORGANIZATIONS.— Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (10 U.S.C. 2281 note) is amended by striking "by Congress" and all that follows and inserting "for the functions and activities of the following organizations established pursuant to the national security presidential directive issued December 8, 2004 (and any successor organization, to the extent the successor organization performs the functions of the specified organization):

"(1) The interagency committee known as the National Space-Based Positioning, Navigation, and Timing Executive Committee.

"(2) The support office for the committee specified in paragraph (1) known as the National Space-Based Positioning, Navigation, and Timing Coordination Office.

"(3) The Federal advisory committee known as the National Space-Based Positioning, Navigation, and Timing Advisory Board.".

(b) CLARIFICATION.—Such section is further amended by striking "interagency funding" and inserting "multi-agency funding".

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking "shall be conducted" and all that follows and inserting "may be conducted through September 30, 2009.".

SEC. 913. OPERATIONALLY RESPONSIVE SPACE.

(a) OPERATIONALLY RESPONSIVE SPACE PROGRAM OFFICE.—

(1) ESTABLISHMENT OF OFFICE.—Section 2273a of title 10, United States Code, is amended to read as follows:

"§ 2273a. Operationally Responsive Space Program Office

"(a) ESTABLISHMENT OF OFFICE.—(1) The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Program Office.

"(2) The head of the Office shall be the official in the Department of Defense who is designated by the Secretary

of Defense as the Department of Defense Executive Agent for Space.

"(b) MISSION.—The mission of the Office shall be to contribute to the development of low-cost, rapid reaction payloads, spacelift, and launch control capabilities in order to fulfill joint military operational requirements for on-demand space support or reconstitution. The Office shall manage the program element required under subsection (g).

"(c) ORGANIZATION.—The Office shall be organized into integrated and co-located elements that include the following:

"(1) A science and technology section, which shall perform the functions specified in subsection (d).

"(2) An operations section, which shall perform the functions specified in subsection (e).

"(3) An acquisition section, which shall perform the functions specified in subsection (f).

"(d) SCIENCE AND TECHNOLOGY.—As directed by the head of the Office, the science and technology section shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on (but not limited to) payloads, bus, and launch equipment.

"(e) OPERATIONS.—As directed by the head of the Office, the operations section shall serve as the primary inter-

mediary between the Office and the combatant commands in order to—

"(1) ascertain the needs of the warfighter; and

"(2) integrate operationally responsive space capabilities into—

"(A) operations plans of the combatant commands;

"(B) techniques, tactics, and procedures of the military departments; and

"(C) military exercises, demonstrations, and war games.

"(f) ACQUISITION.—(1) As directed by the head of the Office, the acquisition section shall undertake the acquisition of systems necessary to integrate, sustain, and launch assets for operationally responsive space.

"(2) In the case of any system or subsystem to be acquired by the Office, the acquisition may be carried out only after the commander of the United States Strategic Command has validated the system requirements for the system or subsystem to be acquired.

"(3) The commander of the United States Strategic Command shall participate in the approval of any acquisition program initiated by the Office.

"(g) REQUIRED PROGRAM ELEMENT.—(1) The Secretary of Defense shall ensure that, within budget program elements for space programs of the Department of Defense—

"(A) that there is a separate, dedicated program element for operationally responsive national security payloads and buses of the Department of Defense for space satellites; and

"(B) that programs and activities for such payloads and buses are planned, programmed, and budgeted for through that program element.

"(2) In this subsection, the term 'operationally responsive', with respect to a national security payload and bus for a space satellite, means an experimental or operational payload and bus with a weight not in excess of 5,000 pounds that—

"(A) can be developed and acquired within 18 months after authority to proceed with development is granted; and

"(B) is responsive to requirements for capabilities at the operational and tactical levels of warfare.".

(2) CLERICAL AMENDMENT.—The item relating to that section in the table of sections at the beginning of chapter 135 of such title is amended to read as follows:

"2273a. Operationally Responsive Space Program Office.".

(b) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the capabilities required by the Department to fulfill the mission of the Department with respect to operationally responsive space.

(B) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Program Office established under section 2273a of title 10, United States Code, as amended by subsection (a).

(D) A description of the classification of information required for that Office in order to ensure that the Office carries out its responsibilities in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to that Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A complete schedule for the implementation of the plan.

(G) The funding required to implement the plan over the course of the future-years defense program under section 221 of title 10, United States Code, in effect as of the submission of the plan.

(3) DEFINITION.—In this subsection, the term "operationally responsive space" means the development and launch of space assets upon demand in a low-cost manner.

Subtitle C—Chemical Demilitarization Program

SEC. 921. TRANSFER TO SECRETARY OF THE ARMY OF RESPONSIBILITY FOR ASSEMBLED CHEMICAL WEAPONS ALTERNATIVES PROGRAM.

Effective January 1, 2007, the text of section 142 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1521 note) is amended to read as follows:

"(a) PROGRAM MANAGEMENT.—(1) The program manager for the Assembled Chemical Weapons Alternatives program shall report to the Secretary of the Army.

"(2) The Secretary of the Army shall provide for that program to be managed as part of the management organization within the Department of the Army specified in section 1412(e) of Public Law 99–145 (50 U.S.C. 1521(e)).

"(b) CONTINUED IMPLEMENTATION OF PREVIOUSLY SELECTED ALTERNATIVE TECHNOLOGIES.—(1) In carrying out the destruction of lethal chemical munitions at Pueblo Chemical Depot, Colorado, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the Under Secretary of Defense for Acquisition, Technology, and Logistics on July 16, 2002.

"(2) In carrying out the destruction of lethal chemical munitions at Blue Grass Army Depot, Kentucky, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the Under Secretary of Defense for Acquisition, Technology, and Logistics on February 3, 2003.".

SEC. 922. COMPTROLLER GENERAL REVIEW OF COST-BENEFIT ANALYSIS OF OFF-SITE VERSUS ON-SITE TREATMENT AND DISPOSAL OF HYDROLYSATE DERIVED FROM NEUTRALIZATION OF VX NERVE GAS AT NEWPORT CHEMICAL DEPOT, INDIANA.

(a) REVIEW REQUIRED.—Not later than December 1, 2006, the Comptroller General shall submit to Congress a report containing a review of the cost-benefit analysis prepared by the Secretary of the Army entitled "Cost-Benefit Analysis of Off-Site Versus On-Site Treatment and Disposal of Newport Caustic Hydrolysate" and dated April 24, 2006.

(b) CONTENT OF REVIEW.—In conducting the review under subsection (a), the Comptroller General shall consider and assess at a minimum the following matters:

(1) The adequacy of the rationale contained in the cost-benefit analysis referred to in subsection (a) in dismissing five of the eight technologies for hydrol-

ysate treatment directed for consideration on page 116 of the the Report of the Committee on Armed Services of the House of Representatives on H.R. 1815 (House Report 109–89).

(2) The rationale for the failure of the Secretary of the Army to consider other technical solutions, such as constructing a wastewater disposal system at the Newport Chemical Depot.

(3) The adequacy of the cost-benefit analysis presented for the three technologies considered.

(c) DELAY PENDING REPORT.—The Secretary of the Army shall not proceed with any action to transport or relocate neutralized bulk nerve agent (other than those small quantities necessary for laboratory evaluation of the disposal process) from the Newport Chemical Depot until—

(1) the report required by subsection (a) is submitted; and

(2) a period of 60 days expires after the submission of the report.

SEC. 923. SENSE OF CONGRESS REGARDING THE SAFE AND EXPEDITIOUS DISPOSAL OF CHEMICAL WEAPONS.

(a) FINDINGS.—Congress makes the following findings:

(1) The disposal of chemical weapons needs to be accomplished as safely and expeditiously as possible.

(2) It is apparent, however, that any disposal method for chemical weapons that involves the transportation of chemical munitions or processed chemical munitions is difficult to implement

(b) SENSE OF CONGRESS.—In light of these findings, it is the sense of Congress that, when chemical munitions or processed chemical munitions are proposed for treatment or disposal at a location remote from the location where the munitions are stored—

(1) the method of actually selecting the disposal location should be free from political interference; and

(2) a process like that used for selecting and approving military installations for closure or realignment should be considered.

Subtitle D—Intelligence-Related Matters

SEC. 931. REPEAL OF TERMINATION OF AUTHORITY OF SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking the last sentence.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. General transfer authority.

Sec. 1002. Authorization of supplemental appropriations for fiscal year 2006.
Sec. 1003. Increase in fiscal year 2006 general transfer authority.
Sec. 1004. United States contribution to NATO common-funded budgets in fiscal year 2007.
Sec. 1005. Report on budgeting for fluctuations in fuel cost rates.
Sec. 1006. Reduction in authorizations due to savings resulting from lower-than-expected inflation.

Subtitle B—Policy Relating to Vessels and Shipyards

Sec. 1011. Transfer of naval vessels to foreign nations based upon vessel class.
Sec. 1012. Overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 1013. Report on options for future lease arrangement for Guam Shipyard.
Sec. 1014. Shipbuilding Industrial Base Improvement Program.
Sec. 1015. Transfer of operational control of certain patrol coastal ships to Coast Guard.
Sec. 1016. Limitation on leasing of foreign-built vessels.
Sec. 1017. Overhaul, repair, and maintenance of vessels carrying Department of Defense cargo.
Sec. 1018. Riding gang member documentation requirement.

Subtitle C—Counter-Drug Activities

Sec. 1021. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of Federal, State, local, and foreign law enforcement agencies.
Sec. 1022. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of certain foreign governments.
Sec. 1023. Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counter-drug activities.
Sec. 1025. Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions.

Subtitle D—Other Matters

Sec. 1031. Revision to authorities relating to Commission on the implementation of the New Strategic Posture of the United States.
Sec. 1032. Enhancement to authority to pay rewards for assistance in combating terrorism.
Sec. 1033. Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism.
Sec. 1034. Presidential report on improving interagency support for United States 21st century national security missions.
Sec. 1035. Quarterly reports on implementation of 2006 Quadrennial Defense Review Report.
Sec. 1036. Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans.
Sec. 1037. Technical and clerical amendments.
Sec. 1038. Database of emergency response capabilities.
Sec. 1039. Information on certain criminal investigations and prosecutions.
Sec. 1040. Date for final report of EMP Commission.

Subtitle A—Financial Matters

SEC. 1001. GENERAL TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,750,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to an emergency supplemental appropriations Act for 2006.

SEC. 1003. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119

Stat. 3418) is amended by striking "$3,500,000,000" and inserting "$3,750,000,000".

SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1005. REPORT ON BUDGETING FOR FLUCTUATIONS IN FUEL COST RATES.

(a) SECRETARY OF DEFENSE REPORT.—

(1) REPORT ON BUDGETING FOR FUEL COST FLUCTUATIONS.—Not later than January 15, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the fuel rate and cost projection used in the annual Department of Defense budget presentation.

(2) MATTERS TO BE INCLUDED.—In the report under paragraph (1), the Secretary shall—

(A) identify alternative approaches for selecting fuel rates that would produce more realistic estimates of amounts required to be appropriated or otherwise made available for the Department of Defense to accommodate fuel rate fluctuations;

(B) discuss the advantages and disadvantages of each approach identified pursuant to subparagraph (A); and

(C) identify the Secretary's preferred approach among the alternative identified pursuant to subparagraph (A) and provide the Secretary's rationale for preferring that approach.

(3) IDENTIFICATION OF ALTERNATIVE APPROACHES.—In identifying alternative approaches

pursuant to paragraph (2)(A), the Secretary shall examine—

(A) approaches used by other Federal departments and agencies; and

(B) the feasibility of using private economic forecasting.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—The Comptroller General shall review the report under subsection (a), including the basis for the Secretary's conclusions stated in the report, and shall submit, not later than March 15, 2007, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of that review.

SEC. 1006. REDUCTION IN AUTHORIZATIONS DUE TO SAVINGS RESULTING FROM LOWER-THAN-EXPECTED INFLATION.

(a) REDUCTION.—The total amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of the separate amounts authorized to be appropriated by those titles reduced by $1,583,000,000.

(b) SOURCE OF SAVINGS.—Reduction required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in title I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to those accounts.

Subtitle B—Policy Relating to Vessels and Shipyards

SEC. 1011. TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BASED UPON VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended—

(1) by striking "disposition of that vessel is approved" and inserting "disposal of that vessel, or of a vessel of the class of that vessel, is authorized"; and

(2) by adding at the end the following new sentences: "In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilites as the named vessel. In the case of an authorization by law for the disposal of vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the num-

ber of such vessels specified in that law as being authorized for disposal.".

SEC. 1012. OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

(a) IN GENERAL.—Section 7310 of title 10, United States Code, is amended to read as follows:

"§ 7310. Overhaul, repair, etc. of vessels in foreign shipyards

"(a) IN GENERAL.—A vessel covered by this section the homeport of which is in the United States may not be overhauled, repaired, or maintained in a shipyard outside the United States, other than in the case of emergency voyage repairs.

"(b) COVERED VESSELS.—(1) Vessels covered by this section are the following:

"(A) Any naval vessel.

"(B) Any other vessel under the jurisdiction of the Secretary of the Navy, including any vessel under the jurisdiction of the Military Sealift Command that is owned or chartered by the United States.

"(2)(A) Notwithstanding paragraph (1), a naval vessel or other vessel certified by the Secretary of the Navy that is deployed conducting special mission operations is not subject to this section.

"(B) The Secretary of the Navy shall submit to the congressional defense committees each year a written certification of those vessels that are excluded from this section. The certification shall be submitted each year with the annual submission of the Navy budget justification materials.

"(c) CERTAIN VESSELS TO BE CONSIDERED TO BE HOMEPORTED IN UNITED STATES.—In the case of a vessel that does not have a designated homeport, the vessel shall be considered to have a homeport in the United States for the purposes of this section if any of the following applies to the vessel during the preceding 12-month period:

"(1) The vessel has operated within 1,400 nautical miles of the United States.

"(2) The vessel has returned to the United States more than two times.

"(3) The vessel has made a port call or return to the United States that exceeded seven days.

"(d) VESSEL CHANGING HOMEPORTS.—(1) In the case of a vessel covered by this section the homeport of which is not in the United States, the Secretary of the Navy may not during the 15-month period preceding the planned reassignment of the vessel to a homeport in the United States begin any work for the overhaul, repair, or maintenance of the vessel that is scheduled to be for a period of more than six months

"(2) In the case of a vessel covered by this section the homeport of which is in the United States, the Secretary of the Navy shall—

"(A) not less than 60 days before designating a homeport for that vessel at a location outside the United States, submit to Congress notification in writing of the intent to designate a homeport for that vessel outside the United States, together with the reasons for that designation; and

"(B) during the 15-month period preceding the planned reassignment of the vessel to a homeport not in the United States, perform in the United States any work for the overhaul, repair, or maintenance of the vessel that is scheduled—

"(i) to begin during the 15-month period; and

"(ii) to be for a period of more than six months.

"(e) DEFINITIONS.—In this section:

"(1)(A) The term 'emergency voyage repair' means the following:

"(i) Repairs on mission-essential or safety-essential items that are needed for a vessel to deploy, to continue on a deployment, or to comply with regulatory requirements.

"(ii) Standard maintenance, but only to the extent that such maintenance is absolutely necessary to ensure machinery and equipment operational reliability or to comply with regulatory requirements.

"(iii) Repair or maintenance that is not executed with a contract request for proposal.

"(B) Such term does not include corrective maintenance actions that may be deferred until the next scheduled regular overhaul and dry docking availability at a shipyard in the Unites States without degrading operational readiness, habitability standards, or personnel safety or adversely affecting regulatory compliance.

"(2) The term 'United States', when used in a geographic sense, includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands.".

(b) EFFECTIVE DATE.—Subsection (c) of section 7310 of title 10, United States Code, as amended by subsection (a), shall take effect on October 1, 2006, or the date of the enactment of this Act, whichever is later, and shall apply only with respect to events specified in paragraphs (1), (2), and (3) of that subsection occurring on or after that effective date.

(c) LIMITATION ON APPLICATION TO VESSEL OPERATING UNDER EXISTING CHARTER.—This section does not affect the application of section 7310 of title 10, United States Code, to a vessel operating under a charter to the United States in effect on the date of the enactment of this Act, unless such charter is terminated or renewed after such date of enactment.

SEC. 1013. REPORT ON OPTIONS FOR FUTURE LEASE ARRANGEMENT FOR GUAM SHIPYARD.

(a) REPORT REQUIRED.— Not later than December 15, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report describing the options available with respect to the Guam Shipyard in Santa Rita, Guam.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An evaluation of the performance of the entities that, as of the date of the enactment of this Act, are the lessee and operators of the Guam Shipyard under the terms of the lease in effect on the date of the enactment of this Act.

(2) An evaluation of each of the following options with respect to the Guam Shipyard lease:

(A) Terminating the remaining term of the lease and issuing a new 25 year lease with the same entity.

(B) Terminating the remaining term of the lease with respect to the approximately 73 acres within the Guam Shipyard that are required for mission requirements and leaving the remaining term of the lease in effect with respect to the approximately 27 acres within the Facility that are not required for mission requirements.

(C) Terminating the remaining term of the lease and negotiating a new use arrangement with a different lessee or operator. The new use arrangement options shall include:

(i) Government-owned and government-operated facility.

(ii) Government-owned and contractor-operated facility.

(iii) Government-leased property for contractor-owned and contractor-operated facility.

(c) OPTIONS FOR NEW USE ARRANGEMENTS.—In evaluating the options under subsection (b)(2)(C), the Secretary of the Navy shall include an evaluation of each of the following:

(1) The anticipated future military vessel repair and workload on Guam in relation to the 2006 Quadrennial Defense Review, issued on February 6, 2006, pursuant to section 118 of title 10, United States Code.

(2) The anticipated military vessel repair and workload attributable to vessels comprising the Maritime Prepositioning Ship Squadron Three.

(3) The anticipated military vessel repair and workload due to a change in section 7310 of title 10, United States Code, that would designate Guam as a United States homeport facility.

(4) The expected workload if the submarine tender the U.S.S. Frank Cable (AS–40) is decommissioned.

(5) The estimated reacquisition costs of transferred Government property.

(6) Costs to improve floating dry dock mooring certification and required nuclear certification for the floating dry dock designated as AFDB–8 to conduct the following maintenance:

(A) Dry-docking selected restricted availabilities and mid-term availability for attack submarines.

(B) Dry-docking phased maintenance availabilities for amphibious vessels, including to amphibious assault ships, dock landing ships, and amphibious transport dock ships.

(C) Dry-docking phased maintenance availabilities for surface combatants, including cruisers, destroyers, and frigates.

(7) Commercial opportunities for development to expand commercial ship repair and general industrial services, given anti-terrorism force protection requirements at the current facility.

(8) Estimates from three contractors for the maintenance and repair costs associated with executing a multiship, multioption contract that would generate a minimum 60,000 manday commitment for the Department of the Navy and Military Sealift Command vessels.

(9) A projection of the maintenance and repair costs associated with executing a minimum 60,000 mandays for the Department of the Navy and Military Sealift Command vessels as a Government-owned and Government-operated Navy ship repair facility.

(d) INPUT FROM CONTRACTORS.—In evaluating the options under clauses (ii) and (iii) of subsection (b)(2)(C) for the purposes of paragraphs (1), (2), and (3) of sub-

section (c), the Secretary of the Navy shall seek input from at least three contractors on the viability of operations based on the projected workload fiscal years 2008 through 2013.

(e) RECOMMENDATIONS.—The Secretary of the Navy shall include in the report the following:

(1) The recommendations of the Secretary with respect to continuation of the existing Guam Shipyard lease based on evaluations conducted pursuant to subsection (b)(1).

(2) The option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

(f) GAO REPORT.—Not later than March 1, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report evaluating the report submitted by the Secretary of the Navy under subsection (a). The report shall include the option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

(g) SUPPORT FOR NATIONAL STRATEGIC OBJECTIVES.—For fiscal year 2007, the Secretary of the Navy, under the authority of section 2304(c)(3) of title 10, United States Code, and section 6.302–3(a)(2)(i) of the Federal Acquisition Regulation, shall award contracts to the Guam

Shipyard in amounts equal to the average amount of the mandays contracts awarded to the Guam Shipyard for fiscal years 1998 through 2006 for the purpose of maintaining the industrial base in case of a national emergency or to achieve industrial mobilization.

SEC. 1014. SHIPBUILDING INDUSTRIAL BASE IMPROVEMENT PROGRAM.

(a) PROGRAM FOR UNITED STATES PRIVATE SHIPYARDS.—The Secretary of the Navy shall establish a program, to be known as the Shipbuilding Industrial Base Improvement Program, under which the Secretary—

(1) shall make grants to qualified applicants to facilitate the development of innovative design and production technologies and processes for naval vessel construction and the development of modernized shipbuilding infrastructure; and

(2) shall provide loan guarantees for qualifying shipyards to facilitate the acquisition by such shipyards of technologies, processes, and infrastructure to improve their productivity and cost effectiveness.

(b) PURPOSES OF PROGRAM.—The purposes of the program established under subsection (a) are—

(1) to improve the efficiency and cost-effectiveness of the construction of naval vessels for the United States;

(2) to enhance the quality of naval vessel construction; and

(3) to promote the international competitiveness of United States shipyards for the construction of commercial ships and naval ships intended for sale to foreign governments.

(c) SELECTION OF GRANT RECIPIENTS.—

(1) APPLICATION FOR DEVELOPMENT FUNDING.—An entity requesting a grant under subsection (a)(1) to develop new design or production technologies or processes for naval vessels or to improve shipbuilding infrastructure shall submit to the Secretary of the Navy an application that describes the proposal of the entity and provides evidence of its capability to develop one or more of the following:

(A) Numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology designed to improve shipbuilding and related industrial productivity.

(B) Novel techniques and processes designed to improve shipbuilding quality, productivity, and practice on a broad and sustained basis, including in such areas as engineering design,

quality assurance, concurrent engineering, continuous process production technology, employee skills enhancement, and management of customers and suppliers.

(C) Technology, techniques, and processes appropriate to enhancing the productivity of shipyard infrastructure.

(2) SELECTION .—From applications submitted under paragraph (1), the Secretary of the Navy shall select entities to receive funds under subsection (a)(1) based on their ability to research and develop innovative technologies, processes, and infrastructure to alleviate areas of shipyard construction inefficiencies as determined through the assessment described in subsection (f).

(d) MATCHING REQUIREMENT FOR GRANTS.—

(1) FEDERAL FUNDING.—Except as provided in paragraph (2), Federal funds from a grant under subsection (a)(1) for any purpose shall not exceed 75 percent of the total cost.

(2) EXCEPTIONS.—

(A) SMALL PROJECTS.—Paragraph (1) shall not apply to grants under this section for standalone projects costing not more than $25,000. The amount under this subparagraph shall be

indexed to the consumer price index and modified each fiscal year after the annual publication of the consumer price index.

(B) REDUCTION IN MATCHING REQUIREMENT.—If the Secretary of the Navy determines that a proposed project merits support and cannot be undertaken without a higher percentage of Federal financial assistance, the Secretary may award a grant for such project with a lesser matching requirement than is described in paragraph (1).

(e) LOAN GUARANTEES FOR SHIPYARD USE OF DEVELOPED TECHNOLOGIES, PROCESSES, AND INFRASTRUCTURE.—

(1) IN GENERAL.—Upon making a determination that a technology, a process, or an infrastructure improvement (whether developed using a grant under subsection (a)(1), through the National Shipbuilding Research Program, or otherwise) will improve the productivity and cost-effectiveness of naval vessel construction, the Secretary of the Navy may provide a loan guarantee under subsection (a)(2) for a qualifying shipyard to facilitate the purchase by such shipyard of such technology, process, or infrastructure improvement.

(2) PAYMENT OF COST OF LOAN GUARANTEE.—The cost of a guarantee under this subsection shall be paid for with amounts made available in appropriations Acts.

(3) PERCENTAGE LIMITATION; TERM.—A loan guarantee under this subsection may apply—

(A) to up to 87.5 percent of the loan principal; and

(B) for a term of up to 30 years.

(4) AUTHORITIES, PROCEDURES, REQUIREMENTS, AND RESTRICTIONS.—The Secretary of the Navy, subject to the other provisions of this section—

(A) in implementing this section, may exercise authorities that are similar to the authorities available to the Secretary of Transportation under title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), with respect to loan guarantees under that title; and

(B) may establish such additional requirements for loan guarantees under this section as the Secretary determines to be necessary to minimize the cost of such guarantees.

(5) LIMITATION ON TOTAL AMOUNT OF LOAN GUARANTEES.—The total amount of loans for which

guarantees are provided under this subsection may not exceed $1,000,000,000.

(6) DEFINITIONS.—In this subsection:

(A) QUALIFYING SHIPYARD.—The term "qualifying shipyard", with respect to a loan guarantee under this section, means a shipyard that, over the three years preceding the year in which the loan guarantee is made, derived less than 40 percent of its revenue either directly or indirectly from United States Government contracts.

(B) COST.—The term "cost", with respect to a loan guarantee under this section, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a), with cost for that purpose calculated assuming that the borrowing entity receives no revenue directly or indirectly from United States Government contracts.

(7) TERMINATION OF AUTHORITY.—The authority of the Secretary of the Navy to provide loan guarantees under this subsection expires at the close of September 30, 2011.

(f) ASSESSMENTS OF NAVAL VESSEL CONSTRUCTION INEFFICIENCIES.—

(1) PERIODIC ASSESSMENTS REQUIRED.—The Secretary of the Navy shall conduct, in the third quarter of each fiscal year or as often as necessary, an assessment of the following aspects of naval vessel construction to determine where and to what extent inefficiencies exist and to what extent innovative design and production technologies, processes, and infrastructure can be developed to alleviate such inefficiencies:

(A) Program design, engineering, and production engineering.

(B) Organization and operating systems.

(C) Steelwork production.

(D) Ship construction and outfitting.

(2) CONSIDERATION OF PRIOR ASSESSMENTS.—In making the assessments required by paragraph (1), the Secretary shall take into consideration the results of—

(A) the study of the cost effectiveness of the ship construction program of the Navy required by section 1014 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2041); and

(B) the assessment of the United States naval shipbuilding industry required by section

254 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3180).

(g) AVAILABILITY OF FUNDS.—

(1) AUTHORITY SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The authority of the Secretary of the Navy to make grants and provide loan guarantees under this section for any fiscal year is subject to the availability of appropriations for that purpose.

(2) FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 201(2) for research, development, test, and evaluation for the Navy for fiscal year 2007—

(A) $50,000,000 shall be available to the Secretary of the Navy only to make grants under this section; and

(B) $50,000,000 shall be available only for the cost (as defined in subsection (e)(6)(B)) of loan guarantees under this section.

(h) IDENTIFICATION IN BUDGET OF ANNUAL AMOUNT FOR SUPPORT OF NSRP ACTIVITIES.—Amounts in the budget of the President for any fiscal year for research, development, test, and evaluation for the Navy that are intended to be made available for the National Shipbuilding Research Program shall be separately identified and set

forth in budget justification materials submitted to Congress for that fiscal year in support of that budget.

(i) DEFINITION OF SHIPYARD.—In this section, the term "shipyard" means a private shipyard located in the United States the business of which includes the construction, repair, and maintenance of United States naval vessels.

SEC. 1015. TRANSFER OF OPERATIONAL CONTROL OF CERTAIN PATROL COASTAL SHIPS TO COAST GUARD.

Not later than September 30, 2008, the Secretary of the Navy shall enter into an agreement with the Commandant of the Coast Guard for the transfer by the Secretary of the Navy to the Coast Guard of operational control of not less than five 179-foot Cyclone-class patrol coastal ships for a period extending at least through September 30, 2012.

SEC. 1016. LIMITATION ON LEASING OF FOREIGN-BUILT VESSELS.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2401a the following new section:

"§ 2401b. Limitation on lease of foreign-built vessels

"(a) LIMITATION.—The Secretary of a military department may not make a contract for a lease or charter

of a vessel for a term of more than 24 months (including all options to renew or extend the contract) if the hull, or a component of the hull and superstructure of the vessel, is constructed in a foreign shipyard.

"(b) PRESIDENTIAL WAIVER FOR NATIONAL SECURITY INTEREST.—(1) The President may authorize exceptions to the limitation in subsection (a) when the President determines that it is in the national security interest of the United States to do so.

"(2) The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date on which the notice of the determination is received by Congress.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2401a the following new item:

"2401b. Limitation on lease of foreign-built vessels.".

(b) EFFECTIVE DATE.—Section 2401b of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date of the enactment of this Act.

SEC. 1017. OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS CARRYING DEPARTMENT OF DEFENSE CARGO.

The Secretary of Defense may not award any contract for the carriage by vessel of cargo for the Department of Defense, unless the contract includes a requirement under which the contractor shall—

(1) ensure that all overhaul, repair, and maintenance performed on the vessel during the period of the contract is performed in a shipyard located in the United States; or

(2) report to the Secretary every fiscal year quarter all overhaul, repair, and maintenance performed on the vessel in a shipyard located outside the United States during the period covered by the report.

SEC. 1018. RIDING GANG MEMBER DOCUMENTATION REQUIREMENT.

(a) REQUIREMENT.—The Secretary of Defense may not award any charter of a vessel for the Department of Defense, or contract for the carriage of cargo by vessel for the Department of Defense, unless the charter or contract, respectively, requires that each riding gang member that performs any work on the vessel during the effective period of the charter or contract holds a merchant mariner's document issued under chapter 73 of title 46, United States Code.

(b) RIDING GANG MEMBER DEFINED.—In this section the term "riding gang member" means an individual who—

(1) does not perform—

(A) watchstanding, automated engine room duty watch, or personnel safety functions; or

(B) cargo handling functions, including any activity relating to the loading or unloading of cargo, the operation of cargo-related equipment (whether or not integral to the vessel), and the handling of mooring lines on the dock when the vessel is made fast or let go;

(2) does not serve as part of the crew complement required under section 8101 of title 46, United States Code;

(3) is not a member of the steward's department; and

(4) is not a citizen or temporary or permanent resident of a country designated by the United States as a sponsor of terrorism or any other country that the Secretary of Defense, in consultation with the Secretary of State and the heads of other appropriate United States agencies, determines to be a security threat to the United States.

(c) LIMITATIONS ON APPLICATION.—

(1) VESSEL OPERATING UNDER EXISTING CHARTER OR CONTRACT.—This section does not apply with respect to a vessel operating under a charter or contract in effect on the date of the enactment of this section, unless such charter or contract is renewed after such date of enactment.

(2) EXEMPTIONS BY SECRETARY OF DEFENSE.—

(A) IN GENERAL.—The Secretary of Defense may issue regulations that exempt a riding gang member from subsection (a) for the performance of specific technical work on original equipment of a vessel.

(B) BACKGROUND CHECK.—Such regulations shall include a requirement that a riding gang member must pass a background check before performing work under such an exemption.

Subtitle C—Counter-Drug Activities

SEC. 1021. RESTATEMENT IN TITLE 10, UNITED STATES CODE, AND REVISION OF DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE SUPPORT FOR COUNTER-DRUG ACTIVITIES OF FEDERAL, STATE, LOCAL, AND FOREIGN LAW ENFORCEMENT AGENCIES.

(a) RESTATEMENT AND REVISION OF AUTHORITY.—Chapter 18 of title 10, United States Code, is amended by adding at the end a new section 383 consisting of—

(1) a heading as follows:

"§ 383. Support for counter-drug activities: Federal, State, local, and foreign law enforcement agencies"*; and*

(2) a text consisting of the text of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note), revised as follows:

(A) In subsection (a), by replacing "During fiscal years 2002 through 2006, the" with "The".

(B) In subsection (e), by replacing "section 376 of title 10, United States Code," with "section 376 of this title,".

(C) In subsection (f), by deleting the parenthetical phrase beginning "(including training" and ending "1564))".

(D) In subsection (g)—

(i) in paragraph (1), by replacing "chapter 18, United States Code" with "this chapter"; and

(ii) in paragraph (2), by replacing "title 10, United States Code" with "this title".

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

"383. Support for counter-drug activities: Federal, State, local, and foreign law enforcement agencies.".

(c) REPEAL OF FISCAL YEAR 1991 AUTHORITY.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is repealed.

SEC. 1022. RESTATEMENT IN TITLE 10, UNITED STATES CODE, AND REVISION OF DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE SUPPORT FOR COUNTER-DRUG ACTIVITIES OF CERTAIN FOREIGN GOVERNMENTS.

(a) RESTATEMENT AND REVISION OF AUTHORITY.—Chapter 18 of title 10, United States Code, is amended by

inserting after section 383, as added by section 1021, a new section 384 consisting of—

(1) a heading as follows:

"§ 384. Support for counter-drug activities: foreign governments"*; and*

(2) a text consisting of the text of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), revised as follows:

(A) In subsection (a)(2)—

(i) by deleting the first sentence; and

(ii) by replacing "the governments" with "those governments".

(B) In subsection (b), by adding at the end the following new paragraphs:

"(10) The Government of Azerbaijan.

"(11) The Government of Kazakhstan.

"(12) The Government of Kyrgyzstan.

"(13) The Government of Guatemala.

"(14) The Government of Belize.

"(15) The Government of Panama.".

(C) In subsection (c), by replacing paragraphs (1), (2), and (3) with the following new paragraphs:

"(1) The transfer of nonlethal protective and utility personnel equipment.

"(2) The transfer of the following nonlethal specialized equipment:

"(A) Navigation equipment.

"(B) Secure and nonsecure communications equipment.

"(C) Photo equipment.

"(D) Radar equipment.

"(E) Night vision systems.

"(3) The transfer of nonlethal components, accessories, attachments, parts (including ground support equipment), firmware, and software and repair equipment related to the equipment specified in paragraph (2).

"(4) The transfer of patrol boats, vehicles, and aircraft and detection, interception, monitoring and testing equipment.

"(5) The maintenance and repair or upgrade of equipment of the government that is used for counterdrug activities.

"(6) For fiscal years 2007 and 2008, for the Government of Afghanistan only, individual and crew-served weapons of 50 caliber or less and ammu-

nition for such weapons for counter-narcotics security forces.".

(D) In subsection (d), by replacing "the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note)" with "section 383 of this title".

(E) By replacing subsection (e) with the following new subsection (e):

"(e) LIMITATION ON OBLIGATIONS.—Amounts made available to carry out this section shall remain available until expended, except that the total amount obligated and expended under this section may not exceed $40,000,000 during fiscal year 2006 or $60,000,000 during fiscal year 2007 or fiscal year 2008.".

(F) In subsection (f), by replacing paragraphs (3) and (4) with the following new paragraph:

"(3) For purposes of this subsection and subsection (h), the term 'congressional committees' means the following:

"(A) The Committee on Armed Services, the Committee on Appropriations, and the Committee on Foreign Relations of the Senate.

"(B) The Committee on Armed Services, the Committee on Appropriations, and the Committee on

International Relations of the House of Representatives.".

(G) In subsection (g)(1), by replacing "United States Armed Forces" with "armed forces".

(H) In subsection (h)—

(i) in the first sentence, by replacing "prepare for fiscal year 2004 (and revise as necessary for subsequent fiscal years) a counter-drug plan" with "submit to the congressional committees not later than December 31 of each fiscal year a counter-drug plan for the next fiscal year"; and

(ii) by adding at the end the following new paragraph:.

"(10) A copy of the certification required by subsection (f)(1) with respect to the government.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 383, as added by section 1021, the following new item:

"384. Support for counter-drug activities: foreign governments.".

(c) REPEAL OF FISCAL YEAR 1998 AUTHORITY.—Section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is repealed.

SEC. 1023. EXTENSION OF AUTHORITY TO SUPPORT UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking "and 2006" and inserting "through 2008"; and

(2) in subsection (c), by striking "and 2006" and inserting "through 2008".

SEC. 1024. CONTINUATION OF REPORTING REQUIREMENT REGARDING DEPARTMENT OF DEFENSE EXPENDITURES TO SUPPORT FOREIGN COUNTER-DRUG ACTIVITIES.

(a) ADDITIONAL REPORT REQUIRED.—Section 1022 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–255), as amended by section 1022 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1215) and section 1021 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3426), is further amended by inserting "and February 15, 2007," after "April 15, 2006,".

(b) FORM OF REPORT AND ADDITIONAL INFORMATION REQUIRED.—Such section is further amended—

(1) in the first sentence, by inserting ", in both classified and unclassified form," after "report"; and

(2) in paragraph (2), by inserting before the period at the end the following: "and the amount of funds provided for each type of counter-drug activity assisted".

SEC. 1025. REPORT ON INTERAGENCY COUNTER-NARCOTICS PLAN FOR AFGHANISTAN AND SOUTH AND CENTRAL ASIAN REGIONS.

(a) REPORT REQUIRED.—Not later than December 31, 2006, the Secretary of Defense shall submit to the congressional defense committees a report updating the interagency counter-narcotics implementation plan for Afghanistan and the South and Central Asian regions, including Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, Iran, Azerbaijan, Pakistan, India, and China, originally prepared pursuant to section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881).

(b) CONSULTATION.—The report under this section shall be prepared in consultation with the Secretary of State, the Administrator of the Agency for International

Development, and the Director of the Drug Enforcement Administration.

(c) MATTERS TO BE INCLUDED.—The report shall include the following for each foreign government covered by the report:

(1) A consideration of what activities should be reallocated among the United States and the foreign government based on the capabilities of each department and agency involved.

(2) Any measures necessary to clarify the legal authority required to complete the mission and the measures necessary for the United States to successfully complete its counter-narcotics efforts in Afghanistan and the South and Central Asian regions.

(3) Current and proposed United States funding to support counter-narcotics activities of the foreign government.

Subtitle D—Other Matters

SEC. 1031. REVISION TO AUTHORITIES RELATING TO COMMISSION ON THE IMPLEMENTATION OF THE NEW STRATEGIC POSTURE OF THE UNITED STATES.

Section 1051 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3431) is amended—

(1) in subsections (b)(1)(E) and (b)(2)(B), by striking "though 2008" and inserting "through 2025";

(2) in subsection (c)(1), by striking "Not later than June 30, 2007" and inserting "Not later than 18 months after the date of the Commission's first meeting"; and

(3) in subsection (f), by striking "July 30, 2007" and inserting "60 days after the date of the submission of its report".

SEC. 1032. ENHANCEMENT TO AUTHORITY TO PAY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) INCREASE IN DELEGATION LIMITATION.—Paragraph (2) of section 127b(c) of title 10, United States Code, is amended by striking "$2,500" and inserting "$10,000".

(b) EXPANSION OF SENIOR OFFICERS TO WHOM COMBATANT COMMANDER AUTHORITY MAY BE DELEGATED.—Such paragraph is further amended—

(1) by inserting after "deputy commander" the following: ", or to the commander of a command directly subordinate to that commander,"; and

(2) by adding at the end the following new sentence: "Such a delegation may be made to the commander of a command directly subordinate to the commander of a combatant command only with the

approval of the Secretary of Defense, the Deputy Secretary of Defense, or an Under Secretary of Defense designated by the Secretary.''.

SEC. 1033. REPORT ON ASSESSMENT PROCESS OF CHAIRMAN OF THE JOINT CHIEFS OF STAFF RELATING TO GLOBAL WAR ON TERRORISM.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the findings of the semi-annual assessment process relating to the Global War on Terrorism that is described in the annex to the National Military Strategic Plan for the War on Terrorism, issued by the Secretary of Defense on February 1, 2006, that is designated as the Implementation and Assessment Annex (Annex R).

SEC. 1034. PRESIDENTIAL REPORT ON IMPROVING INTERAGENCY SUPPORT FOR UNITED STATES 21ST CENTURY NATIONAL SECURITY MISSIONS.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the President shall submit to Congress a report on building interagency capacity and enhancing the integration of civilian capabilities of the executive branch with the capabilities of the Armed Forces as required to achieve United States national security goals and objectives. To the

maximum extent practicable, the report shall be unclassified, with a classified annex if necessary.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An assessment of the capabilities required within the executive branch (other than the Armed Forces) to achieve the full spectrum of United States national security goals and objectives, to defend United States national security interests, and, in particular, to coordinate with the efforts of elements of the Armed Forces where deployed, including at least in the following areas:

(A) Organizations and organizational structure.

(B) Planning and assessment capabilities.

(C) Information sharing policies, practices, and systems.

(D) Leadership issues, including command and control of forces and personnel in the field.

(E) Personnel policies and systems, including recruiting, retention, training, education, promotion, awards, employment, deployment, and retirement.

(F) Acquisition authorities.

(2) The criteria and considerations used to evaluate progress in each of the areas specified in paragraph (1) towards building and integrating the interagency capacities required to achieve United States national security goals and objectives.

(3) Recommendations for specific legislative proposals that would improve interagency capacity and enhance the integration of civilian capabilities with the capabilities of deployed elements of the Armed Forces for each of the areas specified in paragraph (1).

SEC. 1035. QUARTERLY REPORTS ON IMPLEMENTATION OF 2006 QUADRENNIAL DEFENSE REVIEW REPORT.

(a) REPORTS REQUIRED.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the implementation of recommendations described in the Department of Defense 2006 Quadrennial Defense Review Report.

(b) CONTENTS OF REPORTS.—Each quarterly report under subsection (a) shall, at a minimum—

(1) describe the processes and procedures established by the Secretary of Defense to examine the various recommendations referred to in subsection (a);

(2) discuss implementation plans and strategies for each area highlighted by the Quadrennial Defense Review Report;

(3) provide relevant information about the status of such implementation; and

(4) indicate changes in the Secretary's assessment of the defense strategies or capabilities required since the publication of the 2006 Quadrennial Defense Review Report.

(c) INITIAL REPORT.—The first report under subsection (a) shall be submitted not later than January 31, 2007.

(d) EXPIRATION OF REQUIREMENT.—The reporting requirement in subsection (a) shall terminate upon the earlier of the following:

(1) The date of the publication of the next Quadrennial Defense Review Report after the date of the enactment of this Act pursuant to section 118 of title 10, United States Code.

(2) The date of transmission of a written notification by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee

on Armed Services of the House of Representatives that implementation of the recommendations of the 2006 Quadrennial Defense Review is complete.

SEC. 1036. INCREASED HUNTING AND FISHING OPPORTUNITIES FOR MEMBERS OF THE ARMED FORCES, RETIRED MEMBERS, AND DISABLED VETERANS.

(a) ACCESS FOR MEMBERS, RETIRED MEMBERS, AND DISABLED VETERANS.—Consistent with section 2671 of title 10, United States Code, and using such funds as are made available for this purpose, the Secretary of Defense shall ensure that members of the Armed Forces, retired members, disabled veterans, and persons assisting disabled veterans are able to utilize lands under the jurisdiction of the Department of Defense that are available for hunting or fishing.

(b) ASSESSMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report containing the results of an assessment of those lands under the jurisdiction of the Department of Defense and suitable for hunting or fishing and describing the actions necessary—

(1) to further increase the acreage made available to members of the Armed Forces, retired mem-

bers, disabled veterans, and persons assisting disabled veterans for hunting and fishing; and

(2) to make that acreage more accessible to disabled veterans.

(c) RECREATIONAL ACTIVITIES ON SANTA ROSA ISLAND.—The Secretary of the Interior shall immediately cease the plan, approved in the settlement agreement for case number 96–7412 WJR and case number 97–4098 WJR, to exterminate the deer and elk on Santa Rosa Island, Channel Islands, California, by helicopter and shall not exterminate or nearly exterminate the deer and elk.

SEC. 1037. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 1406(i)(3)(B)(vi) is amended by striking "Advisor for" and inserting "Advisor to".

(2) Section 2105 is amended by striking by adding a period at the end of the last sentence.

(3) Section 2703(h) is amended by striking "subsection" in the first sentence and inserting "section".

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 210(c)(6) is amended by striking "Advisor for" and inserting "Advisor to".

(2) Section 308g(h) is amended by striking the second period at the end.

(3) Section 308j is amended by striking subsection (g) and inserting the following new subsection:

"(g) REPAYMENT.—A person who enters into an agreement under this section and receives all or part of the bonus under the agreement, but who does not accept a commission or an appointment as an officer or does not commence to participate or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.".

(4) Section 414(c) is amended by striking ", or the Senior Enlisted Advisor for the Chairman of the Joint Chiefs of Staff" before the period at the end.

(c) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2006.—Effective as of January 6, 2006, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended as follows:

(1) Section 608(b) (119 Stat. 3289) is amended—

(A) in paragraph (1), by striking "the first sentence" and inserting "the second sentence"; and

(B) in paragraph (2), by striking "the second sentence" and inserting "the third sentence".

(2) Section 683 (119 Stat. 3322) is amended—

(A) in subsection (a)(3), by striking "section 4873" and inserting "section 4837";

(B) in subsetion (c)(3), by striking "section 9873" and inserting "section 9837".

(C) in subsection (b)(2)—

(i) by striking "by striking the penultimate word." and inserting "to read as follows:"; and

(ii) by adding at the end the following:

"6161. Settlement of accounts: remission or cancellation of indebtedness of members.".

(3) Section 685(a) (119 Stat. 3325) is amended by striking "Advisor for" both places it appears and inserting "Advisor to".

(4) Section 687(a)(2) (119 Stat. 3327) is amended by striking "subsection (a)" and inserting "subsection (e)".

(5) Section 687(b)(15) (119 Stat. 3330) is amended—

(A) by striking "Subsection (d)" and inserting "Subsection (e)"; and

(B) in the matter inserted by that section, by striking "(d) REPAYMENT.—" and inserting "(e) REPAYMENT.—".

SEC. 1038. DATABASE OF EMERGENCY RESPONSE CAPABILITIES.

The Secretary of Defense shall ensure that a database of emergency response capabilities is maintained by the Department of Defense that includes the following:

(1) The types of capabilities that each State's National Guard will likely provide in response to domestic natural and manmade disasters, both to their home States and under State-to-State mutual assistance agreements.

(2) The types of capabilities that the Department of Defense will likely provide in order to fulfill Department of Defense responsibilities to provide support under the National Response Plan's 15 Emergency Support Functions, as well as identification of the units that provide those capabilities.

SEC. 1039. INFORMATION ON CERTAIN CRIMINAL INVESTIGATIONS AND PROSECUTIONS.

(a) ANNUAL REPORT.—Subsection (c) of section 1093 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2070) is amended—

(1) in paragraph (1)—

(A) by inserting ", or any prosecution on account of," after "Notice of any investigation into"; and

(B) by inserting before the period at the end the following: ", and, as to any such criminal investigation or prosecution described in this paragraph, a detailed and comprehensive description of such investigation or prosecution and any resulting judicial or nonjudicial punishment or other disciplinary action"; and

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

"(3) Information about any officer nominated for command, or nominated for promotion or appointment to a position requiring the advice and consent of the Senate, who has been subject to any investigation into, or prosecution of, a violation of international obligations or laws of the United States regarding the treatment of individuals detained by the United States Armed Forces or by a person providing services to the Department of Defense on a contractual basis, if the inclusion of such information in the report will not compromise any ongoing criminal or

administrative investigation or prosecution, and including the following:

"(A) A description of any allegation of detainee death, torture or abuse.

"(B) The status of any investigation or prosecution.

"(C) Any judicial or nonjudicial punishment or other disciplinary action.".

(b) NOMINATION INFORMATION.—Such section is further amended by adding at the end the following new subsection:

"(f) NOMINATIONS.—Information described in paragraph (3) of subsection (c), in addition to being included in the annual report under that subsection, shall be submitted to the Committee of Armed Services of the Senate and the Committee on Armed Services of the House of Representatives on a regular, timely basis in advance of any nomination described in that paragraph.".

SEC. 1040. DATE FOR FINAL REPORT OF EMP COMMISSION.

(a) REVISED DEADLINE FOR SUBMISSION OF FINAL REPORT.—The final report of the EMP Commission shall be submitted to Congress not later than the end of the 18-month period beginning on the date of the commission's first meeting after being reestablished pursuant to section 1052 of the National Defense Authorization Act for Fiscal

Year 2006 (Public Law 109–163; 119 Stat. 3434) (rather than the date prescribed in section 1403(a) of the Commisssion Charter).

(b) DEFINITIONS.—For purposes of this section:

(1) EMP COMMISSION.—The term "EMP Commission" means the Commission to Assess the Threat to the United States from Electromagnetic Pulse (EMP) Attack Commission, established pursuant to title XIV of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A-345 et seq.) and reestablished pursuant to section 1052 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434).

(2) COMMISSION CHARTER.—The term "Commission charter" means title XIV of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A-345 et seq.), as amended by section 1052 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434).

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. Increase in authorized number of defense intelligence senior executive service employees.
Sec. 1102. Authority for Department of Defense to pay full replacement value for personal property claims of civilians.
Sec. 1103. Accrual of annual leave for members of the uniformed services performing dual employment.
Sec. 1104. Death gratuity authorized for Federal employees.

SEC. 1101. INCREASE IN AUTHORIZED NUMBER OF DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE EMPLOYEES.

Section 1606(a) of title 10, United States Code, is amended by striking "594" and inserting "644".

SEC. 1102. AUTHORITY FOR DEPARTMENT OF DEFENSE TO PAY FULL REPLACEMENT VALUE FOR PERSONAL PROPERTY CLAIMS OF CIVILIANS.

Section 2636a(a) of title 10, United States Code, is amended by striking "of baggage and household effects for members of the armed forces at Government expense" and inserting "at Government expense of baggage and household effects for members of the armed forces or civilian employees of the Department of Defense (or both)".

SEC. 1103. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: "Such a member also is entitled to accrue annual leave with pay

in the manner specified in section 6303(a) of this title for a retired member of a uniformed service.".

SEC. 1104. DEATH GRATUITY AUTHORIZED FOR FEDERAL EMPLOYEES.

(a) DEATH GRATUITY AUTHORIZED.—Chapter 81 of title 5, United States Code, is amended by inserting after section 8102 the following new section:

"§ 8102a. Death gratuity

"(a) DEATH GRATUITY AUTHORIZED.—The United States shall pay a death gratuity of $100,000 to or for the survivor prescribed by subsection (d) immediately upon receiving official notification of the death of an employee who dies of injuries incurred in connection with the employee's service with an Armed Force in a contingency operation, or who dies of injuries incurred in connection with a terrorist incident occurring during the employee's service with an Armed Force.

"(b) RETROACTIVE PAYMENT IN CERTAIN CASES.—With respect to an employee who dies on or after October 7, 2001, as a result of wounds, injuries, or illnesses incurred in the performance of duty in the theater of operations of Operation Enduring Freedom or Operation Iraqi Freedom, subsection (a) also shall apply.

"(c) OTHER BENEFITS.—The death gratuity payable under this section is in addition to any death benefits otherwise provided for in law.

"(d) ELIGIBLE SURVIVORS.—

"(1) A death gratuity payable upon the death of a person covered by subsection (a) shall be paid to or for the living survivor highest on the following list:

"(A) The employee's surviving spouse.

"(B) The employee's children, as prescribed by paragraph (2), in equal shares.

"(C) If designated by the employee, any one or more of the following persons:

"(i) The employee's parents or persons in loco parentis, as prescribed by paragraph (3).

"(ii) The employee's brothers.

"(iii) The employee's sisters.

"(D) The employee's parents or persons in loco parentis, as prescribed by paragraph (3), in equal shares.

"(E) The employee's brothers and sisters in equal shares.

Subparagraphs (C) and (E) of this paragraph include brothers and sisters of the half blood and those through adoption.

"(2) Paragraph (1)(B) applies, without regard to age or marital status, to—

"(A) legitimate children;

"(B) adopted children;

"(C) stepchildren who were a part of the decedent's household at the time of death;

"(D) illegitimate children of a female decedent; and

"(E) illegitimate children of a male decedent—

"(i) who have been acknowledged in writing signed by the decedent;

"(ii) who have been judicially determined, before the decedent's death, to be his children;

"(iii) who have been otherwise proved, by evidence satisfactory to the employing agency, to be children of the decedent; or

"(iv) to whose support the decedent had been judicially ordered to contribute.

"(3) Subparagraphs (C) and (D) of paragraph (1), so far as they apply to parents and persons in loco parentis, include fathers and mothers through adoption, and persons who stood in loco parentis to the decedent for a period of not less than one year at

any time before the decedent became an employee. However, only one father and one mother, or their counterparts in loco parentis, may be recognized in any case, and preference shall be given to those who exercised a parental relationship on the date, or most nearly before the date, on which the decedent became an employee.

"(4) If an eligible survivor dies before he receives the death gratuity, it shall be paid to the living survivor next in the order prescribed by paragraph (1).

"(e) DEFINITIONS.—The term 'contingency operation' has the meaning given to that term in section 1482a(c) of title 10, United States Code.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by inserting after the item relating to section 8102 the following new item:

"8102a. Death gratuity.".

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Subtitle A—Assistance and Training

Sec. 1201. Logistic support for allied forces participating in combined operations.
Sec. 1202. Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability.
Sec. 1203. Recodification and revision to law relating to Department of Defense humanitarian demining assistance.
Sec. 1204. Enhancements to Regional Defense Combating Terrorism Fellowship Program.
Sec. 1205. Capstone overseas field studies trips to People's Republic of China and Republic of China on Taiwan.

Sec. 1206. Military educational exchanges between senior officers and officials of the United States and Taiwan.

Subtitle B—Nonproliferation Matters and Countries of Concern

Sec. 1211. Procurement restrictions against foreign persons that transfer certain defense articles and services to the People's Republic of China.

Subtitle C—Other Matters

Sec. 1221. Execution of the President's policy to make available to Taiwan diesel electric submarines.

Subtitle A—Assistance and Training

SEC. 1201. LOGISTIC SUPPORT FOR ALLIED FORCES PARTICIPATING IN COMBINED OPERATIONS.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127b the following new section:

"§ 127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services

"(a) AUTHORITY.—Subject to subsections (b) and (c), the Secretary of Defense may provide logistic support, supplies, and services to allied forces participating in a combined operation with the armed forces. Provision of such support, supplies, and services to the forces of an allied nation may be made only with the concurrence of the Secretary of State.

"(b) LIMITATIONS.—The authority provided by subsection (a) may be used only—

"(1) in accordance with the Arms Export Control Act and other export control laws of the United States; and

"(2) for a combined operation—

"(A) that is carried out during active hostilities or as part of a contingency operation or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, a country stabilization operation, or a peacekeeping operation under chapter VI or VII of the Charter of the United Nations); and

"(B) in a case in which the Secretary of Defense determines that the allied forces to be provided logistic support, supplies, and services (i) are essential to the success of the combined operation, and (ii) would not be able to participate in the combined operation but for the provision of such logistic support, supplies, and services by the Secretary.

"(c) LIMITATION ON VALUE.—The value of logistic support, supplies, and services provided under this section in any fiscal year may not exceed $100,000,000.

"(d) DEFINITION.—In this section, the term 'logistic support, supplies, and services' has the meaning given that term in section 2350(1) of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127b the following new item:

"127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services.".

SEC. 1202. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LEND CERTAIN MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2), (3), and (4), the Secretary of Defense may treat covered military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for the purpose of providing for the use of such equipment by military forces of a nation participating in combined operations with the United States in Iraq or Afghanistan.

(2) REQUIRED DETERMINATIONS.—Equipment may be provided to the military forces of a nation under the authority of this section only upon—

(A) a determination by the Secretary of Defense that the United States forces in the combined operation have no unfilled requirements for that equipment; and

(B) a determination by the Secretary of Defense, with the concurrence of the Secretary of State, that it is in the national security interest of the United States to provide for the use of such equipment by the military forces of that nation under this section.

(3) LIMITATION ON USE OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by those forces only in Iraq or Afghanistan and only for personnel protection or to aid in the personnel survivability of those forces.

(4) LIMITATION ON DURATION OF PROVISION OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by the military forces of that nation for not longer than one year.

(b) SEMIANNUAL REPORTS TO CONGRESSIONAL COMMITTEES.—

(1) USE OF AUTHORITY DURING FIRST SIX MONTHS OF FISCAL YEAR.—If the authority provided

in subsection (a) is exercised during the first six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following April 30.

(2) USE OF AUTHORITY DURING SECOND SIX MONTHS OF FISCAL YEAR.—If the authority provided in subsection (a) is exercised during the second six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following October 30.

(3) CONTENT.—Each report under paragraph (1) or (2) shall include, with respect to each exercise of the authority provided in subsection (a) during the period covered by the report, the following:

(A) A description of the basis for the determination of the Secretary of Defense that it is in the national security interests of the United States to provide for the use of covered military equipment in the manner authorized in subsection (a).

(B) Identification of each foreign force that receives such equipment.

(C) A description of the type, quantity, and value of the equipment provided to each foreign force that receives such equipment.

(D) A description of the terms and duration of the provision of the equipment to each foreign force that receives such equipment.

(4) COORDINATION.—Each report under paragraph (1) or (2) shall be prepared in coordination with the Secretary of State.

(c) LIMITATIONS ON PROVISION OF MILITARY EQUIPMENT.—The provision of military equipment under this section is subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control process under laws relating to the transfer of military equipment and technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term "covered military equipment" means items designated as significant military equipment in categories I, II, III, and VII of the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(2) The term "specified congressional committees" means—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

(e) EXPIRATION.—The authority to provide military equipment to the military forces of a foreign nation under this section expires on September 30, 2008.

SEC. 1203. RECODIFICATION AND REVISION TO LAW RELATING TO DEPARTMENT OF DEFENSE HUMANITARIAN DEMINING ASSISTANCE.

(a) REPEAL.—Section 401 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (4);

(2) in subsection (b)—

(A) by striking "(1)" after "(b)"; and

(B) by striking paragraph (2);

(3) in subsection (c), by striking paragraphs (2) and (3); and

(4) in subsection (e), by striking paragraph (5).

(b) RECODIFICATION AND REVISION.—

(1) IN GENERAL.—Chapter 20 of such title is amended by adding at the end the following new section:

"§ 407. Humanitarian demining assistance: authority; limitations

"(a) AUTHORITY.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department may carry out humanitarian demining assistance in conjunction with authorized military operations of the armed forces in a country if the Secretary concerned determines that the assistance will promote either—

"(A) the security interests of both the United States and the country in which the activities are to be carried out; or

"(B) the specific operational readiness skills of the members of the armed forces who participate in the activities.

"(2) Humanitarian demining assistance under this section shall complement, and may not duplicate, any other form of social or economic assistance which may be provided to the country concerned by any other department or agency of the United States.

"(3) The Secretary of Defense shall ensure that no member of the armed forces, while providing humanitarian demining assistance under this section—

"(A) engages in the physical detection, lifting, or destroying of landmines or other explosive remnants of war (unless the member does so for the concurrent

purpose of supporting a United States military operation); or

"(B) provides such assistance as part of a military operation that does not involve the armed forces.

"(b) LIMITATIONS.—(1) Humanitarian demining assistance may not be provided under this section unless the Secretary of State specifically approves the provision of such assistance.

"(2) Any authority provided under any other provision of law to provide humanitarian demining assistance to a foreign country shall be carried out in accordance with, and subject to, the limitations prescribed in this section.

"(c) EXPENSES.—(1) Expenses incurred as a direct result of providing humanitarian demining assistance under this section to a foreign country shall be paid for out of funds specifically appropriated for the purpose of the provision by the Department of Defense of overseas humanitarian assistance.

"(2) Expenses covered by paragraph (1) include the following:

"(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing such assistance.

"(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or sup-

porting humanitarian demining activities, including any nonlethal, individual, or small-team equipment or supplies for clearing landmines or other explosive remnants of war that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

"(3) The cost of equipment, services, and supplies provided in any fiscal year under this section may not exceed $10,000,000.

"(d) ANNUAL REPORT.—The Secretary of Defense shall include in the annual report under section 401 of this title a separate discussion of activities carried out under this section during the preceding fiscal year, including—

"(1) a list of the countries in which humanitarian demining assistance was carried out during the preceding fiscal year; and

"(2) the amount expended in carrying out such assistance in each such country during the preceding fiscal year.

"(e) HUMANITARIAN DEMINING ASSISTANCE DEFINED.—In this section, the term 'humanitarian demining assistance' means detection and clearance of landmines and other explosive remnants of war, including activities related to the furnishing of education, training, and technical as-

sistance with respect to the detection and clearance of landmines and other explosive remnants of war.".

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

"407. Humanitarian demining assistance: authority; limitations.".

SEC. 1204. ENHANCEMENTS TO REGIONAL DEFENSE COMBATING TERRORISM FELLOWSHIP PROGRAM.

(a) AUTHORIZED PURPOSES.— Subsection (a) of section 2249c of title 10, United States Code, is amended by striking "associated with" and all that follows and inserting: "associated with the education and training of foreign military officers, ministry of defense officials, or security officials at military or civilian educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Combating Terrorism Fellowship Program. Costs for which payment may be made under this section include the costs of transportation and travel and subsistence costs.".

(b) ANNUAL LIMITATION ON AMOUNT OBLIGATED.—Subsection (b) of such section is amended by striking "$20,000,000" and inserting "$25,000,000".

(c) EXPENDITURES ACROSS FISCAL YEARS.—Such section is further amended by adding at the end the following new subsection:

"(d) OBLIGATION OF FUNDS ACROSS FISCAL YEARS.—Funds made available for a fiscal year may be obligated for the total cost of an education or training program conducted under subsection (a) that begins in that fiscal year, including a program that begins in that fiscal year and ends in the next fiscal year, so long as the duration of the program does not exceed one year.".

(d) CLERICAL AMENDMENTS.—

(1) REFERENCE TO PROGRAM.—Subsection (c)(3) of such section is amended by striking "Regional Defense Counterterrorism Fellowship Program" and inserting "program referred to in subsection (a)"

(2) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials".

(3) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of subchapter I of chapter 134 of such title is amended to read as follows

"2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials.".

SEC. 1205. CAPSTONE OVERSEAS FIELD STUDIES TRIPS TO PEOPLE'S REPUBLIC OF CHINA AND REPUBLIC OF CHINA ON TAIWAN.

Section 2153 of title 10, United States Code, is amended by adding at the end of the following new subsection:

"(c) OVERSEAS FIELD STUDIES TO CHINA AND TAIWAN.—The Secretary of Defense shall direct the National Defense University to ensure that visits to China and Taiwan are an integral part of the field study programs conducted by the university as part of the military education course carried out pursuant to subsection (a) and that such field study programs include annually at least one class field study trip to the People's Republic of China and at least one class field study trip to the Republic of China on Taiwan.".

SEC. 1206. MILITARY EDUCATIONAL EXCHANGES BETWEEN SENIOR OFFICERS AND OFFICIALS OF THE UNITED STATES AND TAIWAN.

(a) DEFENSE EXCHANGES.—The Secretary of Defense shall undertake a program of senior military officer and senior official exchanges with Taiwan designed to improve Taiwan's defenses against the People's Liberation Army of the People's Republic of China.

(b) EXCHANGES DESCRIBED.—For purposes of this section, the term "exchange" means an activity, exercise, event, or observation opportunity between Armed Forces

personnel or Department of Defense officials of the United States and armed forces personnel and officials of Taiwan.

(c) FOCUS OF EXCHANGES.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall include exchanges focused on the following, especially as they relate to defending Taiwan against potential submarine attack and potential missile attack:

(1) Threat analysis

(2) Military doctrine

(3) Force planning

(4) Logistical support

(5) Intelligence collection and analysis

(6) Operational tactics, techniques, and procedures.

(d) CIVIL-MILITARY AFFAIRS.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall include activities and exercises focused on civil-military relations, including parliamentary relations.

(e) LOCATION OF EXCHANGES.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall be conducted in both the United States and Taiwan.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "senior military officer" means a general or flag officer of the Armed Forces on active duty.

(2) The term "senior official" means a civilian official of the Department of Defense at the level of Deputy Assistant Secretary or above.

Subtitle B—Nonproliferation Matters and Countries of Concern

SEC. 1211. PROCUREMENT RESTRICTIONS AGAINST FOREIGN PERSONS THAT TRANSFER CERTAIN DEFENSE ARTICLES AND SERVICES TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States to deny the People's Republic of China such defense goods and defense technology that could be used to threaten the United States or undermine the security of Taiwan or the stability of the Western Pacific region.

(b) PROCUREMENT SANCTION.—(1) The Secretary of Defense may not procure, by contract or otherwise, any goods or services from—

(A) any foreign person the Secretary of Defense determines has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to governmental or non-

governmental entities of the People's Republic of China any item or class of items on the United States Munitions List (or any item or class of items that are identical, substantially identical, or directly competitive to an item or class of items on the United States Munitions List); or

(B) any foreign person the Secretary of Defense determines—

(i) is a successor entity to a person referred to in paragraph (1):

(ii) is a parent or subsidiary of a person referred to in paragraph (1); or

(iii) is an affiliate of a person referred to in paragraph (1) if that affiliate is controlled in fact by such person.

(2) The prohibition under paragraph (1) with respect to a foreign person shall last for a period of five years after a determination is made by the Secretary of Defense with respect to that person under paragraph (1)(A).

(c) PUBLIC AVAILABILITY OF LIST OF SANCTIONED PERSONS.—(1) The Secretary of Defense shall annually publish in the Federal Register a current list of any foreign persons sanctioned under subsection (b). The removal of for-

eign persons from, and the addition of foreign persons to, the list shall also be published.

(2) The Secretary shall maintain the list published under paragraph (1) on the internet website of the Department of Defense.

(c) REMOVAL FROM LIST OF SANCTIONED PERSONS.—The Secretary of Defense may remove a person from the list of sanctioned persons referred to in subsection (c) only after the five-year prohibition period imposed under subsection (b) with respect to the person has expired.

(d) EXCEPTIONS.—(1) Subsection (b) shall not apply

(A) to contracts, or subcontracts under such contracts, in existence on the date of the enactment of this Act, including options under such contracts;

(B) if the Secretary of Defense determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the goods or services being procured, that the goods or services are essential, and that alternative sources are not readily or reasonably available;

(C) in the case of a contract for routine servicing and maintenance, if the Secretary of Defense determines in writing alternative sources

for performing the contract are not readily or reasonably available; or

(D) if the Secretary of Defense determines in writing that goods or services proposed to be procured under the contract are essential to the national security of the United States.

(2) Determinations under paragraph (1) shall be published in the Federal Register.

(f) DEFINITIONS.—In this section:

(1) The term "foreign person" has the meaning given the term in section 14 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note).

(2) The term "United States Munitions List" means the list referred to in section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778 (a)(1)).

Subtitle C—Other Matters

SEC. 1221. EXECUTION OF THE PRESIDENT'S POLICY TO MAKE AVAILABLE TO TAIWAN DIESEL ELECTRIC SUBMARINES.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the policy of the United States under the Taiwan Relations Act of 1979 to "make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability".

(2) In April 2001, the President of the United States approved for sale eight diesel electric submarines to the Republic of China on Taiwan.

(3) The buildup of attack submarines by the People's Republic of China threatens the stability in the Taiwan Strait and longstanding United States national security interests in the Western Pacific.

(4) Taiwan has a legitimate defense need for diesel electric submarines.

(5) The sale of diesel electric submarines to Taiwan supports stability in the Taiwan Strait and Western Pacific.

(6) The Legislative Yuan of the Republic of China on Taiwan should make every effort to support the President of Taiwan to fund the acquisition of diesel electric submarines from the United States.

(7) The sale of diesel electric submarines to Taiwan is beneficial to the health and wellbeing of the United States shipbuilding industrial base and, therefore, United States national security.

(b) POLICY OF THE UNITED STATES.—It shall be the policy of the United States to make available to Taiwan plans and options for design work and construction work on future diesel electric submarines under the United States foreign military sales process. The availability of such de-

sign work and construction work shall be made in a manner consistent with United States national disclosure policy and is subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control law of the United States.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the present and future efforts of the Department of the Navy to execute the policy of the President to sell diesel electric submarines to the Republic of China on Taiwan. The report shall include the following:

(1) Ongoing activities by the Navy International Programs Office, in consultation with the Defense Security and Cooperation Agency, to make the Government of Taiwan aware of available Foreign Military Sales options.

(2) Future activities planned by the Navy International Programs Office, in consultation with the Defense Security and Cooperation Agency, to make the Government of Taiwan aware of available Foreign Military Sales options to acquire diesel electric submarines from the United States.

(d) DEFINITIONS.—In this section:

(1) The term "design work" means the process by which a submarine is designed.

(2) The term "construction work" means the process by which a submarine is constructed.

(3) The term "activities" means all interactions between the Government of the United States and the Government of Taiwan.

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

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1304. National Academy of Sciences study.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2007 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of ap-

propriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amount may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $76,985,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,486,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,357,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in

any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE-AND-WAIT REQUIRED.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

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

(3) RESTRICTION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law

108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended—

(1) in subsection (b), by striking "shall expire on December 31, 2006, and no waiver shall remain in effect after that date" and inserting "shall expire upon completion of the Chemical Weapons Destruction Facility currently under construction at Shchuch'ye in the Russian Federation, and no waiver shall remain in effect after that date"; and

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

"(c) REPORT.—Not later than 30 days after completion of the facility referred to in subsection (b), the Secretary of Defense shall submit to Congress a written notification that specifies the date of completion.".

SEC. 1304. NATIONAL ACADEMY OF SCIENCES STUDY.

(a) STUDY REQUIRED.—The Secretary of Defense shall enter into an arrangement with the National Academy of Sciences under which the Academy shall carry out a study to analyze lessons learned, past and present challenges, and possible options in effectively managing and facilitating threat reduction and nonproliferation projects under the Cooperative Threat Reduction program. The study shall cover all existing Cooperative Threat Reduction projects for securing or eliminating nuclear, chemical, and biological

weapons and related systems in the states of the former Soviet Union.

(b) REPORT.—Not later than December 31, 2007, the Secretary shall submit to Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the study carried out under subsection (a). The report shall include a review and evaluation of each of the following matters:

(1) Project management.

(2) Interagency interaction concerning threat reduction and nonproliferation projects of other Federal departments or agencies.

(3) Public outreach and community involvement.

(4) Cooperation of Russia and of other states of the former Soviet Union (including site access, visa approval, and contractor support).

(5) Legal frameworks.

(6) Transparency.

(7) Adequacy of funding from the United States and any Cooperative Threat Reduction program partner.

(8) Interaction with threat reduction and nonproliferation projects of Global Partnership countries.

(c) FUNDING.—Of the amounts made available pursuant to the authorization of appropriations in section

301(19) for Cooperative Threat Reduction programs, not more than $2,000,000 shall be available only to carry out this section.

TITLE XIV—HOMELAND DEFENSE TECHNOLOGY TRANSFER

Sec. 1401. Short title.
Sec. 1402. Findings.
Sec. 1403. Creation of Homeland Defense Technology Transfer Consortium.

SEC. 1401. SHORT TITLE.

This title may be cited as the "Homeland Defense Technology Transfer Act of 2006".

SEC. 1402. FINDINGS.

Congress finds the following:

(1) The Federal Government funds billions of dollars for research each year that has the potential to meet the needs of Federal, State, and local first responders, yet examples of successful technology transitions are few and far between.

(2) Congress has made repeated efforts to authorize the Department of Defense to effectively transfer its technologies to Federal, State, and local first responders. However, while progress has been made in implementing these authorities, this process can be significantly improved.

(3) Although the Department of Defense Strategy for Homeland Defense and Civil Support calls for ac-

tive participation in an interagency process that improves interoperability and compatibility with public safety technologies and initiatives, greater participation is needed to ensure that all technologies used by the Department of Defense in their homeland defense mission are interoperable and compatible with standards being developed for public safety technologies.

(4) Even when technologies with promise have been identified, additional research and development efforts are needed to adapt these technologies into readily available, affordable products. No program with a sense of urgency to quickly produce results exists to bridge this gap.

(5) Tragedies such as Hurricanes Katrina and Rita demonstrate the need for prompt, decisive action by Congress to solve a problem that has eluded attempts by the Department of Defense to solve.

(6) Legislation is needed to codify the process for effectively moving and adapting needed technologies from the Department of Defense to Federal, State, and local first responders so that the lives of the American public and emergency responders are protected to the maximum extent possible.

SEC. 1403. CREATION OF HOMELAND DEFENSE TECHNOLOGY TRANSFER CONSORTIUM.

(a) AUTHORIZATION OF CONSORTIUM.—In order to improve the speed and effectiveness of identifying, evaluating, deploying, and transferring to Federal, State, and local first responders technology items and equipment in support of homeland security as required by section 1401 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 50 U.S.C. 2312 note) and work towards interoperability and compatibility of inter-agency homeland defense and security technologies, it is urgent that the technology adaptation and transfer process be consistent within the Department of Defense. Towards that end, the Secretary of Defense is authorized to create a Homeland Defense Technology Transfer Consortium.

(b) COMPOSITION OF CONSORTIUM.—To contribute to the rapid development and adoption of new technologies needed to ensure the safety of the United States public and the welfare of emergency service providers, the Homeland Defense Technology Transfer Consortium shall be composed of—

(1) organizations and entities working with the Department of Defense;

(2) Federal, State, and local first responders; and

(3) other relevant Federal agencies with established expertise in identifying, assessing, testing, evaluating, and training emergency response and other public safety entities.

(c) AUTHORITIES OF CONSORTIUM.—

(1) PROCESS IMPROVEMENTS.—The Homeland Defense Technology Transfer Consortium shall systematize—

(A) the process for the identification, assessment, adaptation, and transition of defense technologies that have the potential to enhance public safety and improve homeland security, thereby assisting the Department of Defense in meeting its statutory obligation to identify, evaluate, deploy, and transfer to Federal, State, and local first responders technology items and equipment of homeland security; and

(B) the process of coordinating and acting as liaison on behalf of the Department of Defense with other Federal agencies as appropriate to collect and prioritize Federal, State, and local first responder technology requirements already gathered by those entities.

(2) FUNDING RECOMMENDATIONS.—The Consortium shall submit recommendations to the Secretary

of Defense for funding for the development, adaptation, test and evaluation, or other needed activities for any technology identified under paragraph (1) with a high potential to benefit Federal, State, and local first responders.

(3) TECHNOLOGY INTEGRATION.—The Consortium may assist in the integration of new technologies into appropriate first responder training exercises to maximize their rapid adoption as well as disseminating best practices in the profession.

(4) INTEROPERABILITY AND COMPATIBILITY.—The Consortium, under the direction of the Secretary of Defense, shall act as liaison with relevant Federal agencies, as well as Federal, State, and local first responders where appropriate, to work towards ensuring that technologies used by the Department of Defense in its homeland defense mission are interoperable and compatible with standards being developed for technologies used by Federal, State, and local first responders.

(d) ANNUAL REPORT OF THE CONSORTIUM.—The Homeland Defense Technology Transfer Consortium shall submit to the President and Congress an annual report on its activities. Each report shall include, at a minimum—

(1) a listing of specific Department of Defense and related technologies it has identified that appear to meet needs of Federal, State, and local first responders;

(2) the results of any tests and evaluations conducted on particular technologies, except that no company proprietary information may be disclosed in the report;

(3) a listing of any recommendations the Consortium has made to the Department of Defense that developmental, adaptive, test and evaluation, or other funding be provided related to the development and deployment of technologies identified by the Consortium of particular interest for meeting the needs of emergency response providers;

(4) a listing of any technology development activities undertaken under the authorities of subsection (c);

(5) a listing of any technologies that have been subsequently used by Federal, State, and local first responders as a result of activities of the Consortium; and

(6) any recommendations determined appropriate by the Consortium on barriers to the prompt

deployment of technologies needed by Federal, State, and local first responders.

(e) ANNUAL REPORT BY THE SECRETARY OF DEFENSE.—The Secretary of Defense shall submit to the President and Congress an annual report on activities the Department of Defense has taken to identify, test and evaluate, or develop technologies with application to Federal, State, and local first responders. Each report shall include, at a minimum, a description of the activities the Department of Defense has taken pursuant to recommendations of the Homeland Defense Technology Transfer Consortium, including activities to fund development or testing and evaluation of technologies created under programs of the Department.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,500,000 for the Department of Defense Office of Homeland Defense to fund the activities of the Homeland Defense Technology Transfer Consortium in each of fiscal years 2007 and 2008, for carrying out the duties of the Consortium under this section.

TITLE XV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

Sec. 1501. Purpose.
Sec. 1502. Army procurement.
Sec. 1503. Navy and Marine Corps procurement.
Sec. 1504. Air Force procurement.
Sec. 1505. Defense-wide activities procurement.
Sec. 1506. Research, development, test and evaluation.
Sec. 1507. Operation and maintenance.
Sec. 1508. Defense Health Program.
Sec. 1509. Classified programs.
Sec. 1510. Military personnel.
Sec. 1511. Treatment as additional authorizations.
Sec. 1512. Transfer authority.
Sec. 1513. Availability of funds.

SEC. 1501. PURPOSE.

The purpose of this title is to authorize estimated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1502. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft procurement, $232,400,000.

(2) For ammunition procurement, $328,341,000.

(3) For weapons and tracked combat vehicles procurement, $1,029,672,000.

(4) For other procurement, $2,183,430,000.

SEC. 1503. NAVY AND MARINE CORPS PROCUREMENT.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Navy in amounts as follows:

(1) For weapons procurement, $131,400,000.

(2) For other procurement, $44,700,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $636,125,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for ammunition for the Navy and the Marine Corps in the amount of $143,150,000.

SEC. 1504. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Air Force in amounts as follows:

(1) For aircraft procurement, $201,550,000.

(2) For missile procurement, $32,650,000.

(3) For other procurement, $62,650,000.

SEC. 1505. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for Defense-wide in the amount of $140,200,000.

SEC. 1506. RESEARCH, DEVELOPMENT, TEST AND EVALUATION.

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

(1) For the Army, $25,500,000.

(2) For Defense-wide activities, $5,000,000.

(3) For the Air Force, $7,000,000.

SEC. 1507. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $22,396,986,000.

(2) For the Navy, $1,834,560,000.

(3) For the Marine Corps, $1,485,920,000.

(4) For the Air Force, $2,822,998,000.

(5) For Defense-wide activities, $3,377,402,000.

(6) For the Army National Guard, $50,000,000.

(7) For the Air National Guard, $15,400,000.

SEC. 1508. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, the Defense Health Program, in the amount of $950,200,000 for operation and maintenance.

SEC. 1509. CLASSIFIED PROGRAMS.

Funds are hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for Classified Programs, in the amount of $2,500,000,000.

SEC. 1510. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel accounts for fiscal year 2007 a total of $9,362,766,000.

SEC. 1511. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1512. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authoriza-

tions so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,000,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1513. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Joel Hefley Military Construction Authorization Act for Fiscal Year 2007".

TITLE I—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

1 ***SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND***
2 ***ACQUISITION PROJECTS.***

3 *(a) INSIDE THE UNITED STATES.—Using amounts ap-*
4 *propriated pursuant to the authorization of appropriations*
5 *in section 2104(a)(1), the Secretary of the Army may ac-*
6 *quire real property and carry out military construction*
7 *projects for the installations or locations inside the United*
8 *States, and in the amounts, set forth in the following table:*

Army: Inside the United States

State	***Installation or Location***	***Amount***
Alabama	*Redstone Arsenal*	*$4,300,000*
Alaska	*Fort Richardson*	*$70,656,000*
California	*Fort Irwin*	*$18,200,000*
Colorado	*Fort Carson*	*$30,800,000*
Georgia	*Fort Gillem*	*$15,000,000*
	Fort Stewart/Hunter Army Air Field	*$95,300,000*
Hawaii	*Schofield Barracks*	*$54,500,000*
Kansas	*Fort Leavenworth*	*$23,200,000*
	Fort Riley	*$37,200,000*
Kentucky	*Blue Grass Army Depot*	*$3,500,000*
	Fort Campbell	*$123,500,000*
Louisiana	*Fort Polk*	*$6,100,000*
Maryland	*Fort Detrick*	*$12,400,000*
Missouri	*Fort Leonard Wood*	*$27,600,000*
New Jersey	*Picatinny Arsenal*	*$9,900,000*
New York	*Fort Drum*	*$218,600,000*
North Carolina	*Fort Bragg*	*$89,000,000*
	Sunny Point Military Ocean Terminal	*$46,000,000*
Oklahoma	*McAlester Army Ammunition Plant*	*$3,050,000*
Texas	*Corpus Christi Army Depot*	*$12,200,000*
	Fort Bliss	*$8,200,000*
	Fort Hood	*$93,000,000*
Utah	*Dugway Proving Ground*	*$14,400,000*
Virginia	*Fort Lee*	*$4,150,000*
Washington	*Fort Lewis*	*$502,600,000*

9 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
10 *appropriated pursuant to the authorization of appropria-*
11 *tions in section 2104(a)(2), the Secretary of the Army may*
12 *acquire real property and carry out military construction*
13 *projects for the installations or locations outside the United*
14 *States, and in the amounts, set forth in the following table:*

Army: Outside the United States

Country	*Installation or Location*	*Amount*
Germany	*Grafenwoehr*	*$157,632,000*
	Vilseck	*$19,000,000*
Italy	*Vicenza*	*$223,000,000*
Japan	*Camp Hansen*	*$7,150,000*
Korea	*Camp Humphreys*	*$77,000,000*
	Yongpyong	*$7,400,000*

1 *(c) UNSPECIFIED WORLDWIDE.—Using amounts ap-*
2 *propriated pursuant to the authorization of appropriations*
3 *in section 2104(a)(3), the Secretary of the Army may ac-*
4 *quire real property and carry out military construction*
5 *projects for unspecified installations or locations in the*
6 *amount set forth in the following table:*

Army: Unspecified Worldwide

Location	*Installation or Location*	*Amount*
	Unspecified Worldwide	*$34,800,000*

7 ***SEC. 2102. FAMILY HOUSING.***

8 *(a) CONSTRUCTION AND ACQUISITION.—Using*
9 *amounts appropriated pursuant to the authorization of ap-*
10 *propriations in section 2104(a)(6)(A), the Secretary of the*
11 *Army may construct or acquire family housing units (in-*
12 *cluding land acquisition and supporting facilities) at the*
13 *installations or locations, in the number of units, and in*
14 *the amounts set forth in the following table:*

Army: Family Housing

State	*Installation or Location*	*Units*	*Amount*
Alaska	*Fort Richardson*	*162*	*$70,000,000*
	Fort Wainwright	*234*	*$132,000,000*
Arizona	*Fort Huachuca*	*119*	*$32,000,000*
Arkansas	*Pine Bluff Arsenal*	*10*	*$2,900,000*
Wisconsin	*Fort McCoy*	*13*	*$4,900,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(6)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $320,659,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,389,046,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,217,356,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $491,182,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $34,800,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,930,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $220,830,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $578,791,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $674,657,000.

(7) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(8) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(9) For the construction of increment 2 of a barracks complex for the 3nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(10) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(11) For the construction of increment 2 of a defense access road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations author-

ized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

TITLE II—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2004 and 2005 projects.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	*Installation or Location*	*Amount*
Arizona	*Marine Corps Air Station, Yuma*	*$5,966,000*
California	*Marine Corps Air Station, Camp Pendleton*	*$6,412,000*
	Marine Corps Air Station, Miramar	*$2,968,000*
	Marine Corps Base, Camp Pendleton	*$106,142,000*

***Navy: Inside the United States**—Continued*

State	Installation or Location	Amount
	Marine Corps Base, Twentynine Palms	*$27,217,000*
	Naval Air Station, North Island	*$21,535,000*
	Naval Support Activity, Monterey	*$7,380,000*
Connecticut	*Naval Submarine Base, New London*	*$9,580,000*
Florida	*Naval Air Station, Pensacola*	*$13,486,000*
Georgia	*Marine Corps Logistics Base, Albany*	*$70,540,000*
	Naval Submarine Base, Kings Bay	*$20,282,000*
Hawaii	*Naval Base, Pearl Harbor*	*$48,338,000*
	Naval Magazine, Pearl Harbor	*$6,010,000*
Indiana	*Naval Support Activity, Crane*	*$6,730,000*
Maryland	*Naval Air Station, Patuxent River*	*$16,316,000*
	National Maritime Intelligence Center, Suitland	*$67,939,000*
North Carolina	*Marine Corps Air Station, Cherry Point*	*$2,790,000*
	Marine Corps Air Station, New River	*$21,500,000*
	Marine Corps Base, Camp Lejeune	*$160,904,000*
South Carolina	*Marine Corps Air Station, Beaufort*	*$25,575,000*
Virginia	*Marine Corps Base, Quantico*	*$30,628,000*
	Naval Shipyard, Norfolk	*$34,952,000*
	Naval Station, Norfolk	*$12,062,000*
	Naval Support Activity, Norfolk	*$41,712,000*
Washington	*Naval Base, Kitsap*	*$17,617,000*
	Naval Air Station, Whidbey Island	*$67,303,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	*Diego Garcia*	*$37,473,000*
Italy	*Naval Air Station, Sigonella*	*$13,051,000*

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction

projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	***Project***	***Amount***
	Helicopter Support Facility	*$12,185,000*

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, in the number of units, and in the amounts set forth in the following table:

Navy: Family Housing

Location	***Installation***	***Units***	***Amount***
California	*Marine Corps Log. Base, Barstow* ..	*74*	*$27,851,000*
Guam	*Naval Station, Guam*	*176*	*$98,174,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $2,785,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $180,146,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,037,953,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $764,572,000,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $72,857,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $308,956,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $509,126,000.

(7) For the construction of increment 2 of a reclamation and conveyance project for Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $33,290,000.

(8) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois, authorized

by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of a field house at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $21,685,000.

(11) For the construction of increment 2 of the replacement of Ship Repair Pier 3 at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(12) For the construction of increment 2 of an addition to Hockmuth Hall, Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $10,159,000.

(13) For the construction of increment 2 of wharf upgrades at Naval Station Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006

(division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(14) For the construction of increment 2 of wharf upgrades at Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(15) For the construction of increment 2 of bachelor quarters at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $20,917,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of this Act, $14,274,000.

(17) For the construction of the next increment of the outlaying landing field facilities at Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law

108–136; 117 Stat. 1704), as amended by section 2205(a) of this Act, $7,926,000.

(18) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of an addition to the National Maritime Intelligence Center, Suitland, Maryland).

(3) $31,153,000 (the balance of the amount authorized under section 2201(a) to recapitalize Hangar 5 at Naval Air Station, Whidbey Island, Washington).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2004 AND 2005 PROJECTS.

(a) FISCAL YEAR 2004 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3492), is amended—

(A) at the end of the items relating to North Carolina, by inserting a new item entitled "Navy Outlying Landing Field, Washington County" in the amount of "$193,260,000";

(B) by striking the item relating to Various Locations, CONUS; and

(C) by striking the amount identified as the total in the amount column and inserting "$1,489,424,000".

(2) CONFORMING AMENDMENTS.—Section 2204(b)(6) of that Act (117 Stat. 1706) is amended—

(A) by striking "$28,750,000" and inserting "$165,650,000"; and

(B) by striking "outlying landing field facilities, various locations in the continental United States" and inserting "an outlying landing field in Washington County, North Carolina".

(b) FISCAL YEAR 2005 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) by striking the item relating to Navy Outlying Landing Field, Washington County, North Carolina; and

(B) by striking the amount identified as the total in the amount column and inserting "$825,479,000".

(2) CONFORMING AMENDMENTS.—Section 2204 of that Act (118 Stat. 2107), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking "$752,927,000" and inserting "722,927,000"; and

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

"(10) For the construction of increment 2 of the Navy outlying landing field in Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205(a) of the Military Construction Authorization Act for Fiscal Year 2007, $30,000,000."; and

(B) in subsection (b), by striking paragraph (3).

TITLE III—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction

1 *projects for the installations or locations inside the United*
2 *States, and in the amounts, set forth in the following table:*

Air Force: Inside the United States

State	*Installation or Location*	*Amount*
Alaska	*Eielson Air Force Base*	*$38,300,000*
	Elmendorf Air Force Base	*$56,100,000*
Arizona	*Davis-Monthan Air Force Base*	*$11,800,000*
Arkansas	*Little Rock Air Force Base*	*$9,800,000*
California	*Beale Air Force Base*	*$28,000,000*
	Travis Air Force Base	*$73,900,000*
Colorado	*Buckley Air Force Base*	*$10,700,000*
	Peterson Air Force Base	*$4,900,000*
	Schriever Air Force Base	*$21,000,000*
Delaware	*Dover Air Force Base*	*$26,400,000*
Florida	*Eglin Air Force Base*	*$30,350,000*
	Hurlburt Field	*$32,950,000*
	MacDill Air Force Base	*$71,000,000*
	Tyndall Air Force Base	*$8,200,000*
Georgia	*Robins Air Force Base*	*$45,600,000*
Hawaii	*Hickam Air Force Base*	*$28,538,000*
Illinois	*Scott Air Force Base*	*$20,000,000*
Kansas	*McConnell Air Force Base*	*$3,875,000*
Kentucky	*Fort Knox*	*$3,500,000*
Montana	*Malmstrom Air Force Base*	*$5,700,000*
Nevada	*Indian Springs Auxiliary Field*	*$49,923,000*
New Jersey	*McGuire Air Force Base*	*$28,500,000*
Oklahoma	*Altus Air Force Base*	*$1,500,000*
	Tinker Air Force Base	*$5,700,000*
South Carolina	*Shaw Air Force Base*	*$31,500,000*
South Dakota	*Ellsworth Air Force Base*	*$3,000,000*
Texas	*Fort Bliss*	*$8,500,000*
	Lackland Air Force Base	*$13,200,000*
	Laughlin Air Force Base	*$12,600,000*
	Sheppard Air Force Base	*$7,000,000*
Utah	*Hill Air Force Base*	*$53,400,000*
Virginia	*Langley Air Force Base*	*$57,700,000*
Washington	*Fairchild Air Force Base*	*$4,250,000*
Wyoming	*Francis E. Warren Air Force Base*	*$11,000,000*

3 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
4 *appropriated pursuant to the authorization of appropria-*
5 *tions in section 2304(a)(2), the Secretary of the Air Force*
6 *may acquire real property and carry out military construc-*
7 *tion projects for the installations or locations outside the*
8 *United States, and in the amounts, set forth in the following*
9 *table:*

Air Force: Outside the United States

Country	*Installation or Location*	*Amount*
Germany	*Ramstein Air Base*	*$53,150,000*
Guam	*Andersen Air Base*	*$80,800,000*
Korea	*Kunsan Air Base*	*$46,700,000*
	Osan Air Base	*$2,156,000*

1 *(c) UNSPECIFIED WORLDWIDE.—Using amounts ap-*
2 *propriated pursuant to the authorization of appropriations*
3 *in section 2304(a)(3), the Secretary of the Air Force may*
4 *acquire real property and carry out military construction*
5 *projects for unspecified installations or locations in the*
6 *amount set forth in the following table:*

Air Force: Unspecified Worldwide

Location	*Installation or Location*	*Amount*
	Unspecified Worldwide	*$35,677,000*

7 ***SEC. 2302. FAMILY HOUSING.***

8 *(a) CONSTRUCTION AND ACQUISITION.—Using*
9 *amounts appropriated pursuant to the authorization of ap-*
10 *propriations in section 2304(a)(6)(A), the Secretary of the*
11 *Air Force may construct or acquire family housing units*
12 *(including land acquisition and supporting facilities) at*
13 *the installations or locations, in the number of units, and*
14 *in the amounts set forth in the following table:*

Air Force: Family Housing

State or Country	*Installation or Location*	*Units*	*Amount*
Alaska	*Eielson Air Force Base*	*129*	*$87,414,000*
Idaho	*Mountain Home Air Force Base*	*457*	*$107,800,000*
Missouri	*Whiteman Air Force Base*	*116*	*$39,270,000*
Montana	*Malmstrom Air Force Base*	*493*	*$140,252,000*
North Carolina	*Seymour Johnson Air Force Base*	*56*	*$22,956,000*
North Dakota	*Minot Air Force Base*	*575*	*$171,188,000*
Texas	*Dyess Air Force Base*	*199*	*$49,215,000*
Germany	*Ramstein Air Base*	*101*	*$59,488,000*

***Air Force: Family Housing**—Continued*

State or Country	*Installation or Location*	*Units*	*Amount*
	Spangdahlem Air Base	*60*	*$39,294,000*
United Kingdom	*Royal Air Force Lakenheath*	*74*	*$35,282,000*

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 $13,202,000.*

8 ***SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING***
9 ***UNITS.***

10 *Subject to section 2825 of title 10, United States Code,*
11 *and using amounts appropriated pursuant to the author-*
12 *ization of appropriations in section 2304(a)(6)(A), the Sec-*
13 *retary of the Air Force may improve existing military fam-*
14 *ily housing units in an amount not to exceed $403,777,000.*

15 ***SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR***
16 ***FORCE.***

17 *(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are*
18 *hereby authorized to be appropriated for fiscal years begin-*
19 *ning after September 30, 2006, for military construction,*
20 *land acquisition, and military family housing functions of*
21 *the Department of the Air Force in the total amount of*
22 *$3,157,882,000, as follows:*

(1) For military construction projects inside the United States authorized by section 2301(a), $818,386,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $182,806,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $35,677,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $97,504,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,169,138,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C–17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the

Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

TITLE IV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.

Sec. 2403. Energy conservation projects.
Sec. 2404. Authorized base closure and realignment activities funded through Department of Defense Base Closure Account 2005.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out certain fiscal year 2006 projects.

1 ***SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUC-***
2 ***TION AND LAND ACQUISITION PROJECTS.***

3 *(a) INSIDE THE UNITED STATES.—Using amounts ap-*
4 *propriated pursuant to the authorization of appropriations*
5 *in section 2405(a)(1), the Secretary of Defense may acquire*
6 *real property and carry out military construction projects*
7 *for the installations or locations inside the United States,*
8 *and in the amounts, set forth in the following tables:*

Defense Education Activity

State	Installation or Location	Amount
Kentucky	*Fort Knox*	*$18,108,000*

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	*Marine Corps Air Station, Yuma*	*$8,715,000*
California	*Beale Air Force Base*	*$9,000,000*
Pennsylvania	*Defense Distribution Depot, New Cumberland.*	*$8,900,000*
Viginia	*Fort Belvoir*	*$5,500,000*
Washington	*Naval Air Station, Whidbey Island*	*$26,000,000*

National Security Agency

State	Installation or Location	Amount
Maryland	*Fort Meade*	*$4,517,000*

Special Operations Command

State	Installation or Location	Amount
California	*Marine Corps Base, Camp Pendleton*	*$24,400,000*
Colorado	*Fort Carson*	*$26,100,000*
Florida	*Hurlburt Field*	*$14,482,000*
	MacDill Air Force Base	*$27,300,000*
Kentucky	*Fort Campbell*	*$24,500,000*
Mississippi	*Stennis Space Center*	*$10,200,000*
North Carolina	*Fort Bragg*	*$67,044,000*

***Special Operations Command**—Continued*

State	Installation or Location	Amount
	Marine Corps Base, Camp Lejeune	*$51,600,000*
Virginia	*Naval Air Base, Little Creek*	*$22,000,000*

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	*Fort Richardson*	*$37,200,000*
California	*Fort Irwin*	*$6,050,000*
Florida	*MacDill Air Force Base*	*$92,000,000*
	Naval Hospital, Jacksonville	*$16,000,000*
Hawaii	*Naval Base, Pearl Harbor*	*$7,700,000*
Illinois	*Naval Hospital, Great Lakes*	*$20,000,000*
Maryland	*Fort Detrick*	*$550,000,000*
New York	*Fort Drum*	*$9,700,000*
Texas	*Fort Hood*	*$18,000,000*

1 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2405(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 United*
6 *States, and in the amounts, set forth in the following tables:*

Defense Education Activity

Country	Installation or Location	Amount
Italy	*Vicenza*	*$47,210,000*
Korea	*Osan Air Base*	*$4,589,000*
Spain	*Naval Station, Rota*	*$23,048,000*

Defense Logistics Agency

Country or Possession	Installation or Location	Amount
Japan	*Okinawa*	*$5,000,000*
Wake Island		*$2,600,000*

Special Operations Command

Country	Installation or Location	Amount
Qatar	*Al Udeid AB*	*$44,500,000*

TRICARE Management Activity

Country	*Installation or Location*	*Amount*
Italy	*Vicenza*	*$52,000,000*

1 ***SEC. 2402. FAMILY HOUSING.***

2 *(a) CONSTRUCTION AND ACQUISITION.—Using*
3 *amounts appropriated pursuant to the authorization of ap-*
4 *propriations in section 2405(a)(9)(A), the Secretary of De-*
5 *fense may construct or acquire family housing units (in-*
6 *cluding land acquisition and supporting facilities) at the*
7 *location, in the number of units, and in the amount set*
8 *forth in the following table:*

Defense Logistics Agency: Family Housing

State	*Location*	*Units*	*Amount*
Virginia	*Richmond International Airport*	*25*	*$7,840,000*

9 *(b) PLANNING AND DESIGN.—Using amounts appro-*
10 *priated pursuant to the authorization of appropriations in*
11 *section 2405(a)(9)(A), the Secretary of Defense may carry*
12 *out architectural and engineering services and construction*
13 *design activities with respect to the construction or im-*
14 *provement of military family housing units in an amount*
15 *not to exceed $200,000.*

16 ***SEC. 2403. ENERGY CONSERVATION PROJECTS.***

17 *Using amounts appropriated pursuant to the author-*
18 *ization of appropriations in section 2405(a)(6), the Sec-*
19 *retary of Defense may carry out energy conservation*

projects under section 2865 of title 10, United States Code, in the amount of $55,000,000.

SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

(a) AUTHORIZED ACTIVITIES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $5,902,723,000.

(b) CONFORMING AMENDMENTS TO FISCAL YEAR 2006 AUTHORIZATIONS.—

(1) AUTHORIZED ACTIVITIES.—Title XXIV of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3496) is amended by adding at the end the following new section:

"SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

"Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(7), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $2,035,466,000.".

(2) AUTHORIZATION OF APPROPRIATIONS AND LIMITATIONS.—Section 2403 of that Act (119 Stat. 3499) is amended—

(A) in subsection (a)(7)—

(i) by striking "as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)" and inserting "authorized by section 2404 of this Act"; and

(ii) by striking "section 2906 of such Act" and inserting "section 2906A of the

Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)";

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

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

"(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404 of this Act may not exceed the sum of the following:

"(1) The total amount authorized to be appropriated under subsection (a)(7).

"(2) $531,000,000 (the balance of the amount authorized under section 2404 for base closure and realignment activities).".

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and mili-

tary family housing functions of the Department of Defense (other than the military departments) in the total amount of $7,160,356,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $537,616,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $163,197,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,950,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $55,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Ac-

count 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities authorized by section 2404 of this Act and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $5,236,223,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000

(10) For the construction of increment 2 of the regional security operations center at Augusta, Georgia, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006

(division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2406 of this Act, $87,118,000.

(11) For the construction of increment 2 of the regional security operations center at Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $47,016,000.

(12) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(13) For the construction of increment 2 of an operations building, Royal Air Force Menwith Hill Station, United Kingdom, authorized by section 2401(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2406 of this Act, $46,386,000.

(14) For the construction of the second increment of certain base closure and realignment activities authorized by section 2404 of the Military Construction Authorization Act of Fiscal Year 2006 (division B of

Public Law 109–163; 119 Stat. 3500), as added by section 2404(b) of this Act, $390,000,000.

(15) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $89,157,000.

(16) For the construction of increment 8 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $41,836,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $46,400,000 (the balance of the amount authorized under section 2401(a) for construction of a health clinic at MacDill Air Force Base, Florida).

(3) $521,000,000 (the balance of the amount authorized under section 2401(a) for stage 1 of the replacement of the Army Medical Research Institute of Infectious Diseases at Fort Detrick, Maryland).

(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404(a) of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under subsection (a)(8).

(2) $666,500,000 (the balance of the amount authorized under section 2404(a) for base closure and realignment activities).

(d) NOTICE AND WAIT REQUIREMENT APPLICABLE TO OBLIGATION OF FUNDS FOR BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Funds appropriated pursuant to the authorization of appropriations in subsection (a)(8) may not be obligated until—

(1) a period of 21 days has expired following the date on which the Secretary of Defense submits to the congressional defense committees a report describing the specific programs, projects, and activities for which the funds are to be obligated; or

(2) if over sooner, a period of 14 days has expired following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of title 10, United States Code.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES NATIONAL SECURITY AGENCY PROJECTS.—The table relating to the National Security Agency in subsection (a) of section 2401 of the Military Construction Authorization Act

for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) is amended—

(1) in the item relating to Augusta, Georgia, by striking "$61,466,000" in the amount column and inserting "$340,836,000"; and

(2) in the item relating to Kunia, Hawaii, by striking "$305,000,000" in the amount column and inserting "$350,490,000".

(b) MODIFICATION OF OUTSIDE THE UNITED STATES NATIONAL SECURITY AGENCY PROJECT.—The table relating to the National Security Agency in subsection (b) of such section (119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking "$86,354,000" in the amount column and inserting "$87,752,000".

(c) CONFORMING AMENDMENTS.—Section 2403(b) of that Act (119 Stat. 3500) is amended—

(1) in paragraph (2), by striking "$12,500,000" and inserting "$291,870,000";

(2) in paragraph (3), by striking "$256,034,000" and inserting "$301,524,000"; and

(3) in paragraph (5), by striking "$44,657,000" and inserting "$46,055,000".

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $200,985,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $518,403,000; and

(B) for the Army Reserve, $169,487,000.

(2) For the Department of the Navy, for the Navy Reserve and Marine Corps Reserve, $55,158,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $212,788,000; and

(B) for the Air Force Reserve, $56,836,000.

TITLE VII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations

therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of this Act.

TITLE VIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Increase in maximum annual amount authorized to be obligated for emergency military construction.
Sec. 2802. Applicability of local comparability of room pattern and floor area requirements to construction, acquisition, and improvement to military unaccompanied housing.
Sec. 2803. Authority to use proceeds from sale of military family housing to support military housing privatization initiative.
Sec. 2804. Repeal of special requirement for military construction contracts on Guam.
Sec. 2805. Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts.
Sec. 2806. Expansion of authority to convey property at military installations to support military construction.
Sec. 2807. Pilot projects for acquisition or construction of military unaccompanied housing.

Sec. 2808. Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet.
Sec. 2809. Repeal of temporary minor military construction program.
Sec. 2810. One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.

Subtitle B—Real Property and Facilities Administration

Sec. 2821. Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way.
Sec. 2822. Authority to grant restrictive easements in connection with land conveyances.
Sec. 2823. Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing.
Sec. 2824. Consolidation of laws relating to transfer of Department of Defense real property within the department and to other Federal agencies.
Sec. 2825. Congressional notice requirements in advance of acquisition of land by condemnation for military purposes.

Subtitle C—Base Closure and Realignment

Sec. 2831. Treatment of lease proceeds from military installations approved for closure or realignment after January 1, 2005.

Subtitle D—Land Conveyances

Sec. 2841. Land conveyance, Naval Air Station, Barbers Point, Hawaii.
Sec. 2842. Modification of land acquisition authority, Perquimans County, North Carolina.
Sec. 2843. Land conveyance, Radford Army Ammunition Plant, Pulaski County, Virginia.

Subtitle E—Other Matters

Sec. 2851. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.
Sec. 2852. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.
Sec. 2853. Naming housing facility at Fort Carson, Colorado, in honor of Joel Hefley, a member of the House of Representatives.
Sec. 2854. Naming Navy and Marine Corps Reserve Center at Rock Island, Illinois, in honor of Lane Evans, a member of the House of Representatives.
Sec. 2855. Naming of research laboratory at Air Force Rome Research Site, Rome, New York, in honor of Sherwood L. Boehlert, a member of the House of Representatives.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN MAXIMUM ANNUAL AMOUNT AUTHORIZED TO BE OBLIGATED FOR EMERGENCY MILITARY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking "$45,000,000" and inserting "$60,000,000".

SEC. 2802. APPLICABILITY OF LOCAL COMPARABILITY OF ROOM PATTERN AND FLOOR AREA REQUIREMENTS TO CONSTRUCTION, ACQUISITION, AND IMPROVEMENT TO MILITARY UNACCOMPANIED HOUSING.

(a) APPLICATION TO MILITARY UNACCOMPANIED HOUSING.—Section 2826 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "or military unaccompanied housing" after "military family housing" the first place it appears; and

(B) by striking "military family housing" the second place it appears and inserting "such housing"; and

(2) in subsection (b)—

(A) by striking "REQUESTS FOR AUTHORITY FOR MILITARY FAMILY HOUSING" and inserting "INFORMATION ON NET FLOOR AREAS OF PROPOSED UNITS";

(B) in paragraph (1)—

(i) by inserting "or military unaccompanied housing" after "military family housing" the first place it appears; and

(ii) by striking "military family housing" the second place it appears and inserting "such housing"; and

(C) in paragraph (2), by striking "military family housing unit" and inserting "unit of military family housing or military unaccompanied housing".

(b) WAIVER AUTHORITY.—Such section is further amended by adding at the end the following new subsection:

"(c) WAIVER AUTHORITY.—The Secretary concerned may waive the requirements of subsection (a) in the case of the construction, acquisition, or improvement of military unaccompanied housing on a case-by-case basis. The Secretary shall include the reasons for the waiver in the request submitted to Congress for authority to carry out the construction, acquisition, or improvement project.".

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2826. Local comparability of room patterns and floor areas".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter II of chapter 169 of such title is amended by striking the item relating to section 2826 and inserting the following new item:

"2826. Local comparability of room patterns and floor areas.".

(d) REPEAL OF SUPERSEDED PROVISION.—

(1) REPEAL.—Section 2856 of such title is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2856.

(e) CONFORMING AMENDMENTS REGARDING ALTERNATIVE ACQUISITION AND IMPROVEMENT AUTHORITY.—Section 2880(b) of such title is amended—

(1) by striking "(1)";

(2) by inserting "or military unaccompanied housing" after "military family housing"; and

(3) by striking paragraph (2).

SEC. 2803. AUTHORITY TO USE PROCEEDS FROM SALE OF MILITARY FAMILY HOUSING TO SUPPORT MILITARY HOUSING PRIVATIZATION INITIATIVE.

(a) TRANSFER FLEXIBILITY.—Section 2831 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "There" and inserting "Except as provided in subsection (e), there";

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

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

"(e) AUTHORITY TO TRANSFER CERTAIN PROCEEDS TO SUPPORT MILITARY HOUSING PRIVATIZATION INITIATIVE.—(1) The Secretary concerned may transfer family housing proceeds referred to in subsection (b)(3) to the Department of Defense Family Housing Improvement Fund established under section 2883(a)(1) of this title.

"(2) A transfer of proceeds under paragraph (1) may be made only after the end of the 30-day period beginning on the date the Secretary concerned submits written notice of, and justification for, the transfer to the appropriate committees of Congress or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice

and justification is provided in an electronic medium pursuant to section 480 of this title.".

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

(1) in subsection (a), by inserting "ESTABLISHMENT.—" after "(a)";

(2) in subsection (b), by inserting "CREDITS TO ACCOUNT.—" after "(b)";

(3) in subsection (c), by inserting "AVAILABILITY OF AMOUNTS IN ACCOUNT.—" after "(c)"; and

(4) in subsection (d), by inserting "USE OF ACCOUNT.—" after "(d)".

(c) CONFORMING AMENDMENT.—Section 2883(c)(1) of such title is amended by adding at the end the following new subparagraph:

"(G) Proceeds of the handling and the disposal of family housing of a military department that the Secretary concerned transfers to that Fund pursuant to section 2831(e) of this title.".

SEC. 2804. REPEAL OF SPECIAL REQUIREMENT FOR MILITARY CONSTRUCTION CONTRACTS ON GUAM.

(a) REPEAL.—Section 2864 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2864.

SEC. 2805. CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR DEPARTMENT OF DEFENSE ENERGY SAVINGS PERFORMANCE CONTRACTS.

Section 2865 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR ENERGY SAVINGS PERFORMANCE CONTRACTS.—When a decision is made to award an energy savings performance contract that contains a clause setting forth a cancellation ceiling in excess of $7,000,000, the Secretary of Defense shall submit to the appropriate committees of Congress written notification of the proposed contract and of the proposed cancellation ceiling for the contract. The notification shall include the justification for the proposed cancellation ceiling. The contract may then be awarded only after the end of the 30-day period beginning on the date the notification is received by such committees or, if earlier, the end of the 15-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.".

SEC. 2806. EXPANSION OF AUTHORITY TO CONVEY PROPERTY AT MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) INCLUSION OF ALL MILITARY INSTALLATIONS.—Subsection (a) of section 2869 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "The Secretary concerned";

(3) by striking "located on a military installation that is closed or realigned under a base closure law" and inserting "described in paragraph (2)"; and

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

"(2) Paragraph (1) applies with respect to real property under the jurisdiction of the Secretary concerned that—

"(A) is located on a military installation that is closed or realigned under a base closure law; or

"(B) is determined to be excess to the needs of the Department of Defense.".

(b) USE OF AUTHORITY TO SUPPORT AGREEMENTS TO LIMIT ENCROACHMENTS.—Subparagraph (A) of paragraph (1) of subsection (a) of such section, as redesignated and amended by subsection (a), is further amended by striking

"land acquisition" and inserting "land acquisition, including a land acquisition under an agreement entered into under section 2684a of this title to limit encroachments and other constraints on military training, testing, and operations".

(c) ADVANCE NOTICE OF USE OF AUTHORITY; CONTENT OF NOTICE.—Subsection (d) of such section is amended—

(1) in paragraph (1), by striking "closed or realigned under the base closure laws is to be conveyed" and inserting "is proposed for conveyance";

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

"(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

"(A) the Secretary submits to Congress notice of the conveyance, including—

"(i) a description of the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

"(ii) the amount of any payment to be made under subsection (b) or under section

2684a(d) of this title to equalize the fair market values of the property to be conveyed and the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

"(B) a period of 21 days has elapsed from the date of receipt of the notice or, if over sooner, a period of 14 days has elapsed from the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title.".

(d) DEPOSIT AND USE OF FUNDS.—Subsection (e) of such section is amended to read as follows:

"(e) DEPOSIT AND USE OF FUNDS.—(1) The Secretary concerned shall deposit funds received under subsection (b) in the appropriation 'Foreign Currency Fluctuations, Construction, Defense'.

"(2) The funds deposited under paragraph (1) shall be available, in such amounts as provided in appropriation Acts, for the purpose of paying increased costs of overseas military construction and family housing construction or improvement associated with unfavorable fluctuations in currency exchange rates. The use of such funds for this purpose does not relieve the Secretary concerned from the duty

to provide advance notice to Congress under section 2853(c) of this title whenever the Secretary approves an increase in the cost of an overseas project under such section.".

(e) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—Subsection (f) of such section is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) in subparagraph (C), as so redesignated, by inserting before the period at the end the following: "and of excess real property at military installations";

(3) by striking "(f)" and all that follows through "the following:" and inserting the following:

"(f) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—(1) Not later than March 15 of each year, the Secretary of Defense shall submit to Congress a report detailing the following:"; and

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

"(2) If the report for a year is not submitted to Congress by the date specified in paragraph (1), the Secretary concerned may not enter into an agreement under subsection (a) after that date for the conveyance of real property until the date on which the report is finally submitted.".

(f) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2869. Conveyance of property at military installations to support military construction or limit encroachment".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869 and inserting the following new item:

"2869. Conveyance of property at military installations to support military construction or limit encroachment.".

(g) CONFORMING AMENDMENTS TO DEPARTMENT OF DEFENSE HOUSING FUNDS.—Section 2883(c) of such title is amended—

(1) in paragraph (1), by striking subparagraph (F); and

(2) in paragraph (2), by striking subparagraph (F).

(h) CONFORMING AMENDMENTS TO AUTHORITY TO LIMIT ENCROACHMENTS.—Subsection (d)(3) of section 2684a of such title is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(2) in subparagraph (C), as so redesignated, by striking "in the sharing of acquisition costs of real

property, or an interest in real property, under paragraph (1)(B)" and inserting "under subparagraph (A), either through the contribution of funds or excess real property, or both,"; and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) In lieu of or in addition to making a monetary contribution toward the cost of acquiring a parcel of real property, or an interest therein, pursuant to an agreement under this section, the Secretary concerned may convey, using the authority provided by section 2869 of this title, real property described in subsection (a)(2) of such section.".

SEC. 2807. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) EXTENSION OF AUTHORITY TO CARRY OUT PILOT PROJECTS.—Subsection (f) of section 2881a of title 10, United States Code, is amended by striking "2007" and inserting "2011".

(b) AUTHORIZED PROJECTS.—Subsection (a) of such section is amended by striking "three pilot projects" and inserting "six pilot projects".

(c) NOTIFICATION OF FUNDING TRANSFERS.—Subsection (d)(2) of such section is amended by striking "90

days prior notification" and inserting "45 days prior notification, or 30 days if the notification is provided in an electronic medium pursuant to section 480 of this title,".

(d) REPORT SUBMISSION.—Subsection (e)(2) of such section is amended by striking the second sentence and inserting the following new sentence: "The Secretary may then issue the contract solicitation or offer the conveyance or lease after the end of the 45-day period beginning on the date the report is received by the appropriate committees of Congress or, if earlier, the end of the 30-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

SEC. 2808. CONSIDERATION OF ALTERNATIVE AND MORE EFFICIENT USES FOR GENERAL OFFICER AND FLAG OFFICER QUARTERS IN EXCESS OF 6,000 SQUARE FEET.

(a) REPORTING REQUIREMENTS.—Paragraph (1) of subsection (f) of section 2831 of title 10, United States Code, as redesignated by section 2803(a)(2), is amended—

(1) in subparagraph (A), by striking "and" at the end of the subparagraph;

(2) in subparagraph (B)—

(A) by striking "so identified" and inserting "identified under subparagraph (A)"; and

(B) by striking the period at the end of the subparagraph and inserting a semicolon; and

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

"(C) identifying each family housing unit in excess of 6,000 square feet used, or intended for use, as quarters for a general officer or flag officer;

"(D) for each family housing unit identified under subparagraph (C), specifying any alternative and more efficient use to which the unit could be converted (which would include any costs necessary to convert the unit) and containing an explanation of the reasons why the unit is not being converted to the alternative use; and

"(E) for each family housing unit identified under subparagraph (C) for which costs under subparagraph (A) or new construction costs are anticipated to exceed $100,000 in the next fiscal year, specifying any alternative use to which the unit could be converted (which would include any costs necessary to convert the unit) and an estimate of the costs to demolish and rebuild the unit to private sector standards.".

(b) CONFORMING AMENDMENT.—The heading of such subsection is amended by striking "COST OF".

SEC. 2809. REPEAL OF TEMPORARY MINOR MILITARY CONSTRUCTION PROGRAM.

Section 2810 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3509) is repealed.

SEC. 2810. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended by striking "and 2006" and inserting "through 2007".

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONSOLIDATION OF DEPARTMENT OF DEFENSE AUTHORITIES REGARDING GRANTING OF EASEMENTS FOR RIGHTS-OF-WAY.

(a) CONSOLIDATION.—Subsection (a) of section 2668 of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "he" both places it appears and inserting "the Secretary"; and

(B) by striking "his control, to a State, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Commonwealth, or possession," and inserting "the Secretary's control";

(2) in paragraph (2), by striking "oil pipe lines" and inserting "gas, water, sewer, and oil pipe lines"; and

(3) in paragraph (13), by striking "he considers advisable, except a purpose covered by section 2669 of this title" and inserting "the Secretary considers advisable".

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

(1) in subsection (a), by inserting "AUTHORIZED TYPES OF EASEMENTS.—" after "(a)";

(2) in subsection (b), by inserting "LIMITATION ON SIZE OF EASEMENT.—" after "(b)";

(3) in subsection (c), by inserting "TERMINATION.—" after "(c)";

(4) in subsection (d), by inserting "NOTICE TO DEPARTMENT OF THE INTERIOR.—" after "(d)"; and

(5) in subsection (e), by inserting "DISPOSITION OF CONSIDERATION.—" after "(e)".

(c) CONFORMING REPEAL.—Section 2669 of such title is repealed.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by striking the item related to section 2669.

SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS IN CONNECTION WITH LAND CONVEYANCES.

(a) RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2668 the following new section:

"§ 2668a. Restrictive easements: granting easement in connection with land conveyances

"(a) AUTHORITY TO INCLUDE RESTRICTIVE EASEMENT.—In connection with the conveyance of real property by the Secretary concerned under any provision of law, the Secretary concerned may grant an easement restricting future uses of the conveyed real property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

"(b) AUTHORIZED RECIPIENTS.—An easement under subsection (a) may be granted only to a State or local government or a qualified organization, as that term is used

in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

"(c) LIMITATION ON USE OF CONSERVATION EASEMENTS.—An easement under subsection (a) may not be granted unless—

"(1) the Secretary concerned determines that the conservation purpose to be promoted by the easement cannot be effectively achieved through the application of State law by the State or a local government;

"(2) the Secretary consults with the local government whose jurisdiction encompasses the property regarding the grant of the easement; and

"(3) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing the easement.

"(d) ACREAGE LIMITATION.—No easement granted under this section may include more land than is necessary for the easement.

"(e) TERMS AND CONDITIONS.—The grant of an easement under this section shall be subject to such terms and conditions as the Secretary considers advisable.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2668 the following new item:

"2668a. Restrictive easements: granting easement in connection with land conveyances.".

SEC. 2823. MAXIMUM TERM OF LEASES FOR STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES NEEDED FOR PURPOSES OTHER THAN FAMILY HOUSING.

Section 2675(a) of title 10, United States Code, is amended by striking "five years" and inserting "10 years".

SEC. 2824. CONSOLIDATION OF LAWS RELATING TO TRANSFER OF DEPARTMENT OF DEFENSE REAL PROPERTY WITHIN THE DEPARTMENT AND TO OTHER FEDERAL AGENCIES.

(a) INCLUSION OF TRANSFER AUTHORITY BETWEEN ARMED FORCES.—Section 2696 of title 10, United States Code, is amended—

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

(2) by inserting before subsection (b), as so redesignated, the following new subsection:

"(a) TRANSFERS BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another. Section 2571(d) of this title shall apply to the transfer of real property under this subsection.".

(b) INCLUSION OF DEPARTMENT OF JUSTICE PROGRAM.—The text of section 2693 of such title is amended—

(1) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(2) by redesignating paragraphs (1) and (2) of subsection (b) as subparagraphs (A) and (B), respectively, and in such subparagraph (B), as so redesignated, by striking "this section" and inserting "paragraph (1)";

(3) by striking "(a) Except as provided in subsection (b)" and inserting "(f) DEPARTMENT OF JUSTICE CORRECTIONAL OPTIONS PROGRAM.—(1) Except as provided in paragraph (2)";

(4) by striking "(b) The provisions of this section" and inserting "(2) Paragraph (1)"; and

(5) by transferring the text, as so redesignated and amended, to appear as a new subsection (f) at the end of section 2696 of such title.

(c) CONFORMING AMENDMENTS.—

(1) SECTION 2571.—Section 2571(a) of such title is amended by striking "and real estate".

(2) SECTION 2693.—Section 2693 of such title is repealed.

(3) SECTION 2696.—Section 2696 of such title is amended—

(A) in subsection (b), as redesignated by subsection (a)(1), by striking "SCREENING REQUIREMENT.—" and inserting "SCREENING REQUIREMENTS FOR ADDITIONAL FEDERAL USE.—";

(B) in subsection (c)(1), as redesignated by subsection (a)(1), by striking "subsection (a)" in the first sentence and inserting "subsection (b)";

(C) in subsection (d), by striking "subsection (b)(1)" and inserting "subsection (c)(1)"; and

(D) in subsection (e), by striking "this section" and inserting "subsection (b)".

(d) CLERICAL AMENDMENTS.—

(1) SECTION 2571.—(A) The heading of section 2571 of such title is amended to read as follows:

***"§ 2571. Interchange of supplies and services"**.*

(B) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

"2571. Interchange of supplies and services.".

(2) SECTIONS 2693 AND 2696.—(A) The heading of section 2696 of such title is amended to read as follows:

"§ 2696. Transfers and disposals: interchange among armed forces and screening requirements for other Federal use".

(B) The table of sections at the beginning of chapter 159 of such title is amended—

(i) by striking the item relating to section 2693; and

(ii) by striking the item relating to section 2696 and inserting the following new item:

"2696. Transfers and disposals: interchange among armed forces and screening requirements for other Federal use.".

SEC. 2825. CONGRESSIONAL NOTICE REQUIREMENTS IN ADVANCE OF ACQUISITION OF LAND BY CONDEMNATION FOR MILITARY PURPOSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense, when acquiring land for military purposes, should make every effort to do so by means of purchases from willing sellers and should employ condemnation, eminent domain, or seizure procedures only as a measure of last resort in cases of compelling national security requirements.

(b) CONGRESSIONAL NOTICE.—Section 2663(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Before using condemnation, eminent domain, or seizure procedures to acquire any interest in land, includ-

ing land for temporary use, under this subsection, the Secretary of Defense or the Secretary of the military department concerned shall submit to the congressional defense committees a report that includes certification that the Secretary has made every effort to acquire the property without use of such procedures, explains the compelling requirements for the acquisition and why alternative acquisition strategies, such as purchases of easements, are inadequate, and describes the property for which the procedures will be employed. Proceedings may be brought with respect to the land only after the end of the 14-day period beginning on the date on which the report is received by the committees or, if over sooner, a period of 10 days elapses from the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

Subtitle C—Base Closure and Realignment

SEC. 2831. TREATMENT OF LEASE PROCEEDS FROM MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Paragraph (5) of section 2667(d) of title 10, United States Code, is amended to read as follows:

"(5) Money rentals received by the United States from a lease under subsection (f) at a military installation to

be closed or realigned under a base closure law shall be deposited—

"(A) into the account established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), if the installation was approved for closure or realignment before January 1, 2005; or

"(B) into the account established under section 2906A(a) of such Act, if the installation was approved for closure or realignment after January 1, 2005.".

Subtitle D—Land Conveyances

SEC. 2841. LAND CONVEYANCE, NAVAL AIR STATION, BARBERS POINT, HAWAII.

(a) CONVEYANCE OF PROPERTY.—Not later than September 30, 2008, the Secretary of the Navy shall convey, by sale, lease, or a combination thereof, to any public or private person or entity outside the Department of Defense certain parcels of real property, including any improvements thereon, consisting of approximately 499 acres located at the former Naval Air Station, Barbers Point, Oahu, Hawaii, that are subject to the Ford Island Master Development Agreement developed pursuant to section

2814(a)(2) of title 10, United States Code, for the purpose of promoting the beneficial development of the real property.

(b) USE OF EXISTING AUTHORITY.—To implement subsection (a), the Secretary may utilize the special conveyance and lease authorities provided to the Secretary by subsections (b) and (c) of section 2814 of title 10, United States Code, for the purpose of developing or facilitating the development of Ford Island, Hawaii.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATION OF LAND ACQUISITION AUTHORITY, PERQUIMANS COUNTY, NORTH CAROLINA.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1320), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2149)

is further amended by striking "840 acres" and inserting "1,540 acres".

SEC. 2843. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, PULASKI COUNTY, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Department of Veterans' Services of the Commonwealth of Virginia (in this section referred to as the "Department") all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 85 acres at the Radford Army Ammunition Plant in Pulaski County, Virginia, for the purpose of permitting the Department to establish and operate a State-run cemetery for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Department to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Department in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Department.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal description of the real property to be con-

veyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. AVAILABILITY OF COMMUNITY PLANNING ASSISTANCE RELATING TO ENCROACHMENT OF CIVILIAN COMMUNITIES ON MILITARY FACILITIES USED FOR TRAINING BY THE ARMED FORCES.

Section 2391(d)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "For purposes of subsection (b)(1)(D), the term 'military installation' includes a military facility owned and operated by any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, or the Virgin Islands, even though the facility is not under the jurisdiction of the Department of Defense, if the Secretary of Defense determines that the military facility is subject to significant use for training by the armed forces.".

SEC. 2852. PROHIBITIONS AGAINST MAKING CERTAIN MILITARY AIRFIELDS OR FACILITIES AVAILABLE FOR USE BY CIVIL AIRCRAFT.

(a) PROHIBITIONS.—The Secretary of the Navy may not enter into any agreement concerning a military installation specified in subsection (b) that would—

(1) authorize civil aircraft to regularly use an airfield or any other property at the installation;

(2) convey any real property at the installation, including any airfield at the installation, for the purpose of permitting the use of the property by civil aircraft.

(b) COVERED INSTALLATIONS.—The prohibitions in subsection (a) apply with respect to the following military installations:

(1) Marine Corps Air Station, Camp Pendleton, California.

(2) Marine Corps Air Station, Miramar, California.

(3) Marine Corps Base, Camp Pendleton, California.

(4) Naval Air Station, North Island, California.

(c) REPEAL OF EXISTING LIMITED PROHIBITION.—Section 2894 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 592) is repealed.

SEC. 2853. NAMING HOUSING FACILITY AT FORT CARSON, COLORADO, IN HONOR OF JOEL HEFLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Joel Hefley was elected to represent Colorado's 5th Congressional district in 1986 and has served in the House of Representatives since that time with distinction, class, integrity, and honor.

(2) Representative Hefley has served on the Committee on Armed Services of the House of Representatives for 18 years, including service as Chairman of the Subcommittee on Military Installations and Facilities from 1995 through 2000 and, since 2001, as Chairman of the Subcommittee on Readiness.

(3) Representative Hefley's colleagues know him to be a fair and effective lawmaker who works for the national interest while never forgetting his Western roots.

(4) Representative Hefley's efforts on the Committee on Armed Services have been instrumental to the military value of, and quality of life at, installations in the State of Colorado, including Fort Carson, Cheyenne Mountain, Peterson Air Force Base, Schriever Air Force Base, Buckley Air Force Base, and the United States Air Force Academy.

(5) Representative Hefley was a leader in efforts to retain and expand Fort Carson as an essential part of the national defense system during the Defense Base Closure and Realignment process.

(6) Representative Hefley has consistently advocated for providing members of the Armed Forces and their families with quality, safe, and affordable housing and supportive communities.

(7) Representative Hefley spearheaded the Military Housing Privatization Initiative to eliminate inadequate housing on military installations, with the first pilot program located at Fort Carson.

(8) Representative Hefley's leadership on the Military Housing Privatization Initiative has allowed for the privatization of more than 121,000 units of military family housing, which brought meaningful improvements to living conditions for thousands of members of the Armed Forces and their spouses and children at installations throughout the United States.

(9) It is fitting and proper that an appropriate military family housing area or structure at Fort Carson be designated in honor of Representative Hefley, and it is further appropriate that division B of this Act, which authorizes funds for fiscal year

2007 for military construction projects, land acquisition, and family housing projects and facilities, be designated in honor of Representative Hefley.

(b) DESIGNATION.—The Secretary of the Army shall designate one of the military family housing areas or facilities constructed for Fort Carson, Colorado, using the authority provided by subchapter IV of chapter 169 of title 10, United States Code, as the "Joel Hefley Village".

SEC. 2854. NAMING NAVY AND MARINE CORPS RESERVE CENTER AT ROCK ISLAND, ILLINOIS, IN HONOR OF LANE EVANS, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Lane Evans was elected to the House of Representatives in 1982 and is now in his 12th term representing the people of Illinois' 17th Congressional district.

(2) As a member of the Committee on Armed Services of the House of Representatives, Representative Evans has worked to bring common sense priorities to defense spending and strengthen the military's conventional readiness.

(3) Representative Evans has been a tireless advocate for military veterans, ensuring that veterans receive the medical care they need and advocating for

individuals suffering from post-traumatic stress disorder and Gulf War Syndrome.

(4) Representative Evans' efforts to improve the transition of individuals from military service to the care of the Department of Veterans Affairs will continue to benefit generations of veterans long into the future.

(5) Representative Evans is credited with bringing new services to veterans living in his Congressional district, including outpatient clinics in the Quad Cities and Quincy and the Quad-Cities Vet Center.

(6) Representative Evans has worked with local leaders to promote the Rock Island Arsenal and has seen it win new jobs and missions through his support.

(7) In honor of his service in the Marine Corps and to his district and the United States, it is fitting and proper that the Navy and Marine Corps Reserve Center at Rock Island Arsenal be named in honor of Representative Evans.

(b) DESIGNATION.—The Navy and Marine Corps Reserve Center at Rock Island Arsenal, Illinois, shall be known and designated as the "Lane Evans Navy and Marine Corps Reserve Center". Any reference in a law, map, regu-

lation, document, paper, or other record of the United States to the Navy and Marine Corps Reserve Center at Rock Island Arsenal shall be deemed to be a reference to the Lane Evans Navy and Marine Corps Reserve Center.

SEC. 2855. NAMING OF RESEARCH LABORATORY AT AIR FORCE ROME RESEARCH SITE, ROME, NEW YORK, IN HONOR OF SHERWOOD L. BOEHLERT, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The new laboratory building at the Air Force Rome Research Site, Rome, New York, shall be known and designated as the "Sherwood L. Boehlert Engineering Center". Any reference in a law, map, regulation, document, paper, or other record of the United States to such laboratory facility shall be deemed to be a reference to the Sherwood L. Boehlert Engineering Center.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental cleanup.
Sec. 3103. Other defense activities.

Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
Sec. 3114. Utilization of contributions to Second Line of Defense program.
Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,265,811,000 to be allocated as follows:

(1) For weapons activities, $6,467,889,000.

(2) For defense nuclear nonproliferation activities, $1,616,213,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $386,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available

for carrying out plant projects, the Secretary of Energy may carry out the following new plant projects:

(1) For weapons activities:

Project 07–D–140, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive Liquid Waste Treatment Facility upgrade, Los Alamos National Laboratory, $14,828,000.

Project 07–D–253, TA–1 Heating Systems Modernization, Facilities and Infrastructure Recapitalization Program, $14,500,000.

(2) For defense nuclear nonproliferation activities:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, $4,220,000.

(3) For naval reactors:

Project 07–D–190, project engineering and design, Materials Research Technology Complex, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs nec-

essary for national security in the amount of $5,440,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other defense activities in carrying out programs necessary for national security in the amount of $717,788,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $388,080,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

(a) PLAN REQUIRED.—Subtitle A of title XLII of the Atomic Energy Defense Act (division D of Public Law 107–314) is amended by inserting after section 4213 (50 U.S.C. 2533) the following new section:

"SEC. 4214. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

"(a) PLAN REQUIRED.—The Secretary of Energy and the Secretary of Defense shall develop a plan to transform the nuclear weapons complex so as to achieve a responsive infrastructure by 2030. The plan shall be designed to accomplish the following objectives:

"(1) To maintain the safety, reliability, and security of the United States nuclear weapons stockpile.

"(2) To continue Stockpile Life Extension Programs that the Nuclear Weapons Council considers necessary.

"(3) To prepare to produce replacement warheads under the Reliable Replacement Warhead program at a rate necessary to meet future stockpile requirements, commencing with a first production unit in 2012 and achieving steady-state production using modern manufacturing processes by 2025.

"(4) To eliminate, within the nuclear weapons complex, duplication of production capability except to the extent required to ensure the safety, reliability, and security of the stockpile.

"(5) To maintain the current philosophy within the national security laboratories of peer review of nuclear weapons designs while eliminating duplica-

tion of laboratory capabilities except to the extent required to ensure the safety, reliability, and security of the stockpile.

"(6) To maintain the national security mission, and in particular the science-based Stockpile Stewardship Program, as the primary mission of the national security laboratories while optimizing the work-for-others activities of those laboratories to support other national security objectives in fields such as intelligence and homeland security.

"(7) To consolidate to the maximum extent practicable, and to provide for the ultimate disposition of, special nuclear material throughout the nuclear weapons complex, with the ultimate goal of eliminating Category I and II special nuclear material from the national security laboratories no later than March 1, 2010, so as to further reduce the footprint of the nuclear weapons complex, reduce security costs, and reduce transportation costs for special nuclear material.

"(8) To employ a risk-based approach to ensure compliance with Design Basis Threat security requirements.

"(9) To expeditiously dismantle inactive nuclear weapons to reduce the size of the stockpile to the lowest level required by the Nuclear Weapons Council.

"(10) To operate the nuclear weapons complex in a more cost-effective manner.

"(b) REPORT.—Not later than February 1, 2007, the Secretary of Energy and Secretary of Defense shall submit to the congressional defense committees a report on the transformation plan required by subsection (a). The report shall address each of the objectives required by subsection (c) and also include each of the following:

"(1) A comprehensive list of the capabilities, facilities, and project staffing that the National Nuclear Security Administration will need to have in place at the nuclear weapons complex as of 2030 to meet the requirements of the transformation plan.

"(2) a comprehensive list of the capabilities and facilities that the National Nuclear Security Administration currently has in place at the nuclear weapons complex that will not be needed as of 2030 to meet the requirements of the transformation plan.

"(3) A plan for implementing the transformation plan, including a schedule with incremental milestones.

"(c) CONSULTATION.—The Secretary of Energy and the Secretary of Defense shall develop the transformation plan required by subsection (a) in consultation with the Nuclear Weapons Council.

"(d) DEFINITION.—In this section, the term 'national security laboratory' has the meaning given such term in section 3281 of the National Nuclear Security Administration Act (50 U.S.C. 2471).".

(b) INCLUSION IN FUTURE-YEARS NUCLEAR SECURITY PROGRAM.—Section 3253 of the National Nuclear Security Administration Act (50 U.S.C. 2453) is amended in subsection (b) by adding at the end the following new paragraph:

"(5) A statement of proposed budget authority, estimated expenditures, and proposed appropriations necessary to support the programs required to implement the plan to transform the nuclear weapons complex under section 4214 of the Atomic Energy Defense Act, together with a detailed description of how the funds identified for each program element specified pursuant to paragraph (1) in the budget for the Administration for each fiscal year during that five-fiscal-year period will help ensure that those programs are implemented. The statement shall assume year-to-year funding profiles that account for increases only for projected inflation.".

SEC. 3112. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C. 2453 note), as amended by section 3113 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2160), is amended—

(1) in subsection (a)(3)(F), by striking "2011" and inserting "2013"; and

(2) in subsection (b), by striking "2011" and inserting "2013".

SEC. 3113. UTILIZATION OF CONTRIBUTIONS TO GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2166; 50 U.S.C. 2569) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by adding after subsection (e) the following new subsection:

"(f) PARTICIPATION BY OTHER GOVERNMENTS AND ORGANIZATIONS.—

"(1) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international orga-

nization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the program under this section.

"(2) RETENTION AND USE OF AMOUNTS.—The Secretary of Energy may retain and use amounts contributed under an agreement under paragraph (1) for purposes of the program under this section. Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available until expended, without further appropriation, for such purposes.".

SEC. 3114. UTILIZATION OF CONTRIBUTIONS TO SECOND LINE OF DEFENSE PROGRAM.

(a) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international organization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the Second Line of Defense program of the National Nuclear Security Administration.

(b) RETENTION AND USE OF AMOUNTS.—The Secretary of Energy may retain and use amounts contributed under an agreement under subsection (a) for purposes of

the Second Line of Defense program. Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available until expended, without further appropriation, for such purposes.

(c) TERMINATION OF AUTHORITY.—The authority to accept contributions under subsection (a) terminates December 31, 2013.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking "September 30, 2006" and inserting "September 30, 2008".

SEC. 3116. NATIONAL ACADEMY OF SCIENCES STUDY OF QUANTIFICATION OF MARGINS AND UNCERTAINTY METHODOLOGY FOR ASSESSING AND CERTIFYING THE SAFETY AND RELIABILITY OF THE NUCLEAR STOCKPILE.

(a) STUDY REQUIRED.—The Secretary of Energy shall, as soon as practicable and no later than 120 days after the date of the enactment of this Act, enter into an arrangement with the National Research Council of the National Academy of Sciences for the Council to carry out a study of the quantification of margins and uncertainty methodology used by the national security laboratories for

assessing and certifying the safety and reliability of the nuclear stockpile.

(b) MATTERS INCLUDED.—The study required by subsection (a) shall evaluate the following:

(1) The use of the quantification of margins and uncertainty methodology by the national security laboratories, including underlying assumptions of weapons performance and the ability of modeling and simulation tools to predict nuclear explosive package characteristics.

(2) The manner in which that methodology is used to conduct the annual assessments of the nuclear weapons stockpile.

(3) How the use of that methodology compares and contrasts between the national security laboratories.

(4) The process by which conflicts between the national security laboratories in the application of that methodology are resolved.

(5) An assessment of whether the application of the quantification of margins and uncertainty used for annual assessments and certification of the nuclear weapons stockpile can be applied to the planned Reliable Replacement Warhead program so as to carry out the objective of that program to reduce the

likelihood of the resumption of underground testing of nuclear weapons.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date on which the arrangement required by subsection (a) is entered into, the National Research Council shall submit to the Secretary of Energy and the congressional committees specified in paragraph (2), a report on the study that addresses the matters listed in subsection (b) and any other matters considered by the National Research Council to be relevant to the use of the quantification of margins and uncertainty methodology in assessing the current or future nuclear weapons stockpile.

(2) SPECIFIED COMMITTEES.—The congressional committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services of the Senate.

(B) The Committee on Armed Services of the House of Representatives.

(d) PROVISION OF INFORMATION.—The Secretary of Energy shall, in a timely manner, make available to the National Research Council all information that the Na-

tional Research Council considers necessary to carry out its responsibilities under this section.

(e) FUNDING.—Of the amounts made available to the Department of Energy pursuant to the authorization of appropriations in section 3101, $2,000,000 shall be available only for carrying out the study required by this section.

SEC. 3117. CONSOLIDATION OF COUNTERINTELLIGENCE PROGRAMS OF DEPARTMENT OF ENERGY AND NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) TRANSFER OF FUNCTIONS.—The functions, personnel, funds, assets, and other resources of the Office of Defense Nuclear Counterintelligence of the National Nuclear Security Administration are transferred to the Secretary of Energy, to be administered (except to any extent otherwise directed by the Secretary) by the Director of the Office of Counterintelligence of the Department of Energy.

(b) NNSA COUNTERINTELLIGENCE OFFICE ABOLISHED.—

(1) IN GENERAL.—Section 3232 of the National Nuclear Security Administration Act (50 U.S.C. 3232) is amended—

(A) by amending the heading to read as follows:

"SEC. 3232. OFFICE OF DEFENSE NUCLEAR SECURITY.";

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

"(a) ESTABLISHMENT.—There is within the Administration an Office of Defense Nuclear Security, headed by a Chief appointed by the Secretary of Energy. The Administrator shall recommend to the Secretary suitable candidates for such position.";

(C) by striking subsection (b); and

(D) by redesignating subsection (c) as subsection (b).

(2) CONFORMING AMENDMENT.—The table of sections at the beginning of the National Nuclear Security Administration Act is amended by striking the item relating to section 3232 and inserting the following new item:

"Sec. 3232. Office of Defense Nuclear Security.".

(c) COUNTERINTELLIGENCE PROGRAMS AT NNSA FACILITIES.—Section 3233 of the National Nuclear Security Administration Act (50 U.S.C. 2423) is amended—

(1) in each of subsections (a) and (b), by striking "The Administrator shall" and inserting "The Secretary of Energy shall"; and

(2) in subsection (b), by striking "Office of Defense Nuclear Counterintelligence" and inserting "Of-

fice of Counterintelligence of the Department of Energy".

(d) STATUS OF NNSA INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Section 3220 of the National Nuclear Security Administration Act (50 U.S.C. 2410) is amended by adding at the end the following new subsection:

"(e) STATUS OF INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Notwithstanding the restrictions of subsections (a) and (b), each officer or employee of the Administration, or of a contractor of the Administration, who is carrying out activities related to intelligence or counterintelligence shall, in carrying out those activities, be subject to the authority, direction, and control of the Secretary of Energy or the Secretary's delegate.".

(e) SERVICE FROM WHICH DOE INTELLIGENCE DIRECTOR AND COUNTERINTELLIGENCE DIRECTOR APPOINTED.—Section 215(b)(1) (42 U.S.C. 7144b(b)(1)) and section 216(b)(1) (42 U.S.C. 7144c(b)(1)) of the Department of Energy Organization Act are each amended by striking "which shall be a position in the Senior Executive Service" and inserting "who shall be an employee in the Senior Executive Service, the Senior Intelligence Service, the Senior National Intelligence Service, or any other Service that the Secretary, in coordination with the Director of National Intelligence, considers appropriate".

(f) INTELLIGENCE EXECUTIVE COMMITTEE; BUDGET FOR INTELLIGENCE AND COUNTERINTELLIGENCE.—Section 214 of the Department of Energy Organization Act (42 U.S.C. 7144a) is amended—

(1) by inserting "(a)" before "The Secretary shall be responsible"; and

(2) by adding at the end the following:

"(b)(1) There is within the Department an Intelligence Executive Committee. The Committee shall consist of the Deputy Secretary of Energy, who shall chair the Committee, and each Under Secretary of Energy.

"(2) The Committee shall be staffed by the Director of the Office of Intelligence and the Director of the Office of Counterintelligence.

"(3) The Secretary shall use the Committee to assist in developing and promulgating the counterintelligence and intelligence policies, requirements, and priorities of the Department.

"(c) In the budget justification materials submitted to Congress in support of each budget submitted by the President to Congress under title 31, United States Code, the amounts requested for the Department for intelligence functions and the amounts requested for the Department for counterintelligence functions shall each be specified in appropriately classified individual, dedicated program ele-

ments. Within the amounts requested for counterintelligence functions, the amounts requested for the National Nuclear Security Administration shall be specified separately from the amounts requested for other elements of the Department.".

(g) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Inspector General of the Department of Energy shall submit to Congress a report on the implementation of this section and of the amendments required by this section. The report shall include the Inspector General's evaluation of that implementation.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2007, the National Defense Stockpile Manager may obligate up to $52,132,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

(a) FISCAL YEAR 1999 DISPOSAL AUTHORITY.—Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 98d note), as amended by section 3302 of the Ronald W. Reagan National Defense Authorization Act for Year 2005 (Public Law 108–375; 118 Stat. 2193) and section 3302 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3545), is amended—

(1) by striking "and" at the end of paragraph (5); and

(2) by striking the period at the end of paragraph (6) and inserting "; and"; and

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

"(7) $1,365,000,000 by the end of fiscal year 2014.".

(b) FISCAL YEAR 1998 DISPOSAL AUTHORITY.—Section 3305(a)(5) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 50 U.S.C. 98d note), as amended by section 3305 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–

107; 115 Stat. 1390), is amended by striking "2006" and inserting "2008".

(c) FISCAL YEAR 1997 DISPOSAL AUTHORITY.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 50 U.S.C. 98d note), as amended by section 3402(f) of the National Defense Authorization Act for Year 2000 (Public Law 106–65; 113 Stat. 973) and section 3304(c) of the National Defense Authorization Act for 2002 (Public Law 107–107; 115 Stat. 1390), is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following new paragraph (2):

"(2) $720,000,000 during the 12-fiscal year period ending September 30, 2008."; and

(2) in subsection (b)(2), by striking "the 10-fiscal year period" and inserting "the period".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $18,810,000 for fiscal year 2007 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2007.

Funds are hereby authorized to be appropriated for fiscal year 2007, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $138,647,000, of which $19,500,000 shall be available only for paying reimbursement under section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note).

(2) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92–402, $25,740,000.

SEC. 3502. LIMITATION ON TRANSFER OF MARITIME SECURITY FLEET OPERATING AGREEMENTS.

Section 53105(e) of title 46, United States Code, is amended—

(1) by inserting "(1) IN GENERAL.—" before the first sentence;

(2) by moving paragraph (1) (as designated by the amendment made by paragraph (1) of this subsection) so as to appear immediately below the heading for such subsection, and 2 ems to the right; and

(3) by adding at the end the following:

"(2) LIMITATION.—The Secretary of Defense may not approve under paragraph (1) transfer of an operating agreement to a person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), unless the Secretary of Defense determines that there is no person who is a citizen under such section and is interested in obtaining the operating agreement for a vessel that is otherwise eligible to be included in the Fleet under section 53102(b).".

SEC. 3503. APPLICABILITY TO CERTAIN MARITIME ADMINISTRATION VESSELS OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

Section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744) is amended by inserting after subsection (c) the following:

"(d) APPLICABILITY OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE IN FOREIGN SHIPYARDS.—

"(1) APPLICATION OF LIMITATION.—The provisions of section 7310 of title 10, United States Code, shall apply to vessels specified in subsection (b), and to the Secretary of Transportation with respect to those vessels, in the same manner as those provisions apply to vessels specified in subsection (b) of such section, and to the Secretary of the Navy, respectively.

"(2) COVERED VESSELS.—Vessels specified in this paragraph are vessels maintained by the Secretary of Transportation in support of the Department of Defense, including any vessel assigned by the Secretary of Transportation to the Ready Reserve Force that is owned by the United States.".

SEC. 3504. VESSEL TRANSFER AUTHORITY.

The Secretary of Transportation may transfer or otherwise make available without reimbursement to any other department a vessel under the jurisdiction of the Department of Transportation, upon request by the Secretary of the department that receives the vessel.

SEC. 3505. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: ALTERNATE SERVICE REQUIREMENTS.

(a) SERVICE ON ACTIVE DUTY.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended by adding at the end the following:

"(6)(A) An individual who for the 5-year period following graduation from the Academy, serves as a commissioned officer on active duty in an armed force of the United States or as a commissioned officer in the National Oceanic and Atmospheric Administration shall be excused from the requirements of subparagraphs (C), (D), and (E) of paragraph (1).

"(B) The Secretary may modify or waive any of the terms and conditions set forth in paragraph (1) through the imposition of alternative service requirements.".

(b) APPLICATION.—Paragraph (6) of section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)), as added by this subsection, applies only to an individual who enrolls as a cadet at the United States Merchant Marine Academy, and signs an agreement under section paragraph (1) of that section, after the date of the enactment of this Act.

SEC. 3506. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: SERVICE OBLIGATION PERFORMANCE REPORTING REQUIREMENT.

(a) IN GENERAL.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is further amended by adding at the end the following:

"(7)(A) Subject to any otherwise applicable restrictions on disclosure in section 552a of title 5, United States Code, the Secretary of Defense or the Secretary of the department in which the Coast Guard is operating, and the Administrator of the National Oceanic and Atmospheric Administration—

"(i) shall report the status of obligated service of an individual graduate of the Academy upon request of the Secretary; and

"(ii) may, in their discretion, notify the Secretary of any failure of the graduate to perform the graduate's duties, either on active duty or in the Ready Reserve component of their respective service, or as a commissioned officer of the National Oceanic and Atmospheric Administration, respectively.

"(B) A report or notice under subparagraph (A) shall identify any graduate determined to have failed to comply with service obligation requirements and provide all re-

quired information as to why such graduate failed to comply.

"(C) Upon receipt of such a report or notice, such graduate may be considered to be in default of the graduate's service obligations by the Secretary, and subject to all remedies the Secretary may have with respect to such a default.".

(b) APPLICATION.—The amendment made by this section does not apply with respect to an agreement entered into under section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. 1295b(e)) before the date of the enactment of this Act.

SEC. 3507. TEMPORARY AUTHORITY TO TRANSFER OBSOLETE COMBATANT VESSELS TO NAVY FOR DISPOSAL.

The Secretary of Transportation shall, subject to the availability of appropriations and consistent with section 1535 of title 31, United States Code, popularly known as the Economy Act, transfer to the Secretary of the Navy during fiscal year 2006 for disposal by the Navy, no fewer than 6 combatant vessels in the nonretention fleet of the Maritime Administration that are acceptable to the Secretary of the Navy.

SEC. 3508. TEMPORARY REQUIREMENT TO MAINTAIN READY RESERVE FORCE.

(a) REPORT TO CONGRESS.—The Secretary of Defense, in consultation with the Secretary of Transportation, shall submit to Congress by not later than March 1, 2007, a report describing a five-year plan for maintaining the capability of the Ready Reserve Force of the National Defense Reserve Fleet necessary to support Department of Defense wartime missions and support to civil authority missions.

(b) REQUIREMENT TO MAINTAIN THE READY RESERVE FORCE AT CURRENT STRENGTH.—The Secretary of Transportation shall maintain 58 vessels in the Ready Reserve Force of the National Defense Reserve Fleet until the end of the 45-day period beginning on the date the report required under subsection (a) is submitted to Congress.

Amend the title so as to read: ''A bill to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.''.

Union Calendar No. 253

109TH CONGRESS
2D SESSION

H. R. 5122

[Report No. 109–452]

A BILL

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

MAY 5, 2006

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed