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104TH CONGRESS
2D SESSION

S. 1762

AN ACT

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Department of Defense Authorization Act for Fiscal Year 1997''.

1 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health program.
Sec. 109. Defense Nuclear Agency.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement of Javelin missile system.
Sec. 112. Army assistance for Chemical Demilitarization Citizens' Advisory Commissions.
Sec. 113. Study regarding neutralization of the chemical weapons stockpile.
Sec. 114. Permanent authority to carry out arms initiative.
Sec. 115. Type classification of Electro Optic Augmentation (EOA) system.
Sec. 116. Bradley TOW 2 Test Program sets.
Sec. 117. Demilitarization of assembled chemical munitions.

Subtitle C—Navy Programs

Sec. 121. EA–6B aircraft reactive jammer program.
Sec. 122. Penguin missile program.
Sec. 123. Nuclear attack submarine programs.
Sec. 124. Arleigh Burke class destroyer program.
Sec. 125. Maritime prepositioning ship program enhancement.
Sec. 126. Additional exception from cost limitation for Seawolf submarine program.
Sec. 127. Radar modernization.

Subtitle D—Air Force Programs

Sec. 131. Multiyear contracting authority for the C–17 aircraft program.

Subtitle E—Reserve Components

Sec. 141. Assessments of modernization priorities of the reserve components.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.

Sec. 203. Defense Nuclear Agency.
Sec. 204. Funds for research, development, test, and evaluation relating to humanitarian demining technologies.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Department of Defense Space Architect.
Sec. 213. Space-based infrared system program.
Sec. 214. Research for advanced submarine technology.
Sec. 215. Clementine 2 micro-satellite development program.
Sec. 216. Tier III minus unmanned aerial vehicle.
Sec. 217. Defense airborne reconnaissance program.
Sec. 218. Cost analysis of F–22 aircraft program.
Sec. 219. F–22 aircraft program reports.
Sec. 220. Nonlethal weapons and technologies programs.
Sec. 221. Counterproliferation support program.
Sec. 222. Federally funded research and development centers and university-affiliated research centers.
Sec. 223. Advanced submarine technologies.
Sec. 224. Funding for basic research in nuclear seismic monitoring.
Sec. 225. Cyclone class craft self-defense.
Sec. 226. Computer-assisted education and training.
Sec. 227. Seamless High Off-Chip Connectivity.
Sec. 228. Cost-benefit analysis of F/A–18E/F aircraft program.
Sec. 229. National Polar-Orbiting Operational Environmental Satellite System.
Sec. 230. Surgical strike vehicle for use against hardened and deeply buried targets.

Subtitle C—Ballistic Missile Defense

Sec. 231. Conversion of ABM treaty to multilateral treaty.
Sec. 232. Funding for upper tier theater missile defense systems.
Sec. 233. Elimination of requirements for certain items to be included in the annual report on the ballistic missile defense program.
Sec. 234. ABM treaty defined.
Sec. 235. Scorpius space launch technology program.
Sec. 236. Corps SAM/MEADS program.
Sec. 237. Annual report on threat of attack by ballistic missiles carrying nuclear, chemical, or biological warheads.
Sec. 238. Air Force national missile defense plan.
Sec. 239. Extension of prohibition on use of funds to implement an international agreement concerning theater missile defense systems.

Subtitle D—Other Matters

Sec. 241. Live-fire survivability testing of F–22 aircraft.
Sec. 242. Live-fire survivability testing of V–22 aircraft.
Sec. 243. Amendment to University Research Initiative Support Program.
Sec. 244. Desalting technologies.

Subtitle E—National Oceanographic Partnership

Sec. 251. Short title.
Sec. 252. National Oceanographic Partnership Program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Defense Nuclear Agency.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Civil Air Patrol.
Sec. 306. SR–71 contingency reconnaissance force.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Funding for second and third maritime prepositioning ships out of National Defense Sealift Fund.
Sec. 312. National Defense Sealift Fund.
Sec. 313. Nonlethal weapons capabilities.
Sec. 314. Restriction on Coast Guard funding.
Sec. 315. Oceanographic ship operations and data analysis.

Subtitle C—Depot-Level Activities

Sec. 321. Department of Defense performance of core logistics functions.
Sec. 322. Increase in percentage limitation on contractor performance of depot-level maintenance and repair workloads.
Sec. 323. Report on depot-level maintenance and repair.
Sec. 324. Depot-level maintenance and repair workload defined.
Sec. 325. Strategic plan relating to depot-level maintenance and repair.
Sec. 326. Annual report on competitive procedures.
Sec. 327. Annual risk assessments regarding private performance of depot-level maintenance work.
Sec. 328. Extension of authority for naval shipyards and aviation depots to engage in defense-related production and services.
Sec. 329. Limitation on use of funds for F–18 aircraft depot maintenance.
Sec. 330. Depot maintenance and repair at facilities closed by BRAC.

Subtitle D—Environmental Provisions

Sec. 341. Establishment of separate environmental restoration accounts for each military department.
Sec. 342. Defense contractors covered by requirement for reports on contractor reimbursement costs for response actions.
Sec. 343. Repeal of redundant notification and consultation requirements regarding remedial investigations and feasibility studies at certain installations to be closed under the base closure laws.
Sec. 344. Payment of certain stipulated civil penalties.
Sec. 345. Authority to withhold listing of Federal facilities on National Priorities List.
Sec. 346. Authority to transfer contaminated Federal property before completion of required remedial actions.
Sec. 347. Clarification of meaning of uncontaminated property for purposes of transfer by the United States.
Sec. 348. Shipboard solid waste control.
Sec. 349. Cooperative agreements for the management of cultural resources on military installations.

Sec. 350. Report on withdrawal of public lands at El Centro Naval Air Facility, California.
Sec. 351. Use of hunting and fishing permit fees collected at closed military reservations.
Sec. 352. Authority for agreements with Indian tribes for services under Environmental Restoration Program.

Subtitle E—Other Matters

Sec. 361. Firefighting and security-guard functions at facilities leased by the Government.
Sec. 362. Authorized use of recruiting funds.
Sec. 363. Noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 364. Administration of midshipmen's store and other Naval Academy support activities as nonappropriated fund instrumentalities.
Sec. 365. Assistance to committees involved in inauguration of the President.
Sec. 366. Department of Defense support for sporting events.
Sec. 367. Renovation of building for Defense Finance and Accounting Service Center, Fort Benjamin Harrison, Indiana.
Sec. 368. Computer Emergency Response Team at Software Engineering Institute.
Sec. 369. Reimbursement under agreement for instruction of civilian students at Foreign Language Institute of the Defense Language Institute.
Sec. 370. Authority of Air National Guard to provide certain services at Lincoln Municipal Airport, Lincoln Nebraska.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Temporary flexibility relating to permanent end strength levels.
Sec. 403. Authorized strengths for commissioned officers in grades O–4, O–5, and O–6.
Sec. 404. Extension of requirement for recommendations regarding appointments to joint 4-star officer positions.
Sec. 405. Increase in authorized number of general officers on active duty in the Marine Corps.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. Personnel management relating to assignment to service in the Selective Service System.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Extension of authority for temporary promotions for certain Navy lieutenants with critical skills.

Sec. 502. Exception to baccalaureate degree requirement for appointment in the Naval Reserve in grades above O–2.
Sec. 503. Time for award of degrees by unaccredited educational institutions for graduates to be considered educationally qualified for appointment as Reserve officers in grade O–3.
Sec. 504. Chief Warrant Officer promotions.
Sec. 505. Frequency of periodic report on promotion rates of officers currently or formerly serving in joint duty assignments.
Sec. 506. Grade of Chief of Naval Research.
Sec. 507. Service credit for senior ROTC cadets and midshipmen in simultaneous membership program.

Subtitle B—Matters Relating to Reserve Components

Sec. 511. Clarification of definition of active status.
Sec. 512. Amendments to Reserve Officer Personnel Management Act provisions.
Sec. 513. Repeal of requirement for physical examinations of members of National Guard called into Federal service.
Sec. 514. Authority for a Reserve on active duty to waive retirement sanctuary.
Sec. 515. Retirement of Reserves disabled by injury or disease incurred or aggravated during overnight stay between inactive duty training periods.
Sec. 516. Reserve credit for participation in the Health Professions Scholarship and Financial Assistance Program.
Sec. 517. Report on Guard and Reserve force structure.
Sec. 518. Modified end strength authorization for military technicians for the Air National Guard for fiscal year 1997.

Subtitle C—Officer Education Programs

Sec. 521. Increased age limit on appointment as a cadet or midshipman in the Senior Reserve Officers' Training Corps and the service academies.
Sec. 522. Demonstration project for instruction and support of Army ROTC units by members of the Army Reserve and National Guard.
Sec. 523. Prohibition on reorganization of Army ROTC Cadet Command of termination of Senior ROTC units pending report on ROTC.

Subtitle D—Other Matters

Sec. 531. Retirement at grade to which selected for promotion when a physical disability is found at any physical examination.
Sec. 532. Limitations on recall of retired members to active duty.
Sec. 533. Disability coverage for officers granted excess leave for educational purposes.
Sec. 534. Uniform policy regarding retention of members who are permanently nonworldwide assignable.
Sec. 535. Authority to extend period for enlistment in regular component under the delayed entry program.
Sec. 536. Career service reenlistments for members with at least 10 years of service.
Sec. 537. Revisions to missing persons authorities.
Sec. 538. Inapplicability of Soldiers' and Sailors' Civil Relief Act of 1940 to the period of limitations for filing claims for corrections of military records.

Sec. 539. Medal of Honor for certain African-American soldiers who served in World War II.
Sec. 540. Chief and assistant chief of Army Nurse Corps.
Sec. 541. Chief and assistant chief of Air Force Nurse Corps.
Sec. 542. Waiver of time limitations for award of certain decorations to specified persons.
Sec. 543. Military Personnel Stalking Punishment and Prevention Act of 1996.

Subtitle E—Commissioned Corps of the Public Health Service

Sec. 561. Applicability to Public Health Service of prohibition on crediting cadet or midshipmen service at the service academies.
Sec. 562. Exception to grade limitations for Public Health Service officers assigned to the Department of Defense.

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

Sec. 571. Authority to expand law enforcement placement program to include firefighters.
Sec. 572. Troops-to-teachers program improvements.

Subtitle G—Armed Forces Retirement Home

Sec. 581. References to Armed Forces Retirement Home Act of 1991.
Sec. 582. Acceptance of uncompensated services.
Sec. 583. Disposal of real property.
Sec. 584. Matters concerning personnel.
Sec. 585. Fees for residents.
Sec. 586. Authorization of appropriations.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1997.
Sec. 602. Rate of cadet and midshipman pay.
Sec. 603. Pay of senior noncommissioned officers while hospitalized.
Sec. 604. Basic allowance for quarters for members assigned to sea duty.
Sec. 605. Uniform applicability of discretion to deny an election not to occupy Government quarters.
Sec. 606. Family separation allowance for members separated by military orders from spouses who are members.
Sec. 607. Waiver of time limitations for claim for pay and allowances.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Increased special pay for dental officers of the Armed Forces.
Sec. 615. Retention special pay for Public Health Service optometrists.
Sec. 616. Special pay for nonphysician health care providers in the Public Health Service.

Sec. 617. Foreign language proficiency pay for Public Health Service and National Oceanic and Atmospheric Administration officers.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Round trip travel allowances for shipping motor vehicles at Government expense.
Sec. 622. Option to store instead of transport a privately owned vehicle at the expense of the United States.
Sec. 623. Deferral of travel with travel and transportation allowances in connection with leave between consecutive overseas tours.
Sec. 624. Funding for transportation of household effects of Public Health Service officers.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Sec. 631. Effective date for military retiree cost-of-living adjustment for fiscal year 1998.
Sec. 632. Allotment of retired or retainer pay.
Sec. 633. Cost-of-living increases in SBP contributions to be effective concurrently with payment of related retired pay cost-of-living increases.
Sec. 634. Annuities for certain military surviving spouses.
Sec. 635. Adjusted annual income limitation applicable to eligibility for income supplement for certain widows of members of the uniformed services.
Sec. 636. Prevention of circumvention of court order by waiver of retired pay to enhance civil service retirement annuity.

Subtitle E—Other Matters

Sec. 641. Reimbursement for adoption expenses incurred in adoptions through private placements.
Sec. 642. Waiver of recoupment of amounts withheld for tax purposes from certain separation pay received by involuntarily separated members and former members of the Armed Forces.
Sec. 643. Payment to Vietnamese commandos captured and interned by North Vietnam.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—General

Sec. 701. Implementation of requirement for Selected Reserve dental insurance plan.
Sec. 702. Dental insurance plan for military retirees and certain dependents.
Sec. 703. Uniform composite health care system software.
Sec. 704. Enhancement of third-party collection and secondary payer authorities under CHAMPUS.
Sec. 705. Codification of authority to credit CHAMPUS collections to program accounts.
Sec. 706. Comptroller General review of health care activities of the Department of Defense relating to Persian Gulf illnesses.
Sec. 707. Restoration of previous policy regarding restrictions on use of Department of Defense Medical Facilities.
Sec. 708. Plans for medicare subvention demonstration programs.

Sec. 709. Research and benefits relating to Gulf War service.
Sec. 710. Preventive health care screening for colon and prostate cancer.

Subtitle B—Uniformed Services Treatment Facilities

Sec. 721. Definitions.
Sec. 722. Inclusion of designated providers in uniformed services health care delivery system.
Sec. 723. Provision of uniform benefit by designated providers.
Sec. 724. Enrollment of covered beneficiaries.
Sec. 725. Application of CHAMPUS payment rules.
Sec. 726. Payments for services.
Sec. 727. Repeal of superseded authorities.

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

Sec. 801. Procurement technical assistance programs.
Sec. 802. Extension of pilot mentor-protege program.
Sec. 803. Modification of authority to carry out certain prototype projects.
Sec. 804. Revisions to the program for the assessment of the national defense technology and industrial base.
Sec. 805. Procurements to be made from small arms industrial base firms.
Sec. 806. Exception to prohibition on procurement of foreign goods.
Sec. 807. Treatment of Department of Defense cable television franchise agreements.
Sec. 808. Remedies for reprisals against contractor employee whistleblowers.
Sec. 809. Implementation of information technology management reform.
Sec. 810. Research under transactions other than contracts and grants.
Sec. 811. Reporting requirement under demonstration project for purchase of fire, security, police, public works, and utility services from local Government agencies.
Sec. 812. Test programs for modernization-through-spares.
Sec. 813. Pilot program for transfer of defense technology information to private industry.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—General Matters

Sec. 901. Repeal of reorganization of Office of Secretary of Defense.
Sec. 902. Codification of requirements relating to continued operation of the Uniformed Services University of the Health Sciences.
Sec. 903. Codification of requirement for United States Army Reserve Command.
Sec. 904. Transfer of authority to control transportation systems in time of war.
Sec. 905. Redesignation of Office of Naval Records and History Fund and correction of related references.
Sec. 906. Role of Director of Central Intelligence in appointment and evaluation of certain intelligence officials.
Sec. 907. Matters to be considered in next assessment of current missions, responsibilities, and force structure of the unified combatant commands.
Sec. 908. Actions to limit adverse effects of establishment of National Missile Defense Joint Program Office on private sector employment.

Subtitle B—National Imagery and Mapping Agency

Sec. 911. Short title.
Sec. 912. Findings.

PART I—ESTABLISHMENT

Sec. 921. Establishment, missions, and authority.
Sec. 922. Transfers.
Sec. 923. Compatibility with authority under the National Security Act of 1947.
Sec. 924. Other personnel management authorities.
Sec. 925. Creditable civilian service for career conditional employees of the Defense Mapping Agency.
Sec. 926. Saving provisions.
Sec. 927. Definitions.
Sec. 928. Authorization of appropriations.

PART II—CONFORMING AMENDMENTS AND EFFECTIVE DATES

Sec. 931. Redesignation and repeals.
Sec. 932. References.
Sec. 933. Headings and clerical amendments.
Sec. 934. Effective dates.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Authority for obligation of certain unauthorized fiscal year 1996 defense appropriations.
Sec. 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1996.
Sec. 1004. Use of funds transferred to the Coast Guard.
Sec. 1005. Use of military-to-military contacts funds for professional military education and training.
Sec. 1006. Payment of certain expenses relating to humanitarian and civic assistance.
Sec. 1007. Reimbursement of Department of Defense for costs of disaster assistance provided outside the United States.
Sec. 1008. Fisher House Trust Fund for the Navy.
Sec. 1009. Designation and liability of disbursing and certifying officials for the Coast Guard.
Sec. 1010. Authority to suspend or terminate collection actions against deceased members of the Coast Guard.
Sec. 1011. Check cashing and exchange transactions with credit unions outside the United States.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Authority to transfer naval vessels.
Sec. 1022. Transfer of certain obsolete tugboats of the Navy.
Sec. 1023. Repeal of requirement for continuous applicability of contracts for phased maintenance of AE class ships.
Sec. 1024. Contract options for LMSR vessels.
Sec. 1025. Sense of the Senate concerning USS LCS 102 (LSSL 102).

Subtitle C—Counter-Drug Activities

Sec. 1031. Authority to provide additional support for counter-drug activities of Mexico.
Sec. 1032. Limitation on defense funding of the National Drug Intelligence Center.
Sec. 1033. Investigation of the National Drug Intelligence Center.

Subtitle D—Matters Relating to Foreign Countries

Sec. 1041. Agreements for exchange of defense personnel between the United States and foreign countries.
Sec. 1042. Authority for reciprocal exchange of personnel between the United States and foreign countries for flight training.
Sec. 1043. Extension of counterproliferation authorities.
Sec. 1044. Prohibition on collection and release of detailed satellite imagery relating to Israel and other countries and areas.
Sec. 1045. Defense burdensharing.
Sec. 1046. Sense of the Senate concerning export controls.
Sec. 1047. Report on NATO enlargement.

Subtitle E—Miscellaneous Reporting Requirements

Sec. 1051. Annual report on emerging operational concepts.
Sec. 1052. Annual joint warfighting science and technology plan.
Sec. 1053. Report on military readiness requirements of the Armed Forces.
Sec. 1054. Annual report of reserve forces policy board.
Sec. 1055. Information on proposed funding for the Guard and Reserve components in future-years Defense programs.
Sec. 1056. Report on facilities used for testing launch vehicle engines.

Subtitle F—Other Matters

Sec. 1061. Uniform Code of Military Justice amendments.
Sec. 1062. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1063. Correction of references to Department of Defense organizations.
Sec. 1064. Authority of certain members of the Armed Forces to perform notarial or consular acts.
Sec. 1065. Training of members of the uniformed services at non-Government facilities.
Sec. 1066. Third-party liability to United States for tortious infliction of injury or disease on members of the uniformed services.
Sec. 1067. Display of State flags at installations and facilities of the Department of Defense.
Sec. 1068. George C. Marshall European Center for Strategic Security Studies.
Sec. 1069. Authority to award to civilian participants in the defense of Pearl Harbor the Congressional medal previously authorized only for military participants in the defense of Pearl Harbor.
Sec. 1070. Michael O'Callaghan Federal Hospital, Las Vegas, Nevada.
Sec. 1071. Naming of building at the Uniformed Services University of the Health Sciences.
Sec. 1072. Sense of the Senate regarding the United States-Japan semiconductor trade agreement.
Sec. 1073. Food donation pilot program at the service academies.
Sec. 1074. Designation of memorial as National D–Day Memorial.
Sec. 1075. Improvements to National Security Education Program.

Sec. 1076. Reimbursement for excessive compensation of contractor personnel prohibited.
Sec. 1077. Sense of the Senate on Department of Defense sharing of experiences under military youth programs.
Sec. 1078. Sense of the Senate on Department of Defense sharing of experiences with military child care.
Sec. 1079. Increase in penalties for certain traffic offenses on military installations.
Sec. 1080. Pharmaceutical industry special equity.
Sec. 1081. Clarification of national security systems to which the Information Technology Management Reform Act of 1996 applies.
Sec. 1082. Sale of chemicals used to namufacture controlled substances by Federal departments or agencies.
Sec. 1083. Operational support airlift aircraft.
Sec. 1084. Sense of Senate regarding Bosnia and Herzegovina.
Sec. 1085. Strengthening certain sanctions against nuclear proliferation activities.
Sec. 1086. Technical amendment.
Sec. 1087. Facility for military dependent children with disabilities, Lackland Air Force Base, Texas.
Sec. 1088. Prohibition on the distribution of information relating to explosive materials for a criminal purpose.
Sec. 1089. Exemption for savings institutions serving military personnel.

Subtitle G—Review of Armed Forces Force Structures

Sec. 1091. Short title.
Sec. 1092. Findings.
Sec. 1093. Quadrennial Defense Review
Sec. 1094. National Defense Panel.
Sec. 1095. Postponement of deadlines.
Sec. 1096. Definitions.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Personnel Management, Pay, and Allowances

Sec. 1101. Scope of requirement for conversion of military positions to civilian positions.
Sec. 1102. Retention of civilian employee positions at military training bases transferred to National Guard.
Sec. 1103. Clarification of limitation on furnishing clothing or paying a uniform allowance to enlisted National Guard technicians.
Sec. 1104. Travel expenses and health care for civilian employees of the Department of Defense abroad.
Sec. 1105. Travel, transportation, and relocation allowances for certain former nonappropriated fund employees.
Sec. 1106. Employment and salary practices applicable to Department of Defense overseas teachers.
Sec. 1107. Employment and compensation of civilian faculty members at certain Department of Defense schools.
Sec. 1108. Reimbursement of Department of Defense domestic dependent school board members for certain expenses.
Sec. 1109. Extension of authority for civilian employees of Department of Defense to participate voluntarily in reductions in force.

Sec. 1110. Compensatory time off for overtime work performed by wage-board employees.
Sec. 1111. Liquidation of restored annual leave that remains unused upon transfer of employee from installation being closed or realigned.
Sec. 1112. Waiver of requirement for repayment of voluntary separation incentive pay by former Department of Defense employees reemployed by the Government without pay.
Sec. 1113. Federal holiday observance rules for Department of Defense employees.
Sec. 1114. Revision of certain travel management authorities.

Subtitle B—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

Sec. 1121. Pilot programs for defense employees converted to contractor employees due to privatization at closed military installations.
Sec. 1122. Troops-to-teachers program improvements applied to civilian personnel.

Subtitle C—Defense Intelligence Personnel

Sec. 1131. Short title.
Sec. 1132. Civilian intelligence personnel management.
Sec. 1133. Repeals.
Sec. 1134. Clerical amendments.

TITLE XII—FEDERAL CHARTER FOR THE FLEET RESERVE ASSOCIATION

Sec. 1201. Recognition and grant of Federal charter.
Sec. 1202. Powers.
Sec. 1203. Purposes.
Sec. 1204. Service of process.
Sec. 1205. Membership.
Sec. 1206. Board of directors.
Sec. 1207. Officers.
Sec. 1208. Restrictions.
Sec. 1209. Liability.
Sec. 1210. Maintenance and inspection of books and records.
Sec. 1211. Audit of financial transactions.
Sec. 1212. Annual report.
Sec. 1213. Reservation of right to amend or repeal charter.
Sec. 1214. Tax-exempt status.
Sec. 1215. Termination.
Sec. 1216. Definition.

TITLE XIII—DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

Sec. 1301. Short title.
Sec. 1302. Findings.
Sec. 1303. Definitions.

Subtitle A—Domestic Preparedness

Sec. 1311. Emergency response assistance program.
Sec. 1312. Nuclear, chemical, and biological emergency response.

Sec. 1313. Military assistance to civilian law enforcement officials in emergency situations involving biological or chemical weapons.
Sec. 1314. Testing of preparedness for emergencies involving nuclear, radiological, chemical, and biological weapons.

Subtitle B—Interdiction of Weapons of Mass Destruction and Related Materials

Sec. 1321. United States border security.
Sec. 1322. Nonproliferation and counter-proliferation research and development.
Sec. 1323. International Emergency Economic Powers Act.
Sec. 1324. Criminal penalties.
Sec. 1325. International border security.

Subtitle C—Control and Disposition of Weapons of Mass Destruction and Related Materials Threatening the United States

Sec. 1331. Protection and control of materials constituting a threat to the United States.
Sec. 1332. Verification of dismantlement and conversion of weapons and materials.
Sec. 1333. Elimination of plutonium production.
Sec. 1334. Industrial partnership programs to demilitarize weapons of mass destruction production facilities.
Sec. 1335. Lab-to-lab program to improve the safety and security of nuclear materials.
Sec. 1336. Cooperative activities on security of highly enriched uranium used for propulsion of Russian ships.
Sec. 1337. Military-to-military relations.
Sec. 1338. Transfer authority.

Subtitle D—Coordination of Policy and Countermeasures Against Proliferation of Weapons of Mass Destruction

Sec. 1341. National coordinator on nonproliferation.
Sec. 1342. National Security Council Committee on Nonproliferation.
Sec. 1343. Comprehensive preparedness program.
Sec. 1344. Termination.

Subtitle E—Miscellaneous

Sec. 1351. Contracting policy.
Sec. 1352. Transfers of allocations among cooperative threat reduction programs.
Sec. 1353. Additional certifications.
Sec. 1354. Purchase of low-enriched uranium derived from Russian highly enriched uranium.
Sec. 1355. Purchase, packaging, and transportation of fissile materials at risk of theft.
Sec. 1356. Reductions in authorization of appropriations.

TITLE XIV—FEDERAL EMPLOYEE TRAVEL REFORM

Sec. 1401. Short title.

Subtitle A—Relocation Benefits

Sec. 1411. Modification of allowance for seeking permanent residence quarters.
Sec. 1412. Modification of temporary quarters subsistence expenses allowance.
Sec. 1413. Modification of residence transaction expenses allowance.
Sec. 1414. Authority to pay for property management services.
Sec. 1415. Authority to transport a privately owned motor vehicle within the continental United States
Sec. 1416. Authority to pay limited relocation allowances to an employee who is performing an extended assignment.
Sec. 1417. Authority to pay a home marketing incentive.
Sec. 1418. Conforming amendments.

Subtitle B—Miscellaneous Provisions

Sec. 1431. Repeal of the long-distance telephone call certification requirement.
Sec. 1432. Transfer of authority to issue regulations.
Sec. 1433. Report on assessment of cost savings.
Sec. 1434. Effective date; issuance of regulations.

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Army as follows:

(1) For aircraft, $1,508,515,000.

(2) For missiles, $1,160,829,000.

(3) For weapons and tracked combat vehicles, $1,460,115,000.

(4) For ammunition, $1,156,728,000.

(5) For other procurement, $3,298,940,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Navy as follows:

(1) For aircraft, $6,911,352,000.

(2) For weapons, including missiles and torpedoes, $1,513,263,000.

(3) For shipbuilding and conversion, $6,567,330,000.

(4) For other procurement, $3,005,040,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Marine Corps in the amount of $816,107,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Air Force as follows:

(1) For aircraft, $7,003,528,000.

(2) For missiles, $2,847,177,000.

(3) For other procurement, $5,889,519,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1997 for Defense-wide procurement in the amount of $1,908,012,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $224,000,000.

(2) For the Air National Guard, $305,800,000.

(3) For the Army Reserve, $90,000,000.

(4) For the Naval Reserve, $40,000,000.

(5) For the Air Force Reserve, $40,000,000.

(6) For the Marine Corps Reserve, $60,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1997 the amount of $802,847,000 for—

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

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

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $269,470,000.

SEC. 109. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 104, $7,900,000 shall be available for the Defense Nuclear Agency.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT OF JAVELIN MISSILE SYSTEM.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for the procurement of the Javelin missile system.

SEC. 112. ARMY ASSISTANCE FOR CHEMICAL DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONS.

Subsections (b) and (f) of section 172 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2341; 50 U.S.C. 1521 note) are each amended by striking out ''Assistant Secretary of the Army (Installations, Logistics and Environment)'' and in-

serting in lieu thereof "Assistant Secretary of the Army (Research, Development and Acquisition)".

SEC. 113. STUDY REGARDING NEUTRALIZATION OF THE CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—The Secretary of Defense shall conduct a study to determine the cost of incineration of the current chemical munitions stockpile by building incinerators at each existing facility compared to the proposed cost of dismantling those same munitions, neutralizing them at each storage site and transporting the neutralized remains and all munitions parts to a centrally located incinerator within the United States for incineration.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the study carried out under subsection (a).

SEC. 114. PERMANENT AUTHORITY TO CARRY OUT ARMS INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Initiative Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1996", and inserting in lieu thereof "During fiscal years 1993 through 1998".

SEC. 115. TYPE CLASSIFICATION OF ELECTRO OPTIC AUGMENTATION (EOA) SYSTEM.

(a) REQUIREMENT.—The Secretary of the Army shall type classify the Electro Optic Augmentation (EOA) system.

(b) FUNDING.—Of the amounts authorized to be appropriated for the Army by this division, $100,000 shall made be available to the Armored Systems Modernization Program manager for the type classification required by subsection (a).

SEC. 116. BRADLEY TOW 2 TEST PROGRAM SETS.

Of the funds authorized to be appropriated under section 101(3) of the National Defense Authorization Act for Fiscal Year 1996 (110 Stat. 204), $6,000,000 is available for the procurement of Bradley TOW 2 Test Program sets.

SEC. 117. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) PILOT PROGRAM.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) PROGRAM REQUIREMENTS.—(1) The Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or

immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) ANNUAL REPORT.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) EVALUATION AND REPORT.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is as safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) LIMITATION ON LONG LEAD CONTRACTING.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), the Secretary may not enter

into any contract for the purchase of long lead materials considered to be baseline incineration specific materials for the construction of an incinerator at any site in Kentucky or Colorado, within one year of the date of enactment of this Act or, thereafter until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky or the law of the State of Colorado, as the case may be, for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(2) *Provided, however,* That the Secretary may enter into a contract described in paragraph (1) beginning 60 days after the date on which the Secretary submits to Congress—

(A) the report required by subsection (d)(2); and

(B) the certification of the executive agent that there exists no alternative technology as safe and cost efficient as incineration for demilitarizing chemical munitions at non-bulk sites that can meet the requirements of section 1412 of the Department of Defense Authorization Act, 1986.

(f) ASSEMBLED CHEMICAL MUNITION DEFINED.—For the purpose of this section, the term ''assembled

chemical munition'' means an entire chemical munition, including component parts, chemical agent, propellant, and explosive.

(g) FUNDING.—(1) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section. Such funds may not be derived from funds to be made available under the chemical demilitarization program for the alternative technologies research and development program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

Subtitle C—Navy Programs

SEC. 121. EA–6B AIRCRAFT REACTIVE JAMMER PROGRAM.

(a) LIMITATION.—None of the funds appropriated pursuant to section 102(a)(1) for modifications or upgrades of EA–6B aircraft may be obligated, other than for a reactive jammer program for such aircraft, until 30 days after the date on which the Secretary of the Navy submits to the congressional defense committees in writing—

(1) a certification that some or all of such funds have been obligated for a reactive jammer program for EA–6B aircraft; and

(2) a report that sets forth a detailed, well-defined program for—

(A) developing a reactive jamming capability for EA–6B aircraft; and

(B) upgrading the EA–6B aircraft of the Navy to incorporate the reactive jamming capability.

(b) CONTINGENT TRANSFER OF FUNDS TO AIR FORCE.—(1) If the Secretary of the Navy has not submitted the certification and report described in subsection (a) to the congressional defense committees before June 1, 1997, then, on that date, the Secretary of Defense shall transfer to Air Force, out of appropriations available to the Navy for fiscal year 1997 for procurement of aircraft, the amount equal to the amount appropriated to the Navy for fiscal year 1997 for modifications and upgrades of EA–6B aircraft.

(2) Funds transferred to the Air Force pursuant to paragraph (1) shall be available for maintaining and upgrading the jamming capability of EF–111 aircraft.

SEC. 122. PENGUIN MISSILE PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into multiyear

procurement contracts for the procurement of not more than 106 Penguin missile systems.

(b) LIMITATION ON TOTAL COST.—The total amount obligated or expended for procurement of Penguin missile systems under contracts under subsection (a) may not exceed $84,800,000.

SEC. 123. NUCLEAR ATTACK SUBMARINE PROGRAMS.

(a) AMOUNTS AUTHORIZED.—(1) Of the amount authorized to be appropriated by section 102(a)(3)—

(A) $804,100,000 shall be available for construction of the third vessel (designated SSN–23) in the Seawolf attack submarine class;

(B) $296,200,000 shall be available for long-lead and advance construction and procurement of components for construction of a submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1998 to be built by Electric Boat Division; and

(C) $701,000,000 shall be available for long-lead and advance construction and procurement of components for construction of a second submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1999 to be built by Newport News Shipbuilding.

(2) In addition to the purposes for which the amount authorized to be appropriated by section 102(a)(3) is available under subparagraphs (B) and (C) of paragraph (1), the amounts available under such subparagraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the ''Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine'', dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, and updated design base.

(b) CONTRACTS AUTHORIZED.—(1) The Secretary of the Navy is authorized, using funds available pursuant to subparagraphs (B) and (C) of subsection (a)(1), to enter into contracts with Electric Boat Division and Newport News Shipbuilding, and suppliers of components, during fiscal year 1997 for—

(A) the procurement of long-lead components for the submarines referred to in such subparagraphs; and

(B) advance construction of such components and other components for such submarines.

(2) The Secretary of the Navy may enter into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(B) only if the Secretary enters into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(C).

(c) COMPETITION AND LIMITATIONS ON OBLIGATIONS.—(1)(A) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Secretary of Defense certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that procurement of nuclear attack submarines described in subparagraph (B) will be provided for under one or more contracts that are entered into after a competition between Electric Boat Division and Newport News Shipbuilding in which the Secretary of the Navy solicits competitive proposals and awards the contract or contracts on the basis of price.

(B) The submarines referred to in subparagraph (A) are nuclear attack submarines that are to be constructed beginning—

(i) after fiscal year 1999; or

(ii) if four submarines are to be procured as provided for in the plan required under section

131(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 209), after fiscal year 2001.

(2) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Under Secretary of Defense for Acquisition and Technology submits to the committees referred to in paragraph (1) a written report that describes in detail—

(A) the oversight activities undertaken by the Under Secretary up to the date of the report pursuant to section 131(b)(2)(C) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 207), and the plans for the future development and improvement of the nuclear attack submarine program of the Navy;

(B) the implementation of, and activities conducted under, the program required to be established by the Director of the Defense Advanced Research Projects Agency by section 131(i) of such Act (110 Stat. 210) for the development and demonstration of advanced submarine technologies and a rapid prototype acquisition strategy for both land-based and at-sea subsystem and system demonstrations of such technologies; and

(C) all research, development, test, and evaluation programs, projects, or activities within the Department of Defense which, in the opinion of the Under Secretary, are designed to contribute to the development and demonstration of advanced submarine technologies leading to a more capable, more affordable nuclear attack submarine, together with a specific identification of ongoing involvement, and plans for future involvement, in any such program, project, or activity by Electric Boat Division, Newport News Shipbuilding, or both.

(d) REFERENCES TO SHIPBUILDERS.—For purposes of this section—

(1) the shipbuilder referred to as ''Electric Boat Division'' is the Electric Boat Division of the General Dynamics Corporation; and

(2) the shipbuilder referred to as ''Newport News Shipbuilding'' is the Newport News Shipbuilding and Drydock Company.

(e) NEXT ATTACK SUBMARINE AFTER NEW ATTACK SUBMARINE.—The Secretary of Defense shall modify the plan (relating to development of a program leading to production of a more capable and less expensive submarine than the New Attack Submarine) that was submitted to Congress pursuant to section 131(c) of Public Law 104–

106 (110 Stat. 208) in order to provide in such plan for selection of a design for a next submarine for serial production not earlier than fiscal year 2000 (rather than fiscal year 2003, as provided in paragraph (3)(B) of such section 131(c)).

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR MULTIYEAR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized, pursuant to section 2306b of title 10, United States Code, to enter into multiyear contracts for the procurement of a total of 12 Arleigh Burke class destroyers at a procurement rate of three ships in each of fiscal years, 1998, 1999, 2000, and 2001 in accordance with this subsection and subsections (a)(4) and (c), subject to the availability of appropriations for such destroyers. A contract for construction of one or more vessels that is entered into in accordance with this subsection shall include a clause that limits the liability of the Government to the contractor for any termination of the contract.

SEC. 125. MARITIME PREPOSITIONING SHIP PROGRAM ENHANCEMENT.

Section 2218(f) of title 10, United States Code, shall not apply in the case of the purchase of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

SEC. 126. ADDITIONAL EXCEPTION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

Section 133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) is amended—

(1) in subsection (a), by striking out ''subsection (b)'' and inserting in lieu thereof ''subsections (b) and (c)''; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

''(c) COSTS NOT INCLUDED.—The previous obligations of $745,700,000 for the SSN–23, SSN–24, and SSN–25 submarines, out of funds appropriated for fiscal years 1990, 1991, and 1992, that were subsequently canceled (as a result of a cancellation of such submarines) shall not be taken into account in the application of the limitation in subsection (a).''.

SEC. 127. RADAR MODERNIZATION.

Funds appropriated for the Navy for fiscal years before fiscal year 1997 may not be used for development and procurement of the Pulse Doppler Upgrade modification to the AN/SPS–48E radar system.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR CONTRACTING AUTHORITY FOR THE C–17 AIRCRAFT PROGRAM.

(a) MULTIYEAR CONTRACTS AUTHORIZED.—The Secretary of the Air Force may, pursuant to section 2306b of title 10, United States Code (except as provided in subsection (b)(1)), enter into one or more multiyear contracts for the procurement of not more than a total of 80 C–17 aircraft.

(b) CONTRACT PERIOD.—(1) Notwithstanding section 2306b(k) of title 10, United States Code, the period covered by a contract entered into on a multiyear basis under the authority of subsection (a) may exceed five years, but may not exceed seven years.

(2) Paragraph (1) shall not be construed as prohibiting the Secretary of the Air Force from entering into a multiyear contract for a period of less than seven years. In determining to do so, the Secretary shall consider whether—

(A) sufficient funding is provided for in the future-years defense program for procurement, within the shorter period, of the total number of aircraft to be procured (within the number set forth in subsection (a)); and

(B) the contractor is capable of delivering that total number of aircraft within the shorter period.

(c) OPTION TO CONVERT TO ONE-YEAR PROCUREMENTS.—Each multiyear contract for the procurement of C–17 aircraft authorized by subsection (a) shall include a clause that permits the Secretary of the Air Force—

(1) to terminate the contract as of September 30, 1998, without a modification in the price of each aircraft and without incurring any obligation to pay the contractor termination costs; and

(2) to then enter into follow-on one-year contracts with the contractor for the procurement of C–17 aircraft (within the total number of aircraft authorized under subsection (a)) at a negotiated price that is not to exceed the price that is negotiated before September 30, 1998, for the annual production contract for the C–17 aircraft in lot VIII and subsequent lots.

Subtitle E—Reserve Components

SEC. 141. ASSESSMENTS OF MODERNIZATION PRIORITIES OF THE RESERVE COMPONENTS.

(a) ASSESSMENTS REQUIRED.—Not later than December 1, 1996, each officer referred to in subsection (b) shall submit to the congressional defense committees an assessment of the modernization priorities established for

the reserve component or reserve components for which that officer is responsible.

(b) RESPONSIBLE OFFICERS.—The officers required to submit a report under subsection (a) are as follows:

(1) The Chief of the National Guard Bureau.

(2) The Chief of Army Reserve.

(3) The Chief of Air Force Reserve.

(4) The Director of Naval Reserve.

(5) The Commanding General, Marine Forces Reserve.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,958,140,000.

(2) For the Navy, $9,041,534,000.

(3) For the Air Force, $14,786,356,000.

(4) For Defense-wide activities, $9,699,542,000, of which—

(A) $252,038,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $21,968,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1997.—Of the amounts authorized to be appropriated by section 201, $4,005,787,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research and exploratory development'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 201, $221,330,000 shall be available for the Defense Nuclear Agency.

SEC. 204. FUNDS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATING TO HUMANITARIAN DEMINING TECHNOLOGIES.

Of the amounts authorized to be appropriated by section 201(4), $18,000,000 shall be available for research, development, test, and evaluation activities relating to humanitarian demining technologies (PE0603120D), to be administered by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. SPACE LAUNCH MODERNIZATION.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for space launch modernization for purposes and in amounts as follows:

(1) For the Evolved Expendable Launch Vehicle program, $44,457,000.

(2) For a competitive reusable launch vehicle technology program, $25,000,000.

(b) LIMITATIONS.—(1) Of the funds made available for the reusable launch vehicle technology program pursuant to subsection (a)(2), the total amount obligated for such purpose may not exceed the total amount allocated in the fiscal year 1997 current operating plan of the Na-

tional Aeronautics and Space Administration for the Reusable Space Launch program of the National Aeronautics and Space Administration.

(2) None of the funds made available for the Evolved Expendable Launch Vehicle program pursuant to subsection (a)(1) may be obligated until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation the funds, if any, that are made available for the reusable launch vehicle technology program pursuant to subsection (a)(2).

SEC. 212. DEPARTMENT OF DEFENSE SPACE ARCHITECT.

(a) REQUIRED PROGRAM ELEMENT.—The Secretary of Defense shall include the kinetic energy tactical anti-satellite program of the Department of Defense as an element of the space control architecture being developed by the Department of Defense Space Architect.

(b) LIMITATION ON USE OF FUNDS.—None of the funds authorized to be appropriated pursuant to this Act, or otherwise made available to the Department of Defense for fiscal year 1997, may be obligated or expended for the Department of Defense Space Architect until the Secretary of Defense certifies to Congress that—

(1) the Secretary is complying with the requirement in subsection (a);

(2) funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1996 have been obligated in accordance with section 218 of Public Law 104–106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104–450 (104th Congress, second session)); and

(3) the Secretary has made available for obligation the funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1997 in accordance with this Act.

SEC. 213. SPACE-BASED INFRARED SYSTEM PROGRAM.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for the Space-Based Infrared System program for purposes and in amounts as follows:

(1) For Space Segment High, $192,390,000.

(2) For Space Segment Low (the Space and Missile Tracking System), $247,221,000.

(3) For Cobra Brass, $6,930,000.

(b) CONDITIONAL TRANSFER OF MANAGEMENT OVERSIGHT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall transfer the management oversight responsibilities for the

Space and Missile Tracking System from the Secretary of the Air Force to the Director of the Ballistic Missile Defense Organization.

(c) CERTIFICATION.—If, within the 30-day period described in subsection (b), the Secretary of Defense submits to Congress a certification that the Secretary has established a program baseline for the Space-Based Infrared System that satisfies the requirements of section 216(a) of Public Law 104–106 (110 Stat. 220), then subsection (b) of this section shall cease to be effective on the date on which the Secretary submits the certification.

SEC. 214. RESEARCH FOR ADVANCED SUBMARINE TECHNOLOGY.

Section 132 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 210) is repealed.

SEC. 215. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT PROGRAM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated under section 201(3), $50,000,000 shall be available for the Clementine 2 micro-satellite near-Earth asteroid interception mission.

(b) LIMITATION.—None of the funds authorized to be appropriated pursuant to this Act for the global positioning system (GPS) Block II F Satellite system may be

obligated until the Secretary of Defense certifies to Congress that—

(1) funds appropriated for fiscal year 1996 for the Clementine 2 Micro-Satellite development program have been obligated in accordance with Public Law 104–106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104–450 (104th Congress, second session)); and

(2) the Secretary has made available for obligation the funds appropriated for fiscal year 1997 for the Clementine 2 micro-satellite development program in accordance with this section.

SEC. 216. TIER III MINUS UNMANNED AERIAL VEHICLE.

No official of the Department of Defense may enter into a contract for the procurement of (including advance procurement for) a higher number of Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicles than is necessary to complete procurement of a total of three such vehicles until flight testing has been completed.

SEC. 217. DEFENSE AIRBORNE RECONNAISSANCE PROGRAM.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report comparing the Predator

unmanned aerial vehicle program with the Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicle program. The report shall contain the following:

(1) A comparison of the capabilities of the Predator unmanned aerial vehicle with the capabilities of the Dark Star unmanned aerial vehicle.

(2) A comparison of the costs of the Predator program with the costs of the Dark Star program.

(3) A recommendation on which program should be funded in the event that funds are authorized to be appropriated, and are appropriated, for only one of the two programs in the future.

(b) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Funds appropriated pursuant to section 104 may not be obligated for any contract to be entered into after the date of the enactment of this Act for the procurement of Predator unmanned aerial vehicles until the date that is 60 days after the date on which the Secretary of Defense submits the report required by subsection (a).

SEC. 218. COST ANALYSIS OF F–22 AIRCRAFT PROGRAM.

(a) REVIEW OF PROGRAM.—The Secretary of Defense shall direct the Cost Analysis Improvement Group in the Office of the Secretary of Defense to review the

F–22 aircraft program, analyze and estimate the production costs of the program, and submit to the Secretary a report on the results of the review. The report shall include—

(1) a comparison of—

(A) the results of the review, with

(B) the results of the last independent estimate of production costs of the program that was prepared by the Cost Analysis Improvement Group in July 1991; and

(2) a description of any major changes in programmatic assumptions that have occurred since the estimate referred to in paragraph (1)(B) was made, including any major change in assumptions regarding the program schedule, the quantity of aircraft to be developed and acquired, and the annual rates of production, together with an assessment of the effects of such changes on the program.

(b) REPORT.—Not later than March 30, 1997, the Secretary shall transmit to the congressional defense committees the report prepared under paragraph (1), together with the Secretary's views on the matters covered by the report.

(c) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Not more than 92 percent of the

funds appropriated for the F–22 aircraft program pursuant to the authorization of appropriations in section 103(1) may be expended until the Secretary of Defense submits the report required by subsection (b).

SEC. 219. F–22 AIRCRAFT PROGRAM REPORTS.

(a) ANNUAL REPORT.—(1) At the same time as the President submits the budget for a fiscal year to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on event-based decisionmaking for the F–22 aircraft program for that fiscal year. The Secretary shall submit the report for fiscal year 1997 not later than October 1, 1996.

(2) The report for a fiscal year shall include the following:

(A) A discussion of each decision (known as an ''event-based decision'') that is expected to be made during that fiscal year regarding whether the F–22 program is to proceed into a new phase or into a new administrative subdivision of a phase.

(B) The criteria (known as ''exit criteria'') to be applied, for purposes of making the event-based decision, in determining whether the F–22 aircraft program has demonstrated the specific progress nec-

essary for proceeding into the new phase or administrative subdivision of a phase.

(b) REPORT ON EVENT-BASED DECISIONS.—Not later than 30 days after an event-based decision has been made for the F–22 aircraft program, the Secretary of Defense shall submit to Congress a report on the decision. The report shall include the following:

(1) A discussion of the commitments made, and the commitments to be made, under the program as a result of the decision.

(2) The exit criteria applied for purposes of the decision.

(3) How, in terms of the exit criteria, the program demonstrated the specific progress justifying the decision.

SEC. 220. NONLETHAL WEAPONS AND TECHNOLOGIES PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(2), $15,000,000 shall be available for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies under the program element established pursuant to subsection (b).

(b) NEW PROGRAM ELEMENT REQUIRED.—The Secretary of Defense shall establish a new program element

for the funds authorized to be appropriated under subsection (a). The funds within that program element shall be administered by the executive agent designated for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies.

(c) LIMITATION PENDING RELEASE OF FUNDS.—(1) None of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for foreign comparative testing (program element 605130D) may be obligated until the funds authorized to be appropriated in section 219(d) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 223) are released for obligation by the executive agent referred to in subsection (b).

(2) Not more than 50 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for NATO research and development (program element 603790D) may be obligated until the funds authorized to be appropriated in subsection (a) are released for obligation by the executive agent referred to in subsection (b).

SEC. 221. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $176,200,000 shall be available for the

Counterproliferation Support Program, of which $75,000,000 shall be available for a tactical antisatellite technologies program.

(b) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1001, 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 1997 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations transferred under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection 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.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

(c) LIMITATION ON USE OF FUNDS FOR TECHNICAL STUDIES AND ANALYSES PENDING RELEASE OF FUNDS.—(1) None of the funds authorized to be appropriated to the Department of Defense for fiscal year 1997 for program element 605104D, relating to technical studies and analyses, may be obligated or expended until the funds referred to in paragraph (2) have been released to the program manager of the tactical anti-satellite technology program for implementation of that program.

(2) The funds for release referred to in paragraph (1) are as follows:

(A) Funds authorized to be appropriated by section 218(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106;

110 Stat. 222) that are available for the program referred to in paragraph (1).

(B) Funds authorized to be appropriated to the Department for fiscal year 1997 by this Act for the Counterproliferation Support Program that are to be made available for that program.

SEC. 222. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS AND UNIVERSITY-AFFILIATED RESEARCH CENTERS.

(a) CENTERS COVERED.—Funds authorized to be appropriated for the Department of Defense for fiscal year 1997 under section 201 may be obligated to procure work from a federally funded research and development center (in this section referred to as an ''FFRDC'') or a university-affiliated research center (in this section referred to as a ''UARC'') only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—(1) Not later than 30 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 Com-

mittee on National Security of the House of Representatives a report containing—

(A) the name of each FFRDC and UARC from which work is proposed to be procured for the Department of Defense for fiscal year 1997; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1997.

(2) The total of the proposed funding levels set forth in the report for all FFRDCs and UARCs may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—Not more than 15 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for FFRDCs and UARCs under section 201 may be obligated to procure work from an FFRDC or UARC until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,668,850,000 may be obligated to procure services from the FFRDCs and UARCs named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regard-

ing the maximum funding amount that applies under subsection (a) to an FFRDC or UARC. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies those committees of that determination and the reasons for the determination.

SEC. 223. ADVANCED SUBMARINE TECHNOLOGIES.

(a) AMOUNTS AUTHORIZED FROM NAVY RDT&E ACCOUNT.—Of the amount authorized to be appropriated by section 201(2)—

(1) $489,443,000 is available for the design of the submarine previously designated by the Navy as the New Attack Submarine; and

(2) $100,000,000 is available to address the inclusion on future nuclear attack submarines of core advanced technologies, category I advanced technologies, and category II advanced technologies, as

such advanced technologies are identified by the Secretary of Defense in Appendix C of the report of the Secretary entitled ''Report on Nuclear Attack Submarine Procurement and Submarine Technology'', submitted to Congress on March 26, 1996.

(b) CERTAIN TECHNOLOGIES TO BE EMPHASIZED.—In using funds made available in accordance with subsection (a)(2), the Secretary of the Navy shall emphasize research, development, test, and evaluation of the technologies identified by the Submarine Technology Assessment Panel (in the final report of the panel to the Assistant Secretary of the Navy for Research, Development, and Acquisition, dated March 15, 1996) as having the highest priority for initial investment.

(c) SHIPYARDS INVOLVED IN TECHNOLOGY DEVELOPMENT.—To further implement the recommendations of the Submarine Technology Assessment Panel, the Secretary of the Navy shall ensure that the shipyards involved in the construction of nuclear attack submarines are also principal participants in the process of developing advanced submarine technologies and including the technologies in future submarine designs. The Secretary shall ensure that those shipyards have access for such purpose (under procedures prescribed by the Secretary) to the Navy laboratories and the Office of Naval Intelligence and

(in accordance with arrangements to be made by the Secretary) to the Defense Advanced Research Projects Agency.

(d) FUNDING FOR CONTRACTS UNDER 1996 AGREEMENT AMONG THE NAVY AND SHIPYARDS.—In addition to the purposes of which the amount authorized to be appropriated by section 201(2) are available under paragraphs (1) and (2) of subsection (a), the amounts available under such paragraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the ''Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB), and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine'', dated April 5, 1996, for research and development activities under that memorandum of agreement.

SEC. 224. FUNDING FOR BASIC RESEARCH IN NUCLEAR SEISMIC MONITORING.

Of the amount authorized to be appropriated by section 201(3) and made available for arms control implementation for the Air Force (account PE0305145F), $6,500,000 shall be available for basic research in nuclear seismic monitoring.

SEC. 225. CYCLONE CLASS CRAFT SELF-DEFENSE.

(a) STUDY REQUIRED.—Not later than March 31, 1997, the Secretary of Defense shall—

(1) carry out a study of vessel self-defense options for the Cyclone class patrol craft; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(b) SOCOM INVOLVEMENT.—The Secretary shall carry out the study through the Commander of the Special Operations Command.

(c) SPECIFIC SYSTEM TO BE EVALUATED.—The study under subsection (a) shall include an evaluation of the BARAK ship self-defense missile system.

SEC. 226. COMPUTER-ASSISTED EDUCATION AND TRAINING.

Of the amount authorized to be appropriated under section 201(4), $10,000,000 shall be available under program element 0601103D for computer-assisted education and training at the Defense Advanced Research Projects Agency.

SEC. 227. SEAMLESS HIGH OFF-CHIP CONNECTIVITY.

Of the amount authorized to be appropriated by this Act, $7,000,000 shall be available for the Defense Advanced Research Projects Agency for research and devel-

opment on Seamless High Off-Chip Connectivity (SHOCC) under the materials and electronic technology program (PE 0602712E).

SEC. 228. COST-BENEFIT ANALYSIS OF F/A–18E/F AIRCRAFT PROGRAM.

(a) REPORT ON PROGRAM.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A–18E/F aircraft program.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the F/A–18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the costs and benefits of the program with the costs and benefits of the F/A–18C/D aircraft program taking into account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No more than 90 percent of the funds authorized to be appropriated by this Act may be obligated or expended for the procurement of F/A–18E/F aircraft before the date that is 30 days after the date on which the congressional defense committees receive the report required under subsection (a).

SEC. 229. NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYSTEM.

(a) FUNDS AVAILABLE FOR POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYSTEM.—Of the amount authorized to be appropriated under section 201(3), $29,024,000 is available for the National Polar-Orbiting Operational Environmental Satellite System (Space) program (PE 0603434F).

(b) FUNDS AVAILABLE FOR INTERCONTINENTAL BALLISTIC MISSILE.—Of the amount authorized to be appropriated under section 201(3), $212,895,000 is available for the Intercontinental Ballistic Missile—EMD program (PE 0604851F).

SEC. 230. SURGICAL STRIKE VEHICLE FOR USE AGAINST HARDENED AND DEEPLY BURIED TARGETS.

(a) AMOUNT AUTHORIZED.—Of the amount authorized to be appropriated by section 201(4) for counterproliferation support program $3,000,000 shall be

made available to the Air Combat Command for research and development into the near-term development of a capability to defeat hardened and deeply buried targets, including tunnels and deeply buried facilities for the production and storage of chemical, biological, and nuclear weapons and their delivery systems.

(b) REQUIREMENTS.—Nothing in this section shall be construed as precluding the application of the requirements of the Competition in Contracting Act.

Subtitle C—Ballistic Missile Defense

SEC. 231. CONVERSION OF ABM TREATY TO MULTILATERAL TREATY.

(a) FISCAL YEAR 1997.—It is the sense of the Senate that during fiscal year 1997, the United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty, including any agreement that would add one or more countries as signatories to the treaty or would otherwise convert the treaty from a bilateral treaty to a multilateral treaty, unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) RELATIONSHIP TO OTHER LAW.—This section shall not be construed as superseding section 232 of the

National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701) for any fiscal year other than fiscal year 1997, including any fiscal year after fiscal year 1997.

SEC. 232. FUNDING FOR UPPER TIER THEATER MISSILE DEFENSE SYSTEMS.

(a) FUNDING.—Funds authorized to be appropriated under section 201(4) shall be available for purposes and in amounts as follows:

(1) For the Theater High Altitude Area Defense (THAAD) System, $621,798,000.

(2) For the Navy Upper Tier (Theater Wide) system, $304,171,000.

(b) LIMITATION.—None of the funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may be obligated or expended by the Office of the Under Secretary of Defense for Acquisition and Technology for official representation activities, or related activities, until the Secretary of Defense certifies to Congress that—

(1) the Secretary has made available for obligation the funds provided under subsection (a) for the purposes specified in that subsection and in the amounts appropriated pursuant to that subsection; and

(2) the Secretary has included the Navy Upper Tier theater missile defense system in the theater missile defense core program.

SEC. 233. ELIMINATION OF REQUIREMENTS FOR CERTAIN ITEMS TO BE INCLUDED IN THE ANNUAL REPORT ON THE BALLISTIC MISSILE DEFENSE PROGRAM.

Section 224(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431 note), is amended—

(1) by striking out paragraphs (3), (4), (7), (9), and (10); and

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

SEC. 234. ABM TREATY DEFINED.

In this subtitle, the term ''ABM Treaty'' means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on May 26, 1972, with related protocol, signed in Moscow on July 3, 1974.

SEC. 235. SCORPIUS SPACE LAUNCH TECHNOLOGY PROGRAM.

Of the amount authorized to be appropriated under section 201(4) for the Ballistic Missile Defense Organiza-

tion for Support Technologies/Follow-On Technologies (PE 63173C), up to $7,500,000 is available for the Scorpius space launch technology program.

SEC. 236. CORPS SAM/MEADS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(4)—

(1) $56,200,000 is available for the Corps surface-to-air missile (SAM)/Medium Extended Air Defense System (MEADS) program (PE63869C); and

(2) $515,711,000 is available for Other Theater Missile Defense programs, projects, and activities (PE63872C).

(b) INTERNATIONAL COOPERATION.—The Secretary of Defense may carry out the program referred to in subsection (a) in accordance with the memorandum of understanding entered into on May 25, 1996 by the governments of the United States, Germany, and Italy regarding international cooperation on such program (including any amendments to the memorandum of understanding).

(c) LIMITATIONS.—Not more than $15,000,000 of the amount available for the Corps SAM/MEADS program under subsection (a) may be obligated until the Secretary of Defense submits to the congressional defense committees the following:

(1) An initial program estimate for the Corps SAM/MEADS program, including a tentative schedule of major milestones and an estimate of the total program cost through initial operational capability.

(2) A report on the options associated with the use of existing systems, technologies, and program management mechanisms to satisfy the requirement for the Corps surface-to-air missile, including an assessment of cost and schedule implications in relation to the program estimate submitted under paragraph (1).

(3) A certification that there will be no increase in overall United States funding commitment to the project definition and validation phase of the Corps SAM/MEADS program as a result of the withdrawal of France from participation in the program.

SEC. 237. ANNUAL REPORT ON THREAT OF ATTACK BY BALLISTIC MISSILES CARRYING NUCLEAR, CHEMICAL, OR BIOLOGICAL WARHEADS.

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

(1) The worldwide proliferation of ballistic missiles is a potential threat to the United States national interests overseas and challenges United States defense planning.

(2) In the absence of a national missile defense, the United States remains vulnerable to long-range missile threats.

(3) Russia has a ground-based missile defense system deployed around Moscow.

(4) Several countries, including Iraq, Iran, and North Korea may soon be technologically capable of threatening the United States and Russia with ballistic missile attack.

(b) REPORT REQUIRED.—(1) Each year, the President shall submit to Congress a report on the threats to the United States of attack by ballistic missiles carrying nuclear, biological, or chemical warheads.

(2) The President shall submit the first report not later than 180 days after the date of the enactment of this Act.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A list of all countries thought to have nuclear, chemical, or biological weapons, the estimated numbers of such weapons that each country has, and the destructive potential of the weapons.

(2) A list of all countries thought to have ballistic missiles, the estimated number of such missiles that each country has, and an assessment of the

ability of those countries to integrate their ballistic missile capabilities with their nuclear, chemical, or biological weapons technologies.

(3) A comparison of the United States civil defense capabilities with the civil defense capabilities of each country that has nuclear, chemical, or biological weapons and ballistic missiles capable of delivering such weapons.

(4) An estimate of the number of American fatalities and injuries that could result, and an estimate of the value of property that could be lost, from an attack on the United States by ballistic missiles carrying nuclear, chemical, or biological weapons if the United States were left undefended by a national missile defense system covering all 50 States.

(5) Assuming the use of any existing theater ballistic missile defense system for defense of the United States, a list of the States that would be left exposed to nuclear ballistic missile attacks and the criteria used to determine which States would be left exposed.

(6) The means by which the United States is preparing to defend itself against the potential threat of ballistic missile attacks by North Korea,

Iran, Iraq, and other countries obtaining ballistic missiles capable of delivering nuclear, chemical, and biological weapons in the near future.

(7) For each country that is capable of attacking the United States with ballistic missiles carrying a nuclear, biological, or chemical weapon, a comparison of—

(A) the vulnerability of the United States to such an attack if theater missile defenses were used to defend against the attack; and

(B) the vulnerability of the United States to such an attack if a national missile defense were in place to defend against the attack.

SEC. 238. AIR FORCE NATIONAL MISSILE DEFENSE PLAN.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Air Force proposal for a Minuteman based national missile defense system is an important national missile defense option and is worthy of serious consideration; and

(2) the Secretary of Defense should give the Air Force National Missile Defense Proposal full consideration.

(b) REPORT.—Not later than 120 days after the enactment of this Act, the Secretary of Defense shall provide

the congressional defense committees a report on the following matters in relation to the Air Force National Missile Defense Proposal:

(1) The cost and operational effectiveness of a system that could be developed pursuant to the Air Forces' plan.

(2) The Arms Control implications of such system.

(3) Growth potential to meet future threats.

(4) The Secretary's recommendation for improvements to the Air Force's plan.

SEC. 239. EXTENSION OF PROHIBITION ON USE OF FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

Section 235(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 232) is amended in the matter preceding paragraph (1) by inserting ''or 1997'' after ''fiscal year 1996''.

Subtitle D—Other Matters

SEC. 241. LIVE-FIRE SURVIVABILITY TESTING OF F–22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section 2366(c) of title 10, United States Code, waive for the F–

22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered full-scale engineering development.

(b) REPORTING REQUIREMENT.—(1) If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the F–22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that F–22 aircraft components and subsystems be made available for any alternative live-fire test program.

(2) The components and subsystem required by the Secretary to be made available for such a program shall be components that—

(A) could affect the survivability of the F–22 aircraft; and

(B) are sufficiently large and realistic that meaningful conclusions about the survivability of F–22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the F–22 aircraft program may be used for carrying out any alternative live-fire testing program for F–22 aircraft.

SEC. 242. LIVE-FIRE SURVIVABILITY TESTING OF V–22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section

2366(c) of title 10, United States Code, waive for the V–22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered engineering and manufacturing development.

(b) ALTERNATIVE SURVIVABILITY TEST REQUIREMENTS.—If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the V–22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that a sufficient number of components critical to the survivability of the V–22 aircraft be tested in an alternative live-fire test program involving realistic threat environments that meaningful conclusions about the survivability of V–22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the V–22 aircraft program may be used for carrying out any alternative live-fire testing program for V–22 aircraft.

SEC. 243. AMENDMENT TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701; 10 U.S.C. 2358 note) is amended by striking out ''fiscal years before the fiscal year in which the institution submits a proposal'' and inserting in lieu thereof ''most

recent fiscal years for which complete statistics are available when proposals are requested''.

SEC. 244. DESALTING TECHNOLOGIES.

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

(1) Access to scarce fresh water is likely to be a cause of future military conflicts in the Middle East and has a direct impact on stability and security in the region.

(2) The Middle East is an area of vital and strategic importance to the United States.

(3) The United States has played a military role in the Middle East, most recently in the Persian Gulf War, and may likely be called upon again to deter aggression in the region.

(4) United States troops have used desalting technologies to guarantee the availability of fresh water in past deployments in the Middle East.

(5) Adequate, efficient, and cheap access to high-quality fresh water will be vital to maintaining the readiness and sustainability of United States troops, and those of our allies.

(b) SENSE OF SENATE.—It is the sense of the Senate that, as improved access to fresh water will be an important factor in helping prevent future conflicts in the Mid-

dle East, the United States should, in cooperation with its allies, promote and invest in technologies to reduce the costs of converting saline water into fresh water.

(c) FUNDING FOR RESEARCH AND DEVELOPMENT.—Of the amounts authorized to be appropriated by this title, the Secretary shall place greater emphasis on making funds available for research and development into efficient and economical processes and methods for converting saline water into fresh water.

Subtitle E—National Oceanographic Partnership

SEC. 251. SHORT TITLE.

This subtitle may be cited as the ''National Oceanographic Partnership Act''.

SEC. 252. NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM.

(a) PROGRAM REQUIRED.—(1) Subtitle C of title 10, United States Code, is amended by inserting after chapter 663 the following new chapter:

''CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

''Sec.
''7901. National Oceanographic Partnership Program.
''7902. National Ocean Research Leadership Council.
''7903. Partnership program projects.

"§ 7901. National Oceanographic Partnership Program

''(a) ESTABLISHMENT.—The Secretary of the Navy shall establish a program to be known as the 'National Oceanographic Partnership Program'.

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

''(1) To promote the national goals of assuring national security, advancing economic development, protecting quality of life, and strengthening science education and communication through improved knowledge of the ocean.

''(2) To coordinate and strengthen oceanographic efforts in support of those goals by—

''(A) identifying and carrying out partnerships among Federal agencies, institutions of higher education, industry, and other members of the oceanographic scientific community in the areas of data, resources, education, and communication; and

''(B) reporting annually to Congress on the program.

''(c) NATIONAL COASTAL DATA CENTER.—(1) The Secretary of the Navy shall establish a National Coastal Data Center at each of two educational institutions that are either well-established oceanographic institutes or

graduate schools of oceanography. The Secretary shall select for the center one institution located at or near the east coast of the continental United States and one institution located at or near the west coast of the continental United States.

''(2) The purpose of the center is to collect, maintain, and make available for research and educational purposes information on coastal oceanographic phenomena.

''(3) The Secretary shall complete the establishment of the National Coastal Data Center not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.

"§ 7902. National Ocean Research Leadership Council

''(a) COUNCIL.—There is a National Ocean Research Leadership Council (hereinafter in this chapter referred to as the ''Council'').

''(b) MEMBERSHIP.—The Council is composed of the following members:

''(1) The Secretary of the Navy who shall be the chairman of the Council.

''(2) The Administrator of the National Oceanic and Atmospheric Administration, who shall be the vice chairman of the Council.

''(3) The Director of the National Science Foundation.

"(4) The Administrator of the National Aeronautics and Space Administration.

"(5) The Commandant of the Coast Guard.

"(6) With their consent, the President of the National Academy of Sciences, the President of the National Academy of Engineering, and the President of the Institute of Medicine.

"(7) Up to five members appointed by the Chairman from among individuals who will represent the views of ocean industries, institutions of higher education, and State governments.

"(c) TERM OF OFFICE.—The term of office of a member of the Council appointed under paragraph (7) of subsection (b) shall be two years, except that any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(d) ANNUAL REPORT.—Not later than March 1 of each year, the Council shall submit to Congress a report on the National Oceanographic Partnership Program. The report shall contain the following:

"(1) A description of activities of the program carried out during the fiscal year before the fiscal year in which the report is prepared. The description also shall include a list of the members of the Ocean

Research Partnership Coordinating Group (established pursuant to subsection (e)), the Ocean Research Advisory Panel (established pursuant to subsection (f)), and any working groups in existence during the fiscal year covered.

''(2) A general outline of the activities planned for the program during the fiscal year in which the report is prepared.

''(3) A summary of projects continued from the fiscal year before the fiscal year in which the report is prepared and projects expected to be started during the fiscal year in which the report is prepared and during the following fiscal year.

''(4) A description of the involvement of the program with Federal interagency coordinating entities.

''(5) The amounts requested, in the budget submitted to Congress pursuant to section 1105(a) of title 31 for the fiscal year following the fiscal year in which the report is prepared, for the programs, projects, and activities of the program and the estimated expenditures under such programs, projects, and activities during such following fiscal year.

''(e) OCEAN RESEARCH PARTNERSHIP COORDINATING GROUP.—(1) The Council shall establish an Ocean

Research Partnership Coordinating Group consisting of not more than 10 members appointed by the Council from among officers and employees of the Government, persons employed in the maritime industry, educators at institutions of higher education, and officers and employees of State governments.

''(2) The Council shall designate a member of the Coordinating Group to serve as Chairman of the group.

''(3) The Council shall assign to the Coordinating Group responsibilities that the Council considers appropriate. The Coordinating Group shall be subject to the authority, direction, and control of the Council in the performance the assigned responsibilities.

''(f) OCEAN RESEARCH ADVISORY PANEL.—(1) The Council shall establish an Ocean Research Advisory Panel consisting of members appointed by the Council from among persons eminent in the fields of oceanography, ocean sciences, or marine policy (or related fields) who are representative of the interests of governments, institutions of higher education, and industry in the matters covered by the purposes of the National Oceanographic Partnership Program (as set forth in section 7901(b) of this title).

''(2) The Council shall assign to the Advisory Panel responsibilities that the Council consider appropriate. The Coordinating Group shall be subject the authority, direc-

tion, and control of the Council to in the performance of the assigned responsibilities.

"§ 7903. Partnership program projects

''(a) SELECTION OF PARTNERSHIP PROJECTS.—The National Ocean Research Leadership Council shall select the partnership projects that are to be considered eligible for support under the National Oceanographic Partnership Program. A project partnership may be established by any instrument that the Council considers appropriate, including a memorandum of understanding, a cooperative research and development agreement, and any similar instrument.

''(b) CONTRACT AND GRANT AUTHORITY.—(1) The Council may authorize one or more of the departments and agencies of the Federal Government represented on the Council to enter into contracts or to make grants for the support of partnership projects selected under subsection (a).

''(2) Funds appropriated or otherwise made available for the National Oceanographic Partnership Program may be used for contracts entered into or grants awarded under authority provided pursuant to paragraph (1).''.

(2) The table of chapters at the beginning of subtitle C of title 10, United States Code, and at the beginning

of part IV of such subtitle, are each amended by inserting after the item relating to chapter 663 the following:

"665. National Oceanographic Partnership Program ..... 7901".

(b) INITIAL APPOINTMENTS OF COUNCIL MEMBERS.—The Chairman of the National Ocean Research Leadership Council established under section 7902 of title 10, United States Code, as added by subsection (a)(1), shall make the appointments required by subsection (b)(7) of such section not later than December 1, 1996.

(c) FIRST ANNUAL REPORT OF NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—The first annual report required by section 7902(d) of title 10, United States Code, as added by subsection (a)(1), shall be submitted to Congress not later than March 1, 1997. The first report shall include, in addition to the information required by such section, information about the terms of office, procedures, and responsibilities of the Ocean Research Advisory Panel established by the Council.

(d) FUNDING.—Of the funds authorized to be appropriated by section 201(2), $13,000,000 shall be available for the National Oceanographic Partnership Program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1997 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, $18,147,623,000.

(2) For the Navy, $20,298,339,000.

(3) For the Marine Corps, $2,279,477,000.

(4) For the Air Force, $17,949,339,000.

(5) For Defense-wide activities, $9,863,942,000.

(6) For the Army Reserve, $1,094,436,000.

(7) For the Naval Reserve, $851,027,000.

(8) For the Marine Corps Reserve, $110,367,000.

(9) For the Air Force Reserve, $1,493,553,000.

(10) For the Army National Guard, $2,218,477,000.

(11) For the Air National Guard, $2,699,173,000.

(12) For the Defense Inspector General, $136,501,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,797,000.

(14) For Environmental Restoration, Army, $356,916,000.

(15) For Environmental Restoration, Navy, $302,900,000.

(16) For Environmental Restoration, Air Force, $414,700,000.

(17) For Environmental Restoration, Defense-wide, $258,500,000.

(18) For Drug Interdiction and Counter-drug Activities, Defense-wide, $793,824,000.

(19) For Medical Programs, Defense, $9,375,988,000.

(20) For Cooperative Threat Reduction programs, $327,900,000.

(21) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1997 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 Business Operations Fund, $947,900,000.

(2) For the National Defense Sealift Fund, $1,268,002,000.

SEC. 303. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 301(5), $88,083,000 shall be available for the Defense Nuclear Agency.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1997 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. CIVIL AIR PATROL.

(a) FUNDING.—Of the amounts authorized to be appropriated pursuant to this Act, $14,526,000 may be made available to the Civil Air Patrol Corporation.

(b) AMOUNT FOR SEARCH AND RESCUE OPERATIONS.—Of the amount made available pursuant to subsection (a), not more than 75 percent of such amount may be available for costs other than the costs of search and rescue missions.

SEC. 306. SR–71 CONTINGENCY RECONNAISSANCE FORCE.

Of the funds authorized to be appropriated by section 301(4), $30,000,000 is authorized to be made available for the SR–71 contingency reconnaissance force.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. FUNDING FOR SECOND AND THIRD MARITIME PREPOSITIONING SHIPS OUT OF NATIONAL DEFENSE SEALIFT FUND.

(a) NATIONAL DEFENSE SEALIFT FUND.—To the extent provided in appropriations Acts, funds in the National Defense Sealift Fund may be obligated and expended for the purchase and conversion, or construction, of a total of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 302(2), $240,000,000 is authorized to be appropriated for the purpose stated in subsection (a).

SEC. 312. NATIONAL DEFENSE SEALIFT FUND.

Section 2218 of title 10, United States Code, is amended—

(1) in subsection (c)(1)(E), by striking out ", but only for vessels built in United States shipyards";

(2) in subsection (f)—

(A) in paragraph (1)—

(i) by striking out ''five'' and inserting in lieu thereof ''ten''; and

(ii) by striking out ''(c)(1)'' and inserting in lieu thereof ''(c)(1)(A)''; and

(B) in paragraph (2), by striking out ''(c)(1)'' and inserting in lieu thereof ''(c)(1)(A)''; and

(3) in subsection (j), by striking out ''(c)(1) (A), (B), (C), and (D)'' and inserting in lieu thereof ''(c)(1) (A), (B), (C), (D), and (E)''.

SEC. 313. NONLETHAL WEAPONS CAPABILITIES.

Of the amount authorized to be appropriated under section 301, $5,000,000 shall be available for the immediate procurement of nonlethal weapons capabilities to meet existing deficiencies in inventories of such capabilities, of which—

(1) $2,000,000 shall be available for the Army; and

(2) $3,000,000 shall be available for the Marine Corps.

SEC. 314. RESTRICTION ON COAST GUARD FUNDING.

No funds are authorized by this Act to be appropriated to the Department of Defense for the Coast Guard within budget subfunction 054.

SEC. 315. OCEANOGRAPHIC SHIP OPERATIONS AND DATA ANALYSIS.

(a) FUNDS AUTHORIZED.—Of the funds provided by section 301(2), an additional $6,200,000 may be authorized for the reduction, storage, modeling and conversion of oceanographic data for use by the Navy, consistent with Navy's requirements.

(b) PURPOSE.—Such funds identified in subsection (a) shall be in addition to such amounts already provided for this purpose in the budget request.

Subtitle C—Depot-Level Activities

SEC. 321. DEPARTMENT OF DEFENSE PERFORMANCE OF CORE LOGISTICS FUNCTIONS.

Section 2464(a) of title 10, United States Code is amended by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) The Secretary of Defense shall maintain within the Department of Defense those logistics activities and capabilities that are necessary to provide the logistics capability described in paragraph (1). The logistics activities and capabilities maintained under this paragraph shall include all personnel, equipment, and facilities that are necessary to maintain and repair the weapon systems and other military equipment identified under paragraph (3).

''(3) The Secretary of Defense, in consultation with the Joint Chiefs of Staff, shall identify the weapon sys-

tems and other military equipment that it is necessary to maintain and repair within the Department of Defense in order to maintain within the department the capability described in paragraph (1).

"(4) The Secretary shall require that the core logistics functions identified pursuant to paragraph (3) be performed in Government-owned, Government-operated facilities of the Department of Defense by Department of Defense personnel using Department of Defense equipment.".

SEC. 322. INCREASE IN PERCENTAGE LIMITATION ON CONTRACTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

(a) FIFTY PERCENT LIMITATION.—Section 2466(a) of title 10, United States Code, is amended by striking out "40 percent" in the first sentence and inserting in lieu thereof "50 percent".

(b) INCREASE DELAYED PENDING RECEIPT OF STRATEGIC PLAN FOR THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR.—(1) Notwithstanding the first sentence of section 2466(a) of title 10, United States Code (as amended by subsection (a)), until the strategic plan for the performance of depot-level maintenance and repair is submitted under section 325, not more than 40 percent of the funds made available in a fiscal

year to a military department or a Defense Agency for depot-level maintenance and repair workload may be used to contract for the performance by non-Federal Government personnel of such workload for the military department or the Defense Agency.

(2) In paragraph (1), the term ''depot-level maintenance and repair workload'' has the meaning given such term in section 2466(f) of title 10, United States Code.

SEC. 323. REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

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

''(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency—

''(A) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year for performance of depot-level maintenance and repair workloads by Federal Government personnel; and

''(B) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year to contract for the performance of depot-

level maintenance and repair workloads by non-Federal Government personnel.

''(2) Not later than 90 days after the date on which the Secretary submits the annual report under paragraph (1), the Comptroller General shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives the Comptroller's views on whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.''.

SEC. 324. DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.

Section 2466 of title 10, United States Code, is amended by adding at the end the following:

''(f) DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.—In this section, the term 'depot-level maintenance and repair workload'—

''(1) means material maintenance requiring major overhaul or complete rebuilding of parts, assemblies, or subassemblies, and testing and reclamation of equipment as necessary, including all aspects of software maintenance;

''(2) includes those portions of interim contractor support, contractor logistics support, or any

similar contractor support for the performance of services described in paragraph (1); and

"(3) does not include ship modernization and other repair activities that—

"(A) are funded out of appropriations available to the Department of Defense for procurement; and

"(B) were not considered to be depot-level maintenance and repair workload activities under regulations of the Department of Defense in effect on February 10, 1996.".

SEC. 325. STRATEGIC PLAN RELATING TO DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) STRATEGIC PLAN REQUIRED.—(1) As soon as possible after the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a strategic plan for the performance of depot-level maintenance and repair.

(2) The strategic plan shall cover the performance of depot-level maintenance and repair for the Department of Defense in fiscal years 1998 through 2007. The plan shall provide for maintaining the capability described in section 2464 of title 10, United States Code.

(b) ADDITIONAL MATTERS COVERED.—The Secretary of Defense shall include in the strategic plan submitted under subsection (a) a detailed discussion of the following matters:

(1) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that are necessary to perform within the Department of Defense in order to maintain the core logistics capability required by section 2464 of title 10, United States Code.

(2) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that the Secretary of Defense plans to perform within the Department of Defense in order to satisfy the requirements of section 2466 of title 10, United States Code.

(3) For the activities identified pursuant to paragraphs (1) and (2), a discussion of which specific existing weapon systems or other existing equipment, and which specific planned weapon systems or other planned equipment, are weapon systems or

equipment for which it is necessary to maintain a core depot-level maintenance and repair capability within the Department of Defense.

(4) The core capabilities, including sufficient skilled personnel, equipment, and facilities, that—

(A) are of sufficient size—

(i) to ensure a ready and controlled source of the technical competencies, and the maintenance and repair capabilities, that are necessary to meet the requirements of the national military strategy and other requirements for responding to mobilizations and military contingencies; and

(ii) to provide for rapid augmentation in time of emergency; and

(B) are assigned a sufficient workload to ensure cost efficiency and technical proficiency in peacetime.

(5) The environmental liability issues associated with any projected privatization of the performance of depot-level maintenance and repair, together with detailed projections of the cost to the United States of satisfying environmental liabilities associated with such privatized performance.

(6) Any significant issues and risks concerning exchange of technical data on depot-level maintenance and repair between the Federal Government and the private sector.

(7) Any deficiencies in Department of Defense financial systems that hinder effective evaluation of competitions (whether among private-sector sources or among depot-level activities owned and operated by the Department of Defense and private-sector sources), and merit-based selections (among depot-level activities owned and operated by the Department of Defense), for a depot-level maintenance and repair workload, together with plans to correct such deficiencies.

(9) The type of facility (whether a private sector facility or a Government owned and operated facility) in which depot-level maintenance and repair of any new weapon systems that will reach full scale development is to be performed.

(10) The workloads necessary to maintain Government owned and operated depots at 50 percent, 70 percent, and 85 percent of operating capacity.

(11) A plan for improving the productivity of the Government owned and operated depot maintenance and repair facilities, together with manage-

ment plans for changing administrative and missions processes to achieve productivity gains, a discussion of any barriers to achieving desired productivity gains at the depots, and any necessary changes in civilian personnel policies that are necessary to improve productivity.

(12) The criteria used to make decisions on whether to convert to contractor performance of depot-level maintenance and repair, the officials responsible for making the decision to convert, and any depot-level maintenance and repair workloads that are proposed to be converted to contractor performance before the end of fiscal year 2001.

(13) A detailed analysis of savings proposed to be achieved by contracting for the performance of depot-level maintenance and repair workload by private sector sources, together with the report on the review of the analysis (and the assumptions underlying the analysis) provided for under subsection (c).

(c) INDEPENDENT REVIEW OF SAVINGS ANALYSIS.—The Secretary shall provide for a public accounting firm (independent of Department of Defense influence) to review the analysis referred to in subsection (b)(13) and the assumptions underlying the analysis for submission to the

committees referred to in subsection (a) and to the Comptroller General.

(d) REVIEW BY COMPTROLLER GENERAL.—(1) At the same time that the Secretary of Defense transmits the strategic plan under subsection (a), the Secretary shall transmit a copy of the plan (including the report of the public accounting firm provided for under subsection (c)) to the Comptroller General of the United States and make available to the Comptroller General all information used by the Department of Defense in preparing the plan and analysis.

(2) Not later than 60 days after the date on which the Secretary submits the strategic plan required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the strategic plan.

(e) ADDITIONAL REPORTING REQUIREMENT FOR COMPTROLLER GENERAL.—Not later than February 1, 1997, the Comptroller General shall submit to the committees referred to in subsection (a) a report on the effectiveness of the oversight by the Department of Defense of the management of existing contracts with private sector sources of depot-level maintenance and repair of weapon systems, the adequacy of Department of Defense financial and information systems to support effective decisions to

contract for private sector performance of depot-level maintenance and repair workloads that are being or have been performed by Government personnel, the status of reengineering efforts at depots owned and operated by the United States, and any overall management weaknesses within the Department of Defense that would hinder effective use of contracting for the performance of depot-level maintenance and repair.

SEC. 326. ANNUAL REPORT ON COMPETITIVE PROCEDURES.

(a) ANNUAL REPORT.—Section 2469 of title 10, United States Code, is amended by adding at the end the following:

''(d) ANNUAL REPORT.—Not later than March 31 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the competitive procedures used during the preceding fiscal year for competitions referred to in subsection (a).''.

(b) FIRST REPORT.—The first report under subsection (d) of section 2469 of title 10, United States Code (as added by subsection (a)), shall be submitted not later than March 31, 1997.

SEC. 327. ANNUAL RISK ASSESSMENTS REGARDING PRIVATE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE WORK.

(a) REPORTS.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Reports on privatization of depot-level maintenance work

''(a) ANNUAL RISK ASSESSMENTS.—(1) Not later than January 1 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on the privatization of the performance of the various depot-level maintenance workloads of the Department of Defense.

''(2) The report shall include with respect to each depot-level maintenance workload the following:

''(A) An assessment of the risk to the readiness, sustainability, and technology of the Armed Forces in a full range of anticipated scenarios for peacetime and for wartime of—

''(i) using public entities to perform the workload;

''(ii) using private entities to perform the workload; and

''(iii) using a combination of public entities and private entities to perform the workload.

"(B) The recommendation of the Joint Chiefs as to whether public entities, private entities, or a combination of public entities and private entities could perform the workload without jeopardizing military readiness.

"(3) Not later than 30 days after receiving the report under paragraph (2)(B), the Secretary shall transmit the report to Congress. If the Secretary does not concur in the recommendation made by the Joint Chiefs pursuant to paragraph (2)(B), the Secretary shall include in the report under this paragraph—

"(A) the recommendation of the Secretary; and

"(B) a justification for the differences between the recommendation of the Joint Chiefs and the recommendation of the Secretary.

"(b) ANNUAL REPORT ON PROPOSED PRIVATIZATION.—(1) Not later than February 28 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on each depot-level maintenance workload of the Department of Defense that the Joint Chiefs believe could be converted to performance by private entities during the next fiscal year without jeopardizing military readiness.

"(2) Not later than 30 days after receiving a report under paragraph (1), the Secretary shall transmit the re-

port to Congress. If the Secretary does not concur in the proposal of the Joint Chiefs in the report, the Secretary shall include in the report under this paragraph—

"(A) each depot-level maintenance workload of the Department that the Secretary proposes to be performed by private entities during the fiscal year concerned; and

"(B) a justification for the differences between the proposal of the Joint Chiefs and the proposal of the Secretary.".

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

"2473. Reports on privatization of depot-level maintenance work.".

SEC. 328. EXTENSION OF AUTHORITY FOR NAVAL SHIPYARDS AND AVIATION DEPOTS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

(a) EXTENSION OF AUTHORITY.—Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) is amended by striking out "expires on September 30, 1995" and inserting in lieu thereof "may not be exercised after September 30, 1997".

(b) REVIVAL OF EXPIRED AUTHORITY.—The authority provided in section 1425 of the National Defense Authorization Act for Fiscal Year 1991 may be exercised

after September 30, 1995, subject to the limitation in subsection (e) of such section as amended by subsection (a) of this section.

SEC. 329. LIMITATION ON USE OF FUNDS FOR F–18 AIRCRAFT DEPOT MAINTENANCE.

Of the amounts authorized to be appropriated by section 301(2), not more than $5,000,000 may be used for the performance of depot maintenance on F–18 aircraft until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees a report on aviation depot maintenance. The report shall contain the following:

(1) The results of a competition which the Secretary shall conduct between all Department of Defense aviation depots for selection for the performance of depot maintenance on F–18 aircraft.

(2) An analysis of the total cost of transferring the F–18 aircraft depot maintenance workload to an aviation depot not performing such workload as of the date of the enactment of this Act.

SEC. 330. DEPOT MAINTENANCE AND REPAIR AT FACILITIES CLOSED BY BRAC.

The Secretary may not contract for the performance by a private sector source of any of the depot maintenance workload performed as of the date of the enactment of

this Act at Sacramento Air Logistics Center or the San Antonio Air Logistics Center until the Secretary—

(1) publishes criteria for the evaluation of bids and proposals to perform such workload;

(2) conducts a competition for the workload between public and private entities;

(3) pursuant to the competition, determines in accordance with the criteria published under paragraph (1) that an offer submitted by a private sector source to perform the workload is the best value for the United States; and

(4) submits to Congress the following—

(A) a detailed comparison of the cost of the performance of the workload by civilian employees of the Department of Defense with the cost of the performance of the workload by that source; and

(B) an analysis which demonstrates that the performance of the workload by that source will provide the best value for the United States over the life of the contract.

Subtitle D—Environmental Provisions

SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL RESTORATION ACCOUNTS FOR EACH MILITARY DEPARTMENT.

(a) ESTABLISHMENT.—(1) Section 2703 of title 10, United States Code, is amended to read as follows:

"§ 2703. Environmental restoration accounts

''(a) ESTABLISHMENT OF ACCOUNTS.—There are hereby established in the Department of Defense the following accounts:

''(1) An account to be known as the 'Defense Environmental Restoration Account'.

''(2) An account to be known as the 'Army Environmental Restoration Account'.

''(3) An account to be known as the 'Navy Environmental Restoration Account'.

''(4) An account to be known as the 'Air Force Environmental Restoration Account'.

''(b) OBLIGATION OF AUTHORIZED AMOUNTS.—Funds authorized for deposit in an account under subsection (a) may be obligated or expended from the account only in order to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under

any other provision of law. Funds so authorized shall remain available until expended.

"(c) BUDGET REPORTS.—In proposing the budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amounts requested for environmental restoration programs of the Department of Defense and of each of the military departments under this chapter and under any other Act.

"(d) AMOUNTS RECOVERED.—The following amounts shall be credited to the appropriate environmental restoration account:

"(1) Amounts recovered under CERCLA for response actions.

"(2) Any other amounts recovered from a contractor, insurer, surety, or other person to reimburse the Department of Defense or a military department for any expenditure for environmental response activities.

"(e) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the Defense Environmental Restoration Account for fiscal years 1995 through 1999, or to any environmental restoration account of a military department for fiscal years 1997 through 1999, may be used for the payment of a fine or penalty (including any supplemental environmental project carried out as part of

such penalty) imposed against the Department of Defense or a military department unless the act or omission for which the fine or penalty is imposed arises out of an activity funded by the environmental restoration account concerned and the payment of the fine or penalty has been specifically authorized by law.''.

(2) The table of sections at the beginning of chapter 160 of title 10, United States Code, is amended by striking out the item relating to section 2703 and inserting in lieu thereof the following new item:

''2703. Environmental restoration accounts.''.

(b) REFERENCES.—Any reference to the Defense Environmental Restoration Account in any Federal law, Executive Order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the appropriate environmental restoration account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(c) CONFORMING AMENDMENT.—Section 2705(g)(1) of title 10, United States Code, is amended by striking out ''the Defense Environmental Restoration Account'' and inserting in lieu thereof ''the environmental restoration account concerned''.

(d) TREATMENT OF UNOBLIGATED BALANCES.—Any unobligated balances that remain in the Defense Environ-

mental Restoration Account under section 2703(a) of title 10, United States Code, as of the effective date specified in subsection (e) shall be transferred on such date to the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

SEC. 342. DEFENSE CONTRACTORS COVERED BY REQUIREMENT FOR REPORTS ON CONTRACTOR REIMBURSEMENT COSTS FOR RESPONSE ACTIONS.

Section 2706(d)(1)(A) of title 10, United States Code, is amended by striking out ''100'' and inserting in lieu thereof ''20''.

SEC. 343. REPEAL OF REDUNDANT NOTIFICATION AND CONSULTATION REQUIREMENTS REGARDING REMEDIAL INVESTIGATIONS AND FEASIBILITY STUDIES AT CERTAIN INSTALLATIONS TO BE CLOSED UNDER THE BASE CLOSURE LAWS.

Section 334 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1340; 10 U.S.C. 2687 note) is repealed.

SEC. 344. PAYMENT OF CERTAIN STIPULATED CIVIL PENALTIES.

(a) AUTHORITY.—The Secretary of Defense may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) stipulated civil penalties assessed under CERCLA in amounts, and using funds, as follows:

(1) Using funds authorized to be appropriated to the Army Environmental Restoration Account established under section 2703(a)(1)(B) of title 10, United States Code, as amended by section 341 of this Act, $34,000 assessed against Fort Riley, Kansas, under CERCLA.

(2) Using funds authorized to be appropriated to the Navy Environmental Restoration Account established under section 2703(a)(1)(C) of that title, as so amended, $30,000 assessed against the Naval Education and Training Center, Newport, Rhode Island, under CERCLA.

(3) Using funds authorized to be appropriated to the Air Force Environmental Restoration Account established under section 2703(a)(1)(D) of that title, as so amended—

(A) $550,000 assessed against the Massachusetts Military Reservation, Massachusetts, under CERCLA, of which $500,000 shall be for

the supplemental environmental project for a groundwater modeling project that constitutes a part of the negotiated settlement of a penalty against the reservation; and

(B) $10,000 assessed against F.E. Warren Air Force Base, Wyoming, under CERCLA.

(4) Using funds authorized to be appropriated to the Department of Defense Base Closure Account 1990 by section 2406(a)(13) of this Act, $50,000 assessed against Loring Air Force Base, Maine, under CERCLA.

(b) CERCLA DEFINED.—In this section, the term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 345. AUTHORITY TO WITHHOLD LISTING OF FEDERAL FACILITIES ON NATIONAL PRIORITIES LIST.

Section 120(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(d)) is amended—

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

(2) by striking "Not later than 18 months after the enactment of the Superfund Amendments and

Reauthorization Act of 1986, the Administrator'' and inserting the following:

''(1) IN GENERAL.—The Administrator''; and

(3) by striking ''Such criteria'' and all that follows through the end of the subsection and inserting the following:

''(2) APPLICATION OF CRITERIA.—

''(A) IN GENERAL.—Subject to subparagraph (B), the criteria referred to in paragraph (1) shall be applied in the same manner as the criteria are applied to facilities that are owned or operated by persons other than the United States.

''(B) RESPONSE UNDER OTHER LAW.—That the head of the department, agency, or instrumentality that owns or operates a facility has arranged with the Administrator or appropriate State authorities to respond appropriately, under authority of a law other than this Act, to a release or threatened release of a hazardous substance shall be an appropriate factor to be taken into consideration for the purposes of section 105(a)(8)(A).

''(3) COMPLETION.—Evaluation and listing under this subsection shall be completed in accord-

ance with a reasonable schedule established by the Administrator.''.

SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FEDERAL PROPERTY BEFORE COMPLETION OF REQUIRED REMEDIAL ACTIONS.

(a) IN GENERAL.—Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended—

(1) by redesignating subparagraph (A) as clause (i) and clauses (i), (ii), and (iii) of that subparagraph as subclauses (I), (II), and (III), respectively;

(2) by striking ''After the last day'' and inserting the following:

''(A) IN GENERAL.—After the last day'';

(3) by redesignating subparagraph (B) as clause (ii) and clauses (i) and (ii) of that subparagraph as subclauses (I) and (II), respectively;

(4) by redesignating subparagraph (C) as clause (iii);

(5) by striking ''For purposes of subparagraph (B)(i)'' and inserting the following:

"(B) COVENANT REQUIREMENTS.—For purposes of subparagraphs (A)(ii)(I) and (C)(iii)";

(6) in subparagraph (B), as designated by paragraph (5), by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)(ii)"; and

(7) by adding at the end the following:

"(C) DEFERRAL.—

"(i) IN GENERAL.—The Administrator (in the case of real property at a Federal facility that is listed on the National Priorities List) or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii)(I) with respect to the property if the Administrator or the Governor, as the case may be, determines that—

"(I) the property is suitable for transfer for the use intended by the transferee;

"(II) the deed or other agreement proposed to govern the transfer

between the United States and the transferee of the property contains the assurances set forth in clause (ii); and

"(III) the Federal agency requesting deferral has provided notice, by publication in a newspaper of general circulation in the vicinity of the property, of the proposed transfer and of the opportunity for the public to submit, within a period of not less than 30 days after the date of the notice, written comments on the finding by the agency that the property is suitable for transfer.

"(ii) REMEDIAL ACTION ASSURANCES.—With regard to a release or threatened release of a hazardous substance for which a Federal agency is potentially responsible under this section, the deed or other agreement proposed to govern the transfer shall contain assurances that—

"(I) provide for any necessary restrictions to ensure the protection of human health and the environment;

"(II) provide that there will be restrictions on use necessary to ensure required remedial investigations, remedial actions, and oversight activities will not be disrupted;

"(III) provide that all appropriate remedial action will be taken and identify the schedules for investigation and completion of all necessary remedial action; and

"(IV) provide that the Federal agency responsible for the property subject to transfer will submit a budget request to the Director of the Office of Management and Budget that adequately addresses schedules, subject to congressional authorizations and appropriations.

"(iii) WARRANTY.—When all remedial action necessary to protect human health and the environment with respect to any substance remaining on the property on the date of transfer has been taken, the United States shall execute and deliver to the transferee an appropriate document

containing a warranty that all such remedial action has been completed, and the making of the warranty shall be considered to satisfy the requirement of subparagraph (A)(ii)(I).

"(iv) FEDERAL RESPONSIBILITY.—A deferral under this subparagraph shall not increase, diminish, or affect in any manner any rights or obligations of a Federal agency with respect to a property transferred under this subparagraph.".

(b) CONTINUED APPLICATION OF STATE LAW.—The first sentence of section 120(a)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(a)(4)) is amended by inserting "or facilities that are the subject of a deferral under subsection (h)(3)(C)" after "United States".

SEC. 347. CLARIFICATION OF MEANING OF UNCONTAMINATED PROPERTY FOR PURPOSES OF TRANSFER BY THE UNITED STATES.

Section 120(h)(4)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(4)(A)) is amended in the first sentence by striking "stored for one year or more, known

to have been released,'' and inserting ''known to have been released''.

SEC. 348. SHIPBOARD SOLID WASTE CONTROL.

(a) IN GENERAL.—Section 3(c) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(c)) is amended—

(1) in paragraph (1), by striking ''Not later than'' and inserting ''Except as provided in paragraphs (2) and (3), not later than''; and

(2) by striking paragraphs (2), (3), and (4) and inserting the following:

''(2)(A) Subject to subparagraph (B), any ship described in subparagraph (C) may discharge, without regard to the special area requirements of Regulation 5 of Annex V to the Convention, the following non-plastic, non-floating garbage:

''(i) A slurry of seawater, paper, cardboard, or food waste that is capable of passing through a screen with openings no larger than 12 millimeters in diameter.

''(ii) Metal and glass that have been shredded and bagged so as to ensure negative buoyancy.

''(B)(i) Garbage described subparagraph (A)(i) may not be discharged within 3 nautical miles of land.

''(ii) Garbage described in subparagraph (A)(ii) may not be discharged within 12 nautical miles of land.

"(C) This paragraph applies to any ship that is owned or operated by the Department of the Navy that, as determined by the Secretary of the Navy—

"(i) has unique military design, construction, manning, or operating requirements; and

"(ii) cannot fully comply with the special area requirements of Regulation 5 of Annex V to the Convention because compliance is not technologically feasible or would impair the operations or operational capability of the ship.

"(3)(A) Not later than December 31, 2000, the Secretary of the Navy shall prescribe and publish in the Federal Register standards to ensure that each ship described in subparagraph (B) is, to the maximum extent practicable without impairing the operations or operational capabilities of the ship, operated in a manner that is consistent with the special area requirements of Regulation 5 of Annex V to the Convention.

"(B) Subparagraph (A) applies to surface ships that are owned or operated by the Department of the Navy that the Secretary plans to decommission during the period beginning on January 1, 2001, and ending on December 31, 2005.

"(C) At the same time that the Secretary publishes standards under subparagraph (A), the Secretary shall

publish in the Federal Register a list of the ships covered by subparagraph (B).''.

(b) SENSE OF CONGRESS.—

(1) COMPLIANCE WITH ANNEX V.—It is the sense of Congress that it should be an objective of the Navy to achieve full compliance with Annex V to the Convention as part of the Navy's development of ships that are environmentally sound.

(2) DEFINITION.—In this subsection, the terms ''Convention'' and ''ship'' have the meanings provided in section 2(a) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a)).

(c) REPORT ON COMPLIANCE WITH ANNEX V TO THE CONVENTION.—The Secretary of Defense shall include in each report on environmental compliance activities submitted to Congress under section 2706(b) of title 10, United States Code, the following information:

(1) A list of the ships types, if any, for which the Secretary of the Navy has made the determination referred to in paragraph (2)(C) of section 3(c) of the Act to Prevent Pollution from Ships, as amended by subsection (a)(2) of this section.

(2) A list of ship types which the Secretary of the Navy has determined can comply with Regulation 5 of Annex V to the Convention.

(3) A summary of the progress made by the Navy in implementing the requirements of paragraphs (2) and (3) such section 3(c), as so amended.

(4) A description of any emerging technologies offering the potential to achieve full compliance with Regulation 5 of Annex V to the Convention.

(d) PUBLICATION REGARDING SPECIAL AREA DISCHARGES.—Section 3(e)(4) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(e)(4)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The amount and nature of the discharges in special areas, not otherwise authorized under this title, during the preceding year from ships referred to in subsection (b)(1)(A) of this section owned or operated by the Department of the Navy.".

SEC. 349. COOPERATIVE AGREEMENTS FOR THE MANAGEMENT OF CULTURAL RESOURCES ON MILITARY INSTALLATIONS.

(a) AUTHORITY TO ENTER INTO AGREEMENTS.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2694. Cooperative agreements for management of cultural resources on military installations

"(a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary of Defense and the Secretaries of the military departments may enter into cooperative agreements with States, local governments, and appropriate public and private entities in order to provide for the preservation, management, maintenance, and rehabilitation of cultural resources on military installations.

"(b) INAPPLICABILITY OF CERTAIN FEDERAL FINANCIAL MANAGEMENT LAWS.—A cooperative agreement under subsection (a) shall not be treated as a cooperative agreement for purposes of chapter 63 of title 31.

"(c) LIMITATION ON AUTHORITY TO CARRY OUT AGREEMENTS.—The authority of the Secretary of Defense or the Secretary of a military department to carry out an agreement entered into under subsection (a) shall be subject to the availability of funds for that purpose.

"(d) DEFINITION.—For purposes of this section, the term 'cultural resource' means any of the following:

"(1) A building, structure, site, district, or object eligible for or included in the National Register of Historic Places maintained under section 101(a) of the National Historic Preservation Act (16 U.S.C. 470a(a)).

"(2) A cultural item as that term is defined in section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)).

"(3) An archaeological resource as that term is defined in section 3(1) of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470bb(1)).

"(4) An archaeological artifact collection and associated records covered by section 79 of title 36, Code of Federal Regulations.".

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

"2694. Cooperative agreements for management of cultural resources on military installations.".

SEC. 350. REPORT ON WITHDRAWAL OF PUBLIC LANDS AT EL CENTRO NAVAL AIR FACILITY, CALIFORNIA.

(a) REPORT.—Not later than March 15, 1997, the Secretary of Defense, acting through the Deputy Under Secretary of Defense for Environmental Security, shall submit to the congressional defense committees a report that assesses the effects of the proposed withdrawal of public lands at El Centro Naval Air Facility, California, on the operational and training requirements of the Department of Defense at that facility.

(b) REPORT ELEMENTS.—The report under subsection (a) shall—

(1) describe in detail the operational and training requirements of the Department of Defense at El Centro Naval Air Facility;

(2) assess the effects of the proposed withdrawal on such operational and training requirements;

(3) describe the relationship, if any, of the proposed withdrawal to the withdrawal of other public lands under the California Desert Protection Act of 1994 (Public Law 103–433);

(4) assess the additional responsibilities, if any, of the Navy for land management at the facility as a result of the proposed withdrawal; and

(5) assess the costs, if any, to the Navy resulting from the proposed withdrawal.

SEC. 351. USE OF HUNTING AND FISHING PERMIT FEES COLLECTED AT CLOSED MILITARY RESERVATIONS.

Subparagraph (B) of section 101(b)(4) of the Act of September 15, 1960 (commonly known as the "Sikes Act"; 16 U.S.C. 670a(b)(4)), is amended to read as follows:

"(B) the fees collected under this paragraph—

"(i) shall be expended at the military reservation with respect to which collected; or

"(ii) if collected with respect to a military reservation that is closed, shall be available for expenditure at any other military reservation for purposes of the protection, conservation, and management of fish and wildlife at such reservation.".

SEC. 352. AUTHORITY FOR AGREEMENTS WITH INDIAN TRIBES FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

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

(1) in the first sentence of paragraph (1), by striking out ", or with any State or local government agency," and inserting in lieu thereof ", with any State or local government agency, or with any Indian tribe,"; and

(2) by adding at the end the following:

"(3) DEFINITION.—In this subsection, the term 'Indian tribe' has the meaning given such term in section 101(36) of the Comprehensive Environ-

mental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).''.

Subtitle E—Other Matters

SEC. 361. FIREFIGHTING AND SECURITY-GUARD FUNCTIONS AT FACILITIES LEASED BY THE GOVERNMENT.

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

(1) by striking out ''or'' at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ''; or''; and

(3) by adding at the end the following:

''(4) to a contract to be carried out at a private facility at which a Federal Government activity is located pursuant to a lease of the facility to the Government.''.

SEC. 362. AUTHORIZED USE OF RECRUITING FUNDS.

(a) AUTHORITY.—Chapter 31 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 520c. Authorized use of recruiting funds

''(a) MEALS AND REFRESHMENTS.—Under regulations prescribed by the Secretary concerned, funds appro-

priated to the Department of Defense for recruitment of military personnel may be expended for small meals and refreshments that are provided in the performance of personnel recruiting functions of the armed forces to—

"(1) persons who have enlisted under the Delayed Entry Program authorized by section 513 of this title;

"(2) persons who are objects of armed forces recruiting efforts;

"(3) influential persons in communities when assisting the military departments in recruiting efforts;

"(4) members of the armed forces and Federal Government employees when attending recruiting events in accordance with a requirement to do so; and

"(5) other persons when contributing to recruiting efforts by attending recruiting events.

"(b) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report on the extent to which the authority under subsection (a) was exercised during the fiscal year ending in the preceding year.

"(c) TERMINATION OF AUTHORITY.—(1) The authority in subsection (a) may not be exercised after September 30, 2001.

"(2) No report is required under subsection (b) after 2002.".

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

"520c. Authorized use of recruiting funds.".

SEC. 363. NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

(a) CLARIFICATION OF EXCEPTION TO COMPETITIVE PROCUREMENT.—Section 2486 of title 10, United States Code, is amended by adding at the end the following:

"(e) The Secretary of Defense may not, under the exception provided in section 2304(c)(5) of this title, use procedures other than competitive procedures for the procurement of a brand-name commercial item for resale in commissary stores unless the commercial item is regularly sold outside of commissary stores under the same brand name as the commercial item will be sold in commissary stores.".

(b) EFFECT ON EXISTING CONTRACTS.—The amendment made by subsection (a) shall not affect the terms, conditions, or duration of any contract entered into by the

Secretary of Defense before the date of the enactment of this Act for the procurement of commercial items for resale in commissary stores.

SEC. 364. ADMINISTRATION OF MIDSHIPMEN'S STORE AND OTHER NAVAL ACADEMY SUPPORT ACTIVITIES AS NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) IN GENERAL.—(1) Chapter 603 of title 10, United States Code, is amended by striking out sections 6970 and 6971 and inserting in lieu thereof the following new section:

"§ 6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: nonappropriated fund accounts

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of the Navy, the Superintendent of the Naval Academy shall administer a nonappropriated fund account for each of the Academy activities referred to in subsection (b).

''(b) ACTIVITIES.—Subsection (a) applies to the following Academy activities:

''(1) The midshipmen's store.

''(2) The barber shop.

''(3) The cobbler shop.

''(4) The tailor shop.

"(5) The dairy.

"(6) The laundry.

"(c) CREDITING OF REVENUE.—The Superintendent shall credit to each account administered with respect to an activity under subsection (a) all revenue received from the activity.".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 6970 and 6971 and inserting in lieu thereof the following new item:

"6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: non-appropriated fund accounts.".

(b) EMPLOYMENT STATUS OF EMPLOYEES OF ACTIVITIES.—Section 2105 of title 5, United States Code, is amended by striking out subsection (b).

SEC. 365. ASSISTANCE TO COMMITTEES INVOLVED IN INAUGURATION OF THE PRESIDENT.

(a) IN GENERAL.—Section 2543 of title 10, United States Code, is amended to read to read as follows:

"§ 2543. Equipment and services: Presidential inaugural committees

"(a) ASSISTANCE AUTHORIZED.—The Secretary of Defense may provide the assistance referred to in subsection (b) to the following committees:

"(1) An Inaugural Committee established under the first section of the Presidential Inaugural Ceremonies Act (36 U.S.C. 721).

"(2) A joint committee of the Senate and House of Representatives appointed under section 9 of that Act (36 U.S.C. 729).

"(b) ASSISTANCE.—The following assistance may be provided under subsection (a):

"(1) Planning and carrying out activities relating to security and safety.

"(2) Planning and carrying out ceremonial activities.

"(3) Loan of property.

"(4) Any other assistance that the Secretary considers appropriate.

"(c) REIMBURSEMENT.—(1) An inaugural committee referred to in subsection (a)(1) shall reimburse the Secretary for any costs incurred in connection with the provision to the committee of assistance referred to in subsection (b)(4).

"(2) Costs reimbursed under paragraph (1) shall be credited to the appropriations from which the costs were paid. The amount credited to an appropriation shall be proportionate to the amount of the costs charged to that appropriation.

"(d) LOANED PROPERTY.—(1) Property loaned for a presidential inauguration under subsection (b)(3) shall be returned within nine days after the date of the ceremony inaugurating the President.

"(2) An inaugural committee referred to in subsection (a)(1) shall give good and sufficient bond for the return in good order and condition of property loaned to the committee under subsection (b)(3).

"(3) An inaugural committee referred to in subsection (a)(1) shall—

"(A) indemnify the United States for any loss of, or damage to, property loaned to the committee under subsection (b)(3); and

"(B) defray any expense incurred for the delivery, return, rehabilitation, replacement, or operation of the property.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 152 of such title is amended by striking out the item relating to section 2543 and inserting in lieu thereof the following:

"2543. Equipment and services: Presidential inaugural committees.".

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) SECURITY AND SAFETY ASSISTANCE.—At the request of a Federal, State, or local government agency responsible for providing law enforcement services, security

services, or safety services, the Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs.

(b) OTHER ASSISTANCE.—The Secretary may authorize a commander referred to in subsection (a) to provide assistance for a sporting event referred to in that subsection in support of other needs relating to such event, but only—

(1) to the extent that such needs cannot reasonably be met by a source other than the Department;

(2) to the extent that the provision of such assistance does not adversely affect the military preparedness of the Armed Forces; and

(3) if the organization requesting such assistance agrees to reimburse the Department for amounts expended by the Department in providing the assistance in accordance with the provisions of

section 377 of title 10, United States Code, and other applicable provisions of law.

(c) INAPPLICABILITY TO CERTAIN EVENTS.—Subsections (a) and (b) do not apply to the following sporting events:

(1) Sporting events for which funds have been appropriated before the date of the enactment of this Act.

(2) The Special Olympics.

(3) The Paralympics.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the provision of assistance under this section as the Secretary considers necessary and appropriate to protect the interests of the United States.

(e) REPORT ON ASSISTANCE.—Not later than January 30 of each year following a year in which the Secretary provides assistance under this section, the Secretary shall submit to the congressional defense committees a report on the assistance provided. The report shall set forth—

(1) a description of the assistance provided;

(2) the amount expended by the Department in providing the assistance;

(3) if the assistance was provided under subsection (a), the certification of the Attorney General

with respect to the assistance under that subsection; and

(4) if the assistance was provided under subsection (b)—

(A) an explanation why the assistance could not reasonably be met by a source other than the Department; and

(B) the amount the Department was reimbursed under that subsection.

(f) RELATIONSHIP TO OTHER LAWS.—Assistance provided under this section shall be subject to the provisions of sections 375 and 376 of title 10, United States Code.

SEC. 367. RENOVATION OF BUILDING FOR DEFENSE FINANCE AND ACCOUNTING SERVICE CENTER, FORT BENJAMIN HARRISON, INDIANA.

(a) TRANSFER AUTHORITY.—Subject to subsection (b), the Secretary of Defense may transfer funds available to the Department of Defense for the Defense Finance and Accounting Service for a fiscal year for operation and maintenance to the Administrator of General Services for paying the costs of planning, design, and renovation of Building One, Fort Benjamin Harrison, Indiana, for use as a Defense Finance and Accounting Service Center.

(b) AUTHORITY SUBJECT TO AUTHORIZATIONS AND APPROPRIATIONS.—To the extent provided in appropriations Acts—

(1) of funds appropriated for fiscal year 1997, $9,000,000 may be transferred pursuant to subsection (a); and

(2) of funds appropriated for fiscal years 1998, 1999, 2000, and 2001, funds may be transferred pursuant to subsection (a) in such amounts as are authorized to be transferred in an Act enacted after the date of the enactment of this Act.

SEC. 368. COMPUTER EMERGENCY RESPONSE TEAM AT SOFTWARE ENGINEERING INSTITUTE.

(a) FUNDING.—Of the amounts authorized to be appropriated under this Act, $2,000,000 shall be available to the Software Engineering Institute only for use by the Computer Emergency Response Team.

(b) CHALLENGE ATHENA PROGRAM.—Funds authorized by section 301(2) for the Challenge Athena program shall be reduced by $2,000,000.

SEC. 369. REIMBURSEMENT UNDER AGREEMENT FOR INSTRUCTION OF CIVILIAN STUDENTS AT FOREIGN LANGUAGE INSTITUTE OF THE DEFENSE LANGUAGE INSTITUTE.

Section 559(a)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2776; 10 U.S.C. 4411 note) is amended by striking out ''on a cost-reimbursable, space-available basis'' and inserting in lieu thereof ''on a space-available basis and for such reimbursement (whether in whole or in part) as the Secretary considers appropriate''.

SEC. 370. AUTHORITY OF AIR NATIONAL GUARD TO PROVIDE CERTAIN SERVICES AT LINCOLN MUNICIPAL AIRPORT, LINCOLN, NEBRASKA.

(a) AUTHORITY.—Subject to subsections (b) and (c), the Nebraska Air National Guard may provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, Nebraska, on behalf of the Lincoln Municipal Airport Authority, Lincoln, Nebraska.

(b) AGREEMENT.—The Nebraska Air National Guard may not provide services under subsection (a) until the Nebraska Air National Guard and the authority enter into an agreement under which the authority reimburses the Nebraska Air National Guard for the cost of the services provided.

(c) CONDITIONS.—These services may only be provided to the extent that the provision of such services does not adversely affect the military preparedness of the Armed Forces.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,300 may be commissioned officers.

(2) The Navy, 407,318, of which not more than 56,165 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 381,222, of which not more than 74,445 may be commissioned officers.

SEC. 402. TEMPORARY FLEXIBILITY RELATING TO PERMANENT END STRENGTH LEVELS.

Section 691(d) of title 10, United States Code, is amended by striking out ''not more than 0.5 percent'' and inserting in lieu thereof ''not more than 5 percent''.

SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN GRADES O–4, O–5, AND O–6.

(a) ARMY, AIR FORCE, AND MARINE CORPS.—The table in section 523(a)(1) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army:			
20,000	6,848	5,253	1,613
25,000	7,539	5,642	1,796
30,000	8,231	6,030	1,980
35,000	8,922	6,419	2,163
40,000	9,614	6,807	2,347
45,000	10,305	7,196	2,530
50,000	10,997	7,584	2,713
55,000	11,688	7,973	2,897
60,000	12,380	8,361	3,080
65,000	13,071	8,750	3,264
70,000	13,763	9,138	3,447
75,000	14,454	9,527	3,631
80,000	15,146	9,915	3,814
85,000	15,837	10,304	3,997
90,000	16,529	10,692	4,181
95,000	17,220	11,081	4,364
100,000	17,912	11,469	4,548
110,000	19,295	12,246	4,915
120,000	20,678	13,023	5,281
130,000	22,061	13,800	5,648
170,000	27,593	16,908	7,116
Air Force:			
35,000	9,216	7,090	2,125
40,000	10,025	7,478	2,306
45,000	10,835	7,866	2,487
50,000	11,645	8,253	2,668
55,000	12,454	8,641	2,849
60,000	13,264	9,029	3,030
65,000	14,073	9,417	3,211
70,000	14,883	9,805	3,392
75,000	15,693	10,193	3,573
80,000	16,502	10,582	3,754
85,000	17,312	10,971	3,935
90,000	18,121	11,360	4,115
95,000	18,931	11,749	4,296
100,000	19,741	12,138	4,477
105,000	20,550	12,527	4,658
110,000	21,360	12,915	4,838
115,000	22,169	13,304	5,019
120,000	22,979	13,692	5,200
125,000	23,789	14,081	5,381
Marine Corps:			
10,000	2,525	1,480	571
12,500	2,900	1,600	592
15,000	3,275	1,720	613
17,500	3,650	1,840	633
20,000	4,025	1,960	654
22,500	4,400	2,080	675
25,000	4,775	2,200	695".

(b) NAVY.—The table in section 523(a)(2) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant Commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116
33,000	7,799	5,239	2,223
36,000	8,267	5,460	2,330
39,000	8,735	5,681	2,437
42,000	9,203	5,902	2,544
45,000	9,671	6,123	2,651
48,000	10,139	6,343	2,758
51,000	10,606	6,561	2,864
54,000	11,074	6,782	2,971
57,000	11,541	7,002	3,078
60,000	12,009	7,222	3,185
63,000	12,476	7,441	3,292
66,000	12,944	7,661	3,398
70,000	13,567	7,954	3,541
90,000	16,683	9,419	4,254".

(c) REPEAL OF TEMPORARY AUTHORITY FOR VARIATIONS IN END STRENGTHS.—The following provisions of law are repealed:

(1) Section 402 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1639; 10 U.S.C. 523 note).

(2) Section 402 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2743; 10 U.S.C. 523 note).

(3) Section 402 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 286; 10 U.S.C. 523 note).

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on September 1, 1997.

SEC. 404. EXTENSION OF REQUIREMENT FOR RECOMMENDATIONS REGARDING APPOINTMENTS TO JOINT 4-STAR OFFICER POSITIONS.

Section 604(c) of title 10, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 2000''.

SEC. 405. INCREASE IN AUTHORIZED NUMBER OF GENERAL OFFICERS ON ACTIVE DUTY IN THE MARINE CORPS.

Section 526(a)(4) of title 10, United States Code, is amended by striking out ''68'' and inserting in lieu thereof ''80''.

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, 1997, as follows:

(1) The Army National Guard of the United States, 366,758.

(2) The Army Reserve, 214,925.

(3) The Naval Reserve, 96,304.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 108,904.

(6) The Air Force Reserve, 73,281.

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

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

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

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

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

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1997, 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, 22,798.

(2) The Army Reserve, 11,475.

(3) The Naval Reserve, 16,603.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,403.

(6) The Air Force Reserve, 655.

SEC. 413. PERSONNEL MANAGEMENT RELATING TO ASSIGNMENT TO SERVICE IN THE SELECTIVE SERVICE SYSTEM.

Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended—

(1) in subsection (b)(2), by inserting ", subject to subsection (e)," after "to employ such number of civilians, and"; and

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

''(e)(1) The number of armed forces personnel assigned to the Selective Service System under subsection (b)(2) may not exceed 745, except in a time of war declared by Congress or national emergency declared by Congress or the President.

''(2) Members of the Selected Reserve assigned to the Selective Service System under subsection (b)(2) shall not be counted for purposes of any limitation on the authorized strength of Selected Reserve personnel of the reserve components under any law authorizing the end strength of such personnel.''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1997 a total of $69,880,430,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1997.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF AUTHORITY FOR TEMPORARY PROMOTIONS FOR CERTAIN NAVY LIEUTENANTS WITH CRITICAL SKILLS.

Section 5721(g) of title 10, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

SEC. 502. EXCEPTION TO BACCALAUREATE DEGREE REQUIREMENT FOR APPOINTMENT IN THE NAVAL RESERVE IN GRADES ABOVE O–2.

Section 12205(b)(3) of title 10, United States Code, is amended by inserting ''or the Seaman to Admiral program'' after ''(NAVCAD) program''.

SEC. 503. TIME FOR AWARD OF DEGREES BY UNACCREDITED EDUCATIONAL INSTITUTIONS FOR GRADUATES TO BE CONSIDERED EDUCATIONALLY QUALIFIED FOR APPOINTMENT AS RESERVE OFFICERS IN GRADE O–3.

Section 12205(c)(2)(C) of title 10, United States Code, is amended by striking out ''three years'' and inserting in lieu thereof ''eight years''.

SEC. 504. CHIEF WARRANT OFFICER PROMOTIONS.

(a) REDUCTION OF MINIMUM TIME IN GRADE REQUIRED FOR CONSIDERATION FOR PROMOTION.—Section 574(e) of title 10, United States Code, is amended by striking out ''three years of service'' and inserting in lieu thereof ''two years of service''.

(b) BELOW-ZONE SELECTION.—Section 575(b)(1) of such title is amended by inserting ''chief warrant officer, W–3,'' in the first sentence after ''to consider warrant officers for selection for promotion to the grade of''.

SEC. 505. FREQUENCY OF PERIODIC REPORT ON PROMOTION RATES OF OFFICERS CURRENTLY OR FORMERLY SERVING IN JOINT DUTY ASSIGNMENTS.

Section 662(b) of title 10, United States Code, is amended by striking out ''not less often than every six months'' in the parenthetical in the first sentence and inserting in lieu thereof ''not less often than every twelve months''.

SEC. 506. GRADE OF CHIEF OF NAVAL RESEARCH.

Section 5022(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)''; and

(2) by adding at the end the following:

''(2) Unless appointed to higher grade under another provision of law, an officer, while serving in the Office of

Naval Research as Chief of Naval Research, has the rank of rear admiral (upper half).''.

SEC. 507. SERVICE CREDIT FOR SENIOR ROTC CADETS AND MIDSHIPMEN IN SIMULTANEOUS MEMBERSHIP PROGRAM.

(a) AMENDMENTS TO TITLE 10.—(1) Section 2106(c) of title 10, United States Code, is amended by striking out ''while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve'' and inserting in lieu thereof ''performed on or after August 1, 1979, as a member of the Selected Reserve''.

(2) Section 2107(g) of such title is amended by striking out ''while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve'' and inserting in lieu thereof ''performed on or after August 1, 1979, as a member of the Selected Reserve''.

(3) Section 2107a(g) of such title is amended by inserting '', other than enlisted service performed after August 1, 1979, as a member of Selected Reserve'' after ''service as a cadet or with concurrent enlisted service''.

(b) AMENDMENT TO TITLE 37.—Section 205(d) of title 37, United States Code, is amended by striking out ''that service after July 31, 1990, that the officer per-

formed while serving on active duty'' and inserting in lieu thereof ''for service that the officer performed on or after August 1, 1979.''.

(c) BENEFITS NOT TO ACCRUE FOR PRIOR PERIODS.—No increase in pay or retired or retainer pay shall accrue for periods before the date of the enactment of this Act by reason of the amendments made by this section.

Subtitle B—Matters Relating to Reserve Components

SEC. 511. CLARIFICATION OF DEFINITION OF ACTIVE STATUS.

Section 101(d)(4) of title 10, United States Code, is amended by striking out ''a reserve commissioned officer, other than a commissioned warrant officer,'' and inserting in lieu thereof the following: ''a member of a reserve component''.

SEC. 512. AMENDMENTS TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT PROVISIONS.

(a) SERVICE REQUIREMENT FOR RETIREMENT IN HIGHEST GRADE HELD.—Section 1370(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) in paragraph (2)(A), by striking out ''(A)'';

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

(4) in paragraph (3), as so redesignated—

(A) by designating the first sentence as subparagraph (A);

(B) by designating the second sentence as subparagraph (B) and realigning such subparagraph, as so redesignated, flush to the left margin;

(C) in subparagraph (B), as so redesignated, by striking out ''the preceding sentence'' and inserting in lieu thereof ''subparagraph (A)''; and

(D) by adding at the end the following:

''(C) If a person covered by subparagraph (A) has completed at least six months of satisfactory service in grade, the person was serving in that grade while serving in a position of adjutant general required under section 314 of title 32 or while serving in a position of assistant adjutant general subordinate to such a position of adjutant general, and the person has failed to complete three years of service in that grade solely because the person's appointment to such position has been terminated or vacated as described in section 324(b) of such title, then such person may be credited with satisfactory service in

that grade, notwithstanding the failure to complete three years of service in that grade.

"(D) To the extent authorized by the Secretary of the military department concerned, a person who, after having been recommended for promotion in a report of a promotion board but before being promoted to the recommended grade, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while in the next lower grade. The period credited may not include any period before the date on which the Senate provides advice and consent for the appointment of that person in the recommended grade.

"(E) To the extent authorized by the Secretary of the military department concerned, a person who, after having been extended temporary Federal recognition as a reserve officer of the Army National Guard in a particular grade under section 308 of title 32 or temporary Federal recognition as a reserve officer of the Air National Guard in a particular grade under such section, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while extended the temporary

Federal recognition, but only if the person was subsequently extended permanent Federal recognition as a reserve officer in that grade and also served in that position after being extended the permanent Federal recognition.''.

(b) EXCEPTION TO REQUIREMENT FOR RETENTION OF RESERVE OFFICERS UNTIL COMPLETION OF REQUIRED SERVICE.—Section 12645(b)(2) of such title is amended by inserting ''or a reserve active-status list'' after ''active-duty list''.

(c) TECHNICAL CORRECTION.—Section 14314(b)(2)(B) of such title is amended by striking out ''of the Air Force''.

SEC. 513. REPEAL OF REQUIREMENT FOR PHYSICAL EXAMINATIONS OF MEMBERS OF NATIONAL GUARD CALLED INTO FEDERAL SERVICE.

(a) REPEAL.—Section 12408 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1209 is amended by striking out the item relating to section 12408.

SEC. 514. AUTHORITY FOR A RESERVE ON ACTIVE DUTY TO WAIVE RETIREMENT SANCTUARY.

Section 12686 of title 10, United States Code, is amended—

(1) by inserting ''(a) LIMITATION.—'' before ''Under regulations''; and

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

''(b) WAIVER.—(1) The Secretary concerned may authorize a member described in paragraph (2) to waive the applicability of the limitation under subsection (a) to the member for the period of active duty described in that paragraph. A member shall exercise any such waiver option, if at all, before the period of active duty begins.

''(2) The authority provided in paragraph (1) applies to a member of a reserve component who is on active duty (other than for training) pursuant to an order to active duty under section 12301 of this title that specifies a period of less than 180 days.''.

SEC. 515. RETIREMENT OF RESERVES DISABLED BY INJURY OR DISEASE INCURRED OR AGGRAVATED DURING OVERNIGHT STAY BETWEEN INACTIVE DUTY TRAINING PERIODS.

Paragraph (2) of section 1204 of title 10, United States Code, is amended to read as follows:

''(2) the disability is a result of—

''(A) performing active duty or inactive-duty training;

"(B) traveling directly to or from the place at which such duty is performed; or

"(C) an injury, illness, or disease incurred or aggravated while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance of the member's residence;".

SEC. 516. RESERVE CREDIT FOR PARTICIPATION IN THE HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) CREDIT AUTHORIZED.—Section 2126 of title 10, United States Code, is amended—

(1) by striking out "Service performed" and inserting in lieu thereof "(a) SERVICE NOT CREDITABLE.—Except as provided in subsection (b), service performed"; and

(2) by adding at the end the following:

"(b) EXCEPTION.—(1) The Secretary concerned may authorize service performed by a member of the program in pursuit of a course of study under this subchapter to be counted in accordance with this subsection if the member—

"(A) completes the course of study;

"(B) completes the active duty obligation imposed under section 2123(a) of this title; and

"(C) possesses a specialty designated by the Secretary concerned as critically needed in wartime.

"(2) Service credited under paragraph (1) counts only for the following purposes:

"(A) Award of retirement points for computation of years of service under section 12732 of this title and for computation of retired pay under section 12733 of this title.

"(B) Computation of years of service creditable under section 205 of title 37.

"(3) For purposes of paragraph (2)(A), a member may be credited in accordance with paragraph (1) with not more than 50 points for each year of participation in a course of study that the member satisfactorily completes as a member of the program.

"(4) Service may not be counted under paragraph (1) for more than four years of participation in a course of study as a member of the program.

"(5) A member who is dropped from the program under section 2123(c) of this title may not receive any credit under paragraph (1) for participation in a course of study as a member of the program. Any credit awarded

for participation in the program before the member is dropped shall be rescinded.

"(6) A member is not entitled to any retroactive award of, or increase in, pay or allowances under title 37 by reason of an award of service credit under paragraph (1).".

(b) AWARD OF RETIREMENT POINTS.—(1) Section 12732(a)(2) of such title is amended—

(A) by inserting after clause (C) the following:

"(D) Points credited for the year under section 2126(b) of this title."; and

(B) in the matter following clause (D), as inserted by paragraph (1), by striking out "and (C)" and inserting in lieu thereof "(C), and (D)".

(2) Section 12733(3) of such title is amended by striking out "or (C)" and inserting in lieu thereof "(C), or (D)".

SEC. 517. REPORT ON GUARD AND RESERVE FORCE STRUCTURE.

(a) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on the current force structure and the projected force structure of the National Guard and the other reserve components.

(b) REPORT ELEMENTS.—The report required by subsection (a) shall address the following:

(1) The role of specific guard and reserve units in the current force structure of the guard and reserves.

(2) The projected role of specific guard units and reserve units in a major regional contingency.

(3) Whether or not the current force structure of the guard and reserves is excess to the combat readiness requirements of the Armed Forces and, if so, to what extent.

(4) The effect of decisions relating to the force structure of the guard and reserves on combat readiness within the tiered structure of combat readiness applied to the Armed Forces.

SEC. 518. MODIFIED END STRENGTH AUTHORIZATION FOR MILITARY TECHNICIANS FOR THE AIR NATIONAL GUARD FOR FISCAL YEAR 1997.

Section 513(b)(3) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 305; 10 U.S.C. 115 note) is amended to read as follows:

"(3) Air National Guard:

"(A) For fiscal year 1996, 22,906.

"(B) For fiscal year 1997, 22,956.".

Subtitle C—Officer Education Programs

SEC. 521. INCREASED AGE LIMIT ON APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Section 2107(a) of title 10, United States Code, is amended by striking out ''25 years of age'' and inserting in lieu thereof ''27 years of age''.

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of title 10, United States Code, is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

(c) UNITED STATES NAVAL ACADEMY.—Section 6958(a)(1) of title 10, United States Code, is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of title 10, United States Code, is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

SEC. 522. DEMONSTRATION PROJECT FOR INSTRUCTION AND SUPPORT OF ARMY ROTC UNITS BY MEMBERS OF THE ARMY RESERVE AND NATIONAL GUARD.

(a) IN GENERAL.—The Secretary of the Army shall carry out a demonstration project in order to assess the feasibility and advisability of providing instruction and similar support to units of the Reserve Officers Training Corps of the Army through members of the Army Reserve (including members of the Individual Ready Reserve) and members of the Army National Guard.

(b) PROJECT REQUIREMENTS.—(1) The Secretary shall carry out the demonstration project at least one institution.

(2) In order to enhance the value of the project, the Secretary may take actions to ensure that members of the Army Reserve and the Army National Guard provide instruction and support under the project in a variety of innovative ways.

(c) INAPPLICABILITY OF LIMITATION ON RESERVES IN SUPPORT OF ROTC.—The assignment of a member of the Army Reserve or the Army National Guard to provide instruction or support under the demonstration project shall not be treated as an assignment of the member to duty with a unit of a Reserve Officer Training Corps pro-

gram for purposes of section 12321 of title 10, United States Code.

(d) REPORTS.—Not later than February 1 in each of 1998, 1999, 2000, and 2001, the Secretary shall submit to Congress a report assessing the activities under the project during the preceding year. The report submitted in 2000 shall include the Secretary's recommendation as to the advisability of continuing or expanding the authority for the project.

(e) TERMINATION.—The authority of the Secretary to carry out the demonstration project shall expire four years after the date of the enactment of this Act.

SEC. 523. PROHIBITION ON REORGANIZATION OF ARMY ROTC CADET COMMAND OR TERMINATION OF SENIOR ROTC UNITS PENDING REPORT ON ROTC.

(a) PROHIBITION.—Notwithstanding any other provision of law, the Secretary of the Army may not reorganize or restructure the Reserve Officers Training Corps Cadet Command or terminate any Senior Reserve Officer Training Corps units identified in the Information for Members of Congress concerning Senior Reserve Officer Training Corps (ROTC) Unit Closures dated May 20, 1996, until 180 days after the date on which the Secretary submits

to the congressional defense committees the report described in subsection (b).

(b) REPORT.—The report referred to in subsection (a) shall—

(1) describe the selection process used to identify the Reserve Officer Training Corps units of the Army to be terminated;

(2) list the criteria used by the Army to select Reserve Officer Training Corps units for termination;

(3) set forth the specific ranking of each unit of the Reserve Officer Training Corps of the Army to be terminated as against all other such units;

(4) set forth the authorized and actual cadre staffing of each such unit to be termination for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(5) set forth the production goals and performance evaluations of each Reserve Officer Training Corps unit of the Army on the closure list for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(6) describe how cadets currently enrolled in the units referred to in paragraph (5) will be accommodated after the closure of such units;

(7) describe the incentives to enhance the Reserve Officer Training Corps program that are provided by each of the colleges on the closure list;

(8) include the projected officer accession plan by source of commission for the active-duty Army, the Army Reserve, and the Army National Guard; and

(9) describe whether the closure of any ROTC unit will adversely effect the recruitment of minority officer candidates.

Subtitle D—Other Matters

SEC. 531. RETIREMENT AT GRADE TO WHICH SELECTED FOR PROMOTION WHEN A PHYSICAL DISABILITY IS FOUND AT ANY PHYSICAL EXAMINATION.

Section 1372(3) of title 10, United States Code, is amended by striking out ''his physical examination for promotion'' and inserting in lieu thereof ''a physical examination''.

SEC. 532. LIMITATIONS ON RECALL OF RETIRED MEMBERS TO ACTIVE DUTY.

(a) NUMBER ON ACTIVE DUTY CONCURRENTLY.—Subsection (c) of section 688 of title 10, United States Code, is amended—

(1) by striking out "(c) Except in time of war, or of national emergency declared by Congress or the President after November 30, 1980, not" and inserting in lieu thereof "(c)(1) Not"; and

(2) by adding at the end the following:

"(2)(A) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.

"(B) In the administration of subparagraph (A), the following officers shall not be counted:

"(i) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(ii) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(iii) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.".

(d) WAIVER FOR PERIODS OF WAR OR NATIONAL EMERGENCY.—Such section, as amended by subsection (c), is further amended by adding at the end the following:

"(g)(1) Subsection (c)(1) does not apply in time of war or of national emergency declared by Congress or the President after November 30, 1980.

"(2) Subsections (c)(2), (e), and (f) do not apply in time of war or of national emergency declared by Congress or the President.".

SEC. 533. DISABILITY COVERAGE FOR OFFICERS GRANTED EXCESS LEAVE FOR EDUCATIONAL PURPOSES.

(a) ELIGIBILITY FOR RETIREMENT.—Section 1201 of title 10, United States Code, is amended—

(1) by inserting "(a) RETIREMENT.—" before "Upon a determination";

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in subsection (b)";

(3) by inserting after "incurred while entitled to basic pay" the following: "or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not en-

titled to basic pay by operation of such section)''; and

(4) by adding at the end the following:

''(b) ELIGIBLE MEMBERS.—This section applies to the following members:

''(1) A member of a regular component of the armed forces entitled to basic pay.

''(2) Any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days.

''(3) A member of a regular component of the armed forces who is on active duty but is absent as described in section 502(b) of title 37 to participate in an educational program.''.

(b) ELIGIBILITY FOR PLACEMENT ON TEMPORARY DISABILITY RETIREMENT LIST.—Section 1202 of title 10, United States Code, is amended—

(1) by inserting ''(a) TEMPORARY RETIREMENT.—'' before ''Upon a determination''; and

(2) by striking out ''a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active

duty (other than for training under section 10148(a) of this title) for a period of more than 30 days,'' and inserting in lieu thereof ''a member described in section 1201(b) of this title''.

(c) ELIGIBILITY FOR SEPARATION.—Section 1203 of title 10, United States Code, is amended—

(1) by inserting ''(a) SEPARATION.—'' before ''Upon a determination'';

(2) by striking out ''a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days,'' and inserting in lieu thereof ''a member described in section 1201(b) of this title''; and

(3) by inserting after ''incurred while entitled to basic pay'' the following: ''or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not entitled to basic pay by operation of such section)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to physical disabilities incurred on or after such date.

SEC. 534. UNIFORM POLICY REGARDING RETENTION OF MEMBERS WHO ARE PERMANENTLY NON-WORLDWIDE ASSIGNABLE.

(a) POLICY REQUIRED.—Chapter 59 of title 10, United States Code, is amended by inserting after section 1176 the following:

"§ 1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable

''The Secretary of Defense shall prescribe regulations setting forth uniform policies and procedures regarding retention of members of the Army, Navy, Air Force, and Marine Corps who are permanently nonworldwide assignable for medical reasons.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1176 the following:

''1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable.''.

SEC. 535. AUTHORITY TO EXTEND PERIOD FOR ENLISTMENT IN REGULAR COMPONENT UNDER THE DELAYED ENTRY PROGRAM.

(a) AUTHORITY.—Section 513(b) of title 10, United States Code, is amended by inserting after the first sentence the following: ''The Secretary concerned may extend the 365-day period for a person for up to 180 additional

days if the Secretary determines that it is in the best interests of the armed force under the Secretary's jurisdiction to do so.''.

(b) TECHNICAL AMENDMENTS.—Section 513(b) of such title, as amended by subsection (a), is further amended—

(1) by inserting ''(1)'' after ''(b)'';

(2) by designating the third sentence as paragraph (2) and realigning such paragraph, as so designated, flush to the left margin; and

(3) in paragraph (2), as so designated, by striking out ''the preceding sentence'' and inserting in lieu thereof ''paragraph (1)''.

SEC. 536. CAREER SERVICE REENLISTMENTS FOR MEMBERS WITH AT LEAST 10 YEARS OF SERVICE.

Subsection (d) of section 505 of title 10, United States Code, is amended to read as follows:

''(d)(1) The Secretary concerned may accept a reenlistment in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for a period determined under this subsection.

''(2) In the case of a member who has less than 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the period

for which the member reenlists shall be at least two years but not more than six years.

"(3) In the case of a member who has at least 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the Secretary concerned may accept a reenlistment for either—

"(A) a specified period of at least two years but not more than six years; or

"(B) an unspecified period.

"(4) No enlisted member is entitled to be reenlisted for a period that would expire before the end of the member's current enlistment.".

SEC. 537. REVISIONS TO MISSING PERSONS AUTHORITIES.

(a) REPEAL OF APPLICABILITY OF AUTHORITIES TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action,

and whose status is undetermined or who is unaccounted for.''; and

(B) by striking out subsection (f).

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out ''one individual described in paragraph (2)'' and inserting in lieu thereof ''one military officer'';

(B) by striking out paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(3) Section 1504(d) of such title is amended—

(A) by striking out the text of paragraph (1) and inserting in lieu thereof the following new text: ''A board under this section shall be composed of at least three members who are officers having the grade of major or lieutenant commander or above.''; and

(B) in paragraph (4), by striking out ''section 1503(c)(4)'' and inserting in lieu thereof ''section 1503(c)(3)''.

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

''(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.''.

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of title 10, United States Code, is amended—

(A) in subsection (a)(2)—

(i) by striking out ''48 hours'' and inserting in lieu thereof ''10 days''; and

(ii) by striking out ''theater component commander with jurisdiction over the missing person'' and inserting in lieu thereof ''Secretary concerned'';

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as subsection (b); and

(D) in subsection (b), as so redesignated, by striking out the second sentence.

(2) Section 1503(a) of such title is amended by striking out ''section 1502(b)'' and inserting in lieu thereof ''section 1502(a)''.

(3) Section 1513 of such title is amended by striking out paragraph (8).

(c) REPEAL OF REQUIREMENTS FOR COUNSELS FOR MISSING PERSONS.—(1) Section 1503 of title 10, United States Code, is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively.

(2) Section 1504 of such title is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (m) as subsections (f) through (l), respectively.

(3) Such section 1503 is further amended—

(A) in subsection (g)(3), as redesignated by paragraph (1)(B) of this subsection, by striking out ''subsection (j)'' and inserting in lieu thereof ''subsection (i)'';

(B) in subsection (h)(1), as so redesignated, by striking out ''subsection (h)'' and inserting in lieu thereof ''subsection (g)'';

(C) in subsection (i), as so redesignated—

(i) by striking out ''subsection (i)'' in the matter preceding paragraph (1) and inserting in lieu thereof ''subsection (h)''; and

(ii) in paragraph (1)(B), by striking out ''subsection (h)'' and inserting in lieu thereof ''subsection (g)''; and

(D) in subsection (j), as so redesignated, by striking out ''subsection (i)'' and inserting in lieu thereof ''subsection (h)''.

(4) Such section 1504 of such title is amended—

(A) in subsection (a), by striking out ''section 1503(i)'' and inserting in lieu thereof ''section 1503(h)'';

(B) in subsection (e)(1), by striking out ''section 1503(h)'' and inserting in lieu thereof ''section 1503(g)'';

(C) in subsection (f), as redesignated by paragraph (2)(B) of this subsection, by striking out ''subsection (i)'' each place it appears in paragraphs (4)(D) and (5)(B) and inserting in lieu thereof ''subsection (h)'';

(D) in subsection (g)(3)(A), as so redesignated, by striking out ''and the counsel for the missing person appointed under subsection (f)'';

(E) in subsection (j), as so redesignated—

(i) in paragraph (1)—

(I) by striking out ''subsection (j)'' in the matter preceding subparagraph (A) and inserting in lieu thereof ''subsection (i)'';

(II) by inserting ''and'' at the end of subparagraph (A);

(III) by striking out subparagraph (B); and

(IV) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph, as so redesignated, by striking out ''subsection (g)(5)'' and inserting in lieu thereof ''subsection (f)(5)''; and

(ii) in paragraph (2), by striking out ''subparagraph (C)'' and inserting in lieu thereof ''subparagraph (B)'';

(F) in subsection (k), as redesignated by paragraph (2)(B) of this subsection, by striking out ''subsection (k)'' in the matter preceding paragraph (1) and inserting in lieu thereof ''subsection (j)''; and

(G) in subsection (l), as so redesignated, by striking out ''subsection (k)'' and inserting in lieu thereof ''subsection (l)''.

(5) Section 1505(c) of such title is amended—

(A) in paragraph (2), by striking out ''(A) the designated missing person's counsel for that person, and (B)''; and

(B) in paragraph (3), by striking out '', with the advice'' and all that follows through ''paragraph (2),''.

(6) Section 1509(a) of such title is amended by striking out ''section 1504(g)'' and inserting in lieu thereof ''section 1504(f)''.

(d) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of title 10, United States Code, is amended to read as follows:

''(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The Secretary concerned shall conduct inquiries into the whereabouts and status of a person under subsection (a) upon receipt of information that may result in a change of status of the person. The Secretary concerned shall appoint a board to conduct such inquiries.''.

(e) REPEAL OF STATUTORY PENALTIES FOR WRONGFUL WITHHOLDING OF INFORMATION.—Section 1506 of title 10, United States Code, is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(f) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of title 10, United States Code, is amended by striking out paragraphs (3) and (4).

(g) REPEAL OF RIGHT OF JUDICIAL REVIEW.—Section 1508 of title 10, United States Code, is repealed.

(h) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking out paragraph (1); and

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

(B) by striking out subsection (c);

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

(D) in subsection (c), as so redesignated—

(i) by striking out paragraph (1); and

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

(2) The section heading of such section is amended by striking out "**, special interest cases**".

(i) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 76 of title 10, United States Code, is amended—

(1) in the item relating to section 1509, by striking out ", special interest cases"; and

(2) by striking out the item relating to section 1509.

SEC. 538. INAPPLICABILITY OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940 TO THE PERIOD OF LIMITATIONS FOR FILING CLAIMS FOR CORRECTIONS OF MILITARY RECORDS.

(a) EXTENSION OF PERIOD.—Section 1552(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2) Notwithstanding the provisions of section 205 of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 525), and any other provision of law, the three-year period for filing a request for correction of records is not extended by reason of military service. However, in determining under paragraph (1) whether it is in the interest of justice to excuse a failure timely to file a request for correction, the board shall consider the claimant's military service and its effect on the claimant's ability to file a claim.''.

(b) EFFECTIVE DATE.—Paragraph (2) of section 1552(b) of such title, as added by subsection (a), shall take effect three years after the date of the enactment of this Act.

SEC. 539. MEDAL OF HONOR FOR CERTAIN AFRICAN-AMERICAN SOLDIERS WHO SERVED IN WORLD WAR II.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to each person identified in subsection (b), each such person having distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) APPLICABILITY.—The authority in this section applies with respect to the following persons:

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, 12th Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in the 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Distinguished-Service Cross, or other award, has been awarded.

SEC. 540. CHIEF AND ASSISTANT CHIEF OF ARMY NURSE CORPS.

(a) CHIEF OF ARMY NURSE CORPS.—Subsection (b) of section 3069 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''major'' and inserting in lieu thereof ''lieutenant colonel'';

(2) by inserting after the first sentence the following: ''An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general.''; and

(3) in the last sentence, by inserting ''to the same position'' before the period at the end.

(b) ASSISTANT CHIEF.—Subsection (c) of such section is amended by striking out ''major'' in the first sentence and inserting in lieu thereof ''lieutenant colonel''.

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

''§ 3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade

(2) The item relating to such section in the table of sections at the beginning of chapter 307 of title 10, United States Code, is amended to read as follows:

''3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade.''.

SEC. 541. CHIEF AND ASSISTANT CHIEF OF AIR FORCE NURSE CORPS.

(a) POSITIONS AND APPOINTMENT.—Chapter 807 of title 10, United States Code, is amended by inserting after section 8067 the following:

''§ 3069. Air Force nurses: Chief and assistant chief; appointment; grade

''(a) POSITIONS OF CHIEF AND ASSISTANT CHIEF.—There are a Chief and assistant chief of the Air Force Nurse Corps.

''(b) CHIEF.—The Secretary of the Air Force shall appoint the Chief from the officers of the Regular Air

Force designated as Air Force nurses whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than three years, and may not be reappointed to the same position.

''(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 8067 the following:

''3069. Air Force Nurse Corps: Chief and assistant chief; appointment; grade.''.

SEC. 542. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations as described in subsection (b), the award of each such decoration having been determined by the Secretary of the Navy to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II as follows:

(1) FIRST AWARD.—First award, for completion of at least 20 qualifying combat missions, to the following members and former members of the Armed Forces:

Vernard V. Aiken of Wilmington, Vermont.

Ira V. Babcock of Dothan, Georgia.

George S. Barlow of Grafton, Virginia.

Earl A. Bratton of Bodega Bay, California.

Herman C. Edwards of Johns Island, South Carolina.

James M. Fitzgerald of Anchorage, Alaska.

Paul L. Hitchcock of Raleigh, North Carolina.

Harold H. Hottle of Hillsboro, Ohio.

Samuel M. Keith of Anderson, South Carolina.

Otis Lancaster of Wyoming, Michigan.

John B. McCabe of Biglerville, Pennsylvania.

James P. Merriman of Midland, Texas.

The late Michael L. Michalak, formerly of Akron, New York.

The late Edward J. Naparkowsky, formerly of Hartford, Connecticut.

A. Jerome Pfeiffer of Racine, Wisconsin.

Duane L. Rhodes of Earp, California.

Frank V. Roach of Bloomfield, New Jersey.

Arnold V. Rosekrans of Horseheads, New York.

Joseph E. Seaman, Jr. of Bordentown, New Jersey.

Luther E. Thomas of Panama City, Florida.

Merton S. Ward of South Hamilton, Massachusetts.

Simon L. Webb of Magnolia, Mississippi.

Jerry W. Webster of Leander, Texas.

Stanley J. Orlowski of Jackson, Michigan.

(2) SECOND AWARD.—Second award, for completion of at least 40 qualifying combat missions, to the following members and former members of the Armed Forces:

Ralph J. Deceuster of Dover, Ohio.

Elbert J. Kimble of San Francisco, California.

George W. Knauff of Monument, Colorado.

John W. Lincoln of Rockland, Massachusetts.

Alan D. Marker of Sonoma, California.

Joseph J. Oliver of White Haven, Pennsylvania.

Arthur C. Adair of Grants Pass, Oregon.

Daniel K. Connors of Hampton, New Hampshire.

Glen E. Danielson of Whittier, California.

Prescott C. Jernegan of Hemet, California.

Stephen K. Johnson of Englewood, Florida.

Warren E. Johnson of Vista, California.

Albert P. Emsley of Bothell, Washington.

Robert B. Carnes of West Yarmouth, Massachusetts.

Urbain J. Fournier of Houma, Louisiana.

John B. Tagliapiri of St. Helena, California.

Ray B. Stiltner of Centralia, Washington.

(3) THIRD AWARD.—Third award, for completion of at least 60 qualifying combat missions, to the

following members and former members of the Armed Forces:

Glenn Bowers of Dillsburg, Pennsylvania.

Arthur C. Casey of Irving, California.

Robert J. Larsen of Gulf Breeze, Florida.

William A. Nickerson of Portland, Oregon.

David Mendoza of McAllen, Texas.

(4) FOURTH AWARD.—Fourth award, for completion of at least 80 qualifying combat missions, to the following members and former members of the Armed Forces:

Arvid L. Kretz of Santa Rosa, California.

George E. McClane of Cocoa Beach, Florida.

Robert Bair of Ontario, California.

(5) FIFTH AWARD.—Fifth award, for completion of at least 100 qualifying combat missions, to the following members and former members of the Armed Forces:

William A. Baldwin of San Clemente, California.

George Bobb of Blackwood, New Jersey.

John R. Conrad of Hot Springs, Arkansas.

Herbert R. Hetrick of Roaring Springs, Pennsylvania.

William L. Wells of Cordele, Georgia.

(6) SIXTH AWARD.—Sixth award, for completion of at least 120 qualifying combat missions, to Richard L. Murray of Dallas, Texas.

SEC. 543. MILITARY PERSONNEL STALKING PUNISHMENT AND PREVENTION ACT OF 1996.

(a) SHORT TITLE.—This section may be cited as the ''Military Personnel Stalking Punishment and Prevention Act of 1996''.

(b) IN GENERAL.—Title 18, United States Code, is amended by inserting after section 2261 the following:

''§ 2261A. Stalking of members of the Armed Forces of the United States

''(a) IN GENERAL.—Whoever, within the special maritime and territorial jurisdiction of the United States or in the course of interstate travel, with the intent to injure or harass any military person, places that military person in reasonable fear of the death of, or serious bodily injury to, that military person or a member of the immediate family of that military person shall be punished as provided in section 2261.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'immediate family' has the same meaning as in section 115; and

''(2) the term 'military person' means—

"(A) any member of the Armed Forces of the United States (including a member of any reserve component); and

"(B) any member of the immediate family of a person described in subparagraph (A).".

(c) CONFORMING AMENDMENTS.—

(1) Section 2261(b) of title 18, United States Code, is amended by inserting "or section 2261A" after "this section".

(2) Sections 2261(b) and 2262(b) of title 18, United States Code, are each amended by striking "offender's spouse or intimate partner" each place it appears and inserting "victim".

(3) The chapter heading for chapter 110A of title 18, United States Code, is amended by inserting "**AND STALKING**" after "**VIOLENCE**".

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 110A of title 18, United States Code, is amended by inserting after the item relating to section 2261 the following new item:

"2261A. Stalking of members of the Armed Forces of the United States.".

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the day after the date of enactment of this Act.

Subtitle E—Commissioned Corps of the Public Health Service

SEC. 561. APPLICABILITY TO PUBLIC HEALTH SERVICE OF PROHIBITION ON CREDITING CADET OR MIDSHIPMEN SERVICE AT THE SERVICE ACADEMIES.

Section 971(b) of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end the following: ''or an officer in the Commissioned Corps of the Public Health Service''; and

(2) in subsection (b)—

(A) by striking out ''and'' at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ''; and''; and

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

''(4) no officer in the Commissioned Corps of the Public Health Service may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military

Academy, United States Air Force Academy, or United States Coast Guard Academy.''.

SEC. 562. EXCEPTION TO GRADE LIMITATIONS FOR PUBLIC HEALTH SERVICE OFFICERS ASSIGNED TO THE DEPARTMENT OF DEFENSE.

Section 206 of the Public Health Service Act (42 U.S.C. 207 et seq.) is amended by adding at the end thereof the following new subsection:

''(f) EXCEPTION TO GRADE LIMITATIONS FOR OFFICERS ASSIGNED TO DEPARTMENT OF DEFENSE.—In computing the maximum number of commissioned officers of the Public Health Service authorized by law to hold a grade which corresponds to the grade of captain, major, lieutenant colonel, or colonel, there may be excluded from such computation officers who hold such a grade while the officers are assigned to duty in the Department of Defense.''.

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 571. AUTHORITY TO EXPAND LAW ENFORCEMENT PLACEMENT PROGRAM TO INCLUDE FIREFIGHTERS.

Section 1152(g) of title 10, United States Code, is amended—

(1) by striking out ''(g) CONDITIONAL EXPANSION OF PLACEMENT TO INCLUDE FIREFIGHTERS.—(1) Subject to paragraph (2), the'' and inserting in lieu thereof ''(g) AUTHORITY TO EXPAND PLACEMENT TO INCLUDE FIREFIGHTERS.—The''; and

(2) in paragraph (2), by striking out the first sentence.

SEC. 572. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS.

(a) SEPARATED MEMBERS OF THE ARMED FORCES.—(1) Subsection (a) of section 1151 of title 10, United States Code, is amended by striking out ''may establish'' and inserting in lieu thereof ''shall establish''.

(2) Such section is further amended—

(A) in subsection (f)(2), by striking out ''five school years'' in subparagraphs (A) and (B) and inserting in lieu thereof ''two school years''; and

(B) in subsection (h)(3)(A), by striking out ''five consecutive school years'' and inserting in lieu thereof ''two consecutive school years''.

(3) Subsection (g)(2) of such section is amended—

(A) by striking out the comma after ''section 1174a of this title'' and inserting in lieu thereof ''or''; and

(B) by striking out ", or retires pursuant to the authority provided in section 4403 of the National Defense Authorization Act for fiscal year 1993 (Public Law 102–484; 10 U.S.C. 1293 note)".

(4) Subsection (h)(3)(B) of such section is amended—

(A) in clause (i), by striking out "$25,000" and inserting in lieu thereof "$17,000";

(B) in clause (ii)—

(i) by striking out "40 percent" and inserting in lieu thereof "25 percent"; and

(ii) by striking out "$10,000" and inserting in lieu thereof "$8,000"; and

(C) by striking out clauses (iii), (iv), and (v).

(b) SAVINGS PROVISION.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1151 of title 10, United States Code, before the date of the enactment of this Act.

Subtitle G—Armed Forces Retirement Home

SEC. 581. REFERENCES TO ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms

of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101–510; 24 U.S.C. 401 et seq.).

SEC. 582. ACCEPTANCE OF UNCOMPENSATED SERVICES.

(a) AUTHORITY.—Part A is amended by adding at the end the following:

"SEC. 1522. AUTHORITY TO ACCEPT CERTAIN UNCOMPENSATED SERVICES.

"(a) AUTHORITY TO ACCEPT SERVICES.—Subject to subsection (b) and notwithstanding section 1342 of title 31, United States Code, the Chairman of the Retirement Home Board or the Director of each establishment of the Retirement Home may accept from any person voluntary personal services or gratuitous services unless the acceptance of the voluntary services is disapproved by the Retirement Home Board.

"(b) REQUIREMENTS AND LIMITATIONS.—(1) The Chairman of the Retirement Home Board or the Director of the establishment accepting the services shall notify the person of the scope of the services accepted.

"(2) The Chairman or Director shall—

"(A) supervise the person providing the services to the same extent as that official would supervise

a compensated employee providing similar services; and

"(B) ensure that the person is licensed, privileged, has appropriate credentials, or is otherwise qualified under applicable laws or regulations to provide such services.

"(3) A person providing services accepted under subsection (a) may not—

"(A) serve in a policymaking position of the Retirement Home; or

"(B) be compensated for the services by the Retirement Home.

"(c) AUTHORITY TO RECRUIT AND TRAIN PERSONS PROVIDING SERVICES.—The Chairman of the Retirement Home Board or the Director of an establishment of the Retirement Home may recruit and train persons to provide services authorized to be accepted under subsection (a).

"(d) STATUS OF PERSONS PROVIDING SERVICES.—(1) Subject to paragraph (3), while providing services accepted under subsection (a) or receiving training under subsection (c), a person shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

"(A) Subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries).

"(B) Chapter 171 of title 28, United States Code (relating to claims for damages or loss).

"(2) A person providing services accepted under subsection (a) shall be considered to be an employee of the Federal Government under paragraph (1) only with respect to services that are within the scope of the services accepted.

"(3) For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5, United States Code (pursuant to this subsection) to a person providing services accepted under subsection (a), the monthly pay of the person for such services shall be deemed to be the amount determined by multiplying—

"(A) the average monthly number of hours that the person provided the services, by

"(B) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

"(e) REIMBURSEMENT OF INCIDENTAL EXPENSES.—The Chairman of the Retirement Board or the Director of the establishment accepting services under subsection (a) may provide for reimbursement of a person for inciden-

tal expenses incurred by the person in providing the services accepted under subsection (a). The Chairman or Director shall determine which expenses qualify for reimbursement under this subsection.''.

(b) FEDERAL STATUS OF RESIDENTS PAID FOR PART-TIME OR INTERMITTENT SERVICES.—Paragraph (2) of section 1521(b) (24 U.S.C. 421(b)) is amended to read as follows:

''(2) being an employee of the United States for any purpose other than—

''(A) subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries); and

''(B) chapter 171 of title 28, United States Code (relating to claims for damages or loss).''.

SEC. 583. DISPOSAL OF REAL PROPERTY.

(a) DISPOSAL AUTHORIZED.—Notwithstanding title II the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), title VIII of such Act (40 U.S.C. 531 et seq.), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), or any other provision of law relating to the management and disposal of real property by the United States, but subject to subsection (d), the Retirement Home Board may, by sale or otherwise, convey all right, title, and inter-

est of the United States in a parcel of real property, including improvements thereof, consisting of approximately 49 acres located in Washington, District of Columbia, east of North Capitol Street, and recorded as District Parcel 121/19.

(b) MANNER, TERMS, AND CONDITIONS OF DISPOSAL.—The Retirement Home may determine—

(1) the manner for the disposal of the real property under subsection (a); and

(2) the terms and conditions for the conveyance of that property, including any terms and conditions that the Board considers necessary to protect the interests of the United States.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Board. The cost of the survey shall be borne by the party or parties to which the property is to be conveyed.

(d) CONGRESSIONAL NOTIFICATION.—(1) Before disposing of real property under subsection (a), the Board shall notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of the proposed disposal. The Board may not dispose of the real property until the later of—

(A) the date that is 60 days after the date on which the notification is received by the committees; or

(B) the date of the next day following the expiration of the first period of 30 days of continuous session of Congress that follows the date on which the notification is received by the committees.

(2) For the purposes of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

SEC. 584. MATTERS CONCERNING PERSONNEL.

(a) TERMS OF APPOINTMENT TO GOVERNING BOARDS.—Section 1515(e) (24 U.S.C. 415(e)) is amended—

(1) in paragraph (1), by striking out ''subsection (f)'' and inserting in lieu thereof ''paragraph (2)'';

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by adding after paragraph (1) the following new paragraphs:

''(2)(A) In the case of a member of a board who is appointed or designated under subsection (b) or (c) on the basis of a particular status described in a paragraph under that subsection, the appointment or designation of that member terminates on the date on which the member ceases to hold that status. The preceding sentence applies only to members of the Armed Forces on active duty and employees of the United States.

''(B) Paragraph (1) does not apply with respect to an appointment or designation of a member of a board for a term of less than five years that is made in accordance with subsection (f).

''(3) A member of the Retirement Home Board and a member of a Local Board may be reappointed for one consecutive term by the Chairman of that board.''.

(b) DUAL COMPENSATION.—(1) Section 1517 (24 U.S.C. 417) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection (f):

''(f) DUAL COMPENSATION.—(1) The Retirement Home Board may waive the application of section 5532

of title 5, United States Code, to the Director of an establishment of the Retirement Home or any employee of the Retirement Home (to the extent that such section would otherwise apply to the Director or employee by reason of the employment as Director or employee). The Chairman of the Board shall notify the Secretary of the Treasury of any waiver exercised under the preceding sentence and the effective date of the waiver.

"(2) If the application of section 5532 of title 5, United States Code, to a Director or employee is waived under paragraph (1), the rate of pay payable out of the Retirement Home Trust Fund for the Director or employee shall be the amount equal to the excess, if any, of the periodic rate of pay fixed for the position of the Director or employee over the amount by which the retired or retainer pay payable to the Director or employee would have been reduced (computed on the basis of that periodic rate of pay for that position) if section 5532 of title 5, United States Code, had not been waived.

"(3)(A) In the case of a Director or employee paid at a rate of pay that is reduced under paragraph (2), the amounts deducted and withheld from pay for purposes of chapter 81, subchapter III of chapter 83, chapter 84, chapter 87, or chapter 89 of title 5, United States Code, all agency contributions required under such provisions of

law, the maximum amount of contributions that may be made to the Thrift Saving Fund under subchapter III of chapter 84 of title 5, United States Code, the rate of disability compensation payable under subchapter I of chapter 81 of such title, the levels of life insurance coverage provided under chapter 87 of such title, and the amounts of annuities under subchapter III of chapter 83 of such title and subchapter II of chapter 84 of such title shall be computed as if the Director or employee were paid the full rate of pay fixed for the position of the Director or employee for the period for which the Director was paid at the reduced rate of pay under that paragraph.

''(B) If the amount payable to a Director or employee under paragraph (2) is less than the total amount required to be deducted and withheld from the pay of the Director or employee under a provision of law referred to in subparagraph (A), the amount of the deficiency shall be paid by the Director or employee. The participation or benefits available to a Director or employee who fails to pay a deficiency promptly shall be restricted in accordance with regulations which the Director of the Office of Personnel Management shall prescribe.

''(4) In this section, the term 'retired or retainer pay' has the meaning given such term in section 5531 of title 5, United States Code.''.

(2) Section 1516(f) (24 U.S.C. 416(f)) is amended—

(A) by inserting ''(1)'' after ''(f) ANNUAL REPORT.—''; and

(B) by adding at the end the following:

''(2) In addition to other matters covered by the annual report for a fiscal year, the annual report shall identify each Director or employee, if any, whose pay was reduced for any period during that fiscal year pursuant to an exercise of the waiver authority under section 1517(f), and shall include a discussion that demonstrates that the unreduced rate of pay established for the position of that Director or employee is comparable to the prevailing rates of pay provided for personnel in the retirement home industry who perform functions similar to those performed by the Director or employee.''.

(3) Subsection (f) of section 1517 (as added by paragraph (1)(B)) and subsection (f)(2) of section 1516 (as added by paragraph (2)(B)) shall apply with respect to pay periods beginning on or after January 1, 1997.

SEC. 585. FEES FOR RESIDENTS.

(a) ONE-YEAR DELAY IN IMPLEMENTATION OF NEW FEE STRUCTURE.—(1) Subsection (d)(2) of section 371 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2735; 24 U.S.C.

414 note) is amended by striking out ''October 1, 1997'' and inserting in lieu thereof ''October 1, 1998''.

(2) Subsection (b)(2)(B) of such section is amended by striking out ''1998'', ''1999'', and ''2000'' in paragraphs (1) and (2) of the subsection (d) that is set forth in such subsection (b)(2)(B) as an amendment to section 1514 of the Armed Forces Retirement Home Act of 1991 and inserting in lieu thereof ''1999'', ''2000'', and ''2001'', respectively.

(b) REPORT ON FUNDING THE ARMED FORCES RETIREMENT HOME.—(1) Not later than March 3, 1997, the Secretary of Defense shall submit to Congress a report on meeting the funding needs of the Armed Forces Retirement Home in a manner that is fair and equitable to the residents and to the members of the Armed Forces who provide required monthly contributions for the home.

(2) The report shall include the following:

(A) The increment between levels of income of a resident of the Armed Forces Retirement Home that is appropriate for applying the next higher monthly fee to a resident under a monthly fee structure for the residents of the home.

(B) The categories of income and disability payments that should generally be considered as monthly income for the purpose of determining the

fee applicable to a resident and the conditions under which each such category should be considered as monthly income for such purpose.

(C) The degree of flexibility that should be provided the Armed Forces Retirement Home Board for the setting of fees for residents.

(D) A discussion of whether the Armed Forces Retirement Home Board has and should have authority to vary the fee charged a resident under exceptional circumstances, together with any recommended legislation regarding such an authority.

(E) A discussion of how to ensure fairness and equitable treatment of residents and of warrant officers and enlisted members of the Armed Forces in meeting the funding needs of the Armed Forces Retirement Home.

(F) The advisability of exercising existing authority to increase the amount deducted from the pay of warrant officers and enlisted personnel for the Armed Forces Retirement Home under section 1007(i) of title 37, United States Code.

(G) Options for ways to meet the funding needs of the Armed Forces Retirement Home without increasing the amount deducted from pay under section 1007(i) of title 37, United States Code.

(H) Any other matters that the Secretary of Defense, after the consultation required by paragraph (3), considers appropriate regarding funding of the Armed Forces Retirement Home.

(3) The Secretary shall consult the Armed Forces Retirement Home Board and the secretaries of the military departments in preparing the report under this subsection.

SEC. 586. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated for fiscal year 1997 from the Armed Forces Retirement Home Trust Fund the sum of $57,345,000 for the operation of the Armed Forces Retirement Home.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1997 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective January 1, 1997, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 3.0 percent.

(c) INCREASE IN BAQ.—Effective January 1, 1997, the rates of basic allowance for quarters of members of the uniformed services are increased by 4.0 percent.

SEC. 602. RATE OF CADET AND MIDSHIPMAN PAY.

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

(1) by striking out paragraph (2); and

(2) in paragraph (1), by striking out ''(1)''.

SEC. 603. PAY OF SENIOR NONCOMMISSIONED OFFICERS WHILE HOSPITALIZED.

(a) IN GENERAL.—Section 210 of title 37, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

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

''(b) A senior enlisted member of an armed force shall continue to be entitled to the rate of basic pay authorized for the senior enlisted member of that armed force while the member is hospitalized, beginning on the day of the hospitalization and ending on the day the member is discharged from the hospital, but not for more than 180 days.''.

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

"§ 210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized".

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

"210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized.".

SEC. 604. BASIC ALLOWANCE FOR QUARTERS FOR MEMBERS ASSIGNED TO SEA DUTY.

(a) ENTITLEMENT OF SINGLE MEMBERS ABOVE GRADE E–5.—Section 403(c)(2) of title 37, United States Code, is amended by striking out the second sentence.

(b) ENTITLEMENT OF CERTAIN SINGLE MEMBERS IN GRADE E–5.—Section 403(c)(2) of such title, as amended by subsection (a), is further amended by adding at the end the following: "However, the Secretary concerned may authorize payment of the basic allowance for quarters to members of a uniformed service without dependents who are in pay grade E–5, are on sea duty, and are not provided Government quarters ashore.".

(c) ENTITLEMENT WHEN BOTH SPOUSES IN GRADES BELOW GRADE E–6 ARE ASSIGNED TO SEA DUTY.—Section 403(c)(2) of such title, as amended by subsections (a) and (b), is further amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following: ''Notwithstanding section 421 of this title, two members of the uniformed services in pay grades below E–6 who are married to each other, have no dependent other than the spouse, and are simultaneously assigned to sea duty on ships are jointly entitled to one basic allowance for quarters at the rate provided for members with dependents in the highest pay grade in which either spouse is serving.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on October 1, 1996.

SEC. 605. UNIFORM APPLICABILITY OF DISCRETION TO DENY AN ELECTION NOT TO OCCUPY GOVERNMENT QUARTERS.

Section 403(b)(3) of title 37, United States Code, is amended by striking out ''A member'' and inserting in lieu thereof ''Subject to the provisions of subsection (j), a member''.

SEC. 606. FAMILY SEPARATION ALLOWANCE FOR MEMBERS SEPARATED BY MILITARY ORDERS FROM SPOUSES WHO ARE MEMBERS.

Section 427(b) of title 37, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out ''or'' at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ''; or''; and

(C) by adding at the end the following:

''(D) the member is married to a member of a uniformed service, the member has no dependent other than the spouse, the two members are separated by reason of the execution of military orders, and the two members were residing together immediately before being separated by reason of execution of military orders.''; and

(2) by adding at the end the following:

''(5) Section 421 of this title does not apply to bar an entitlement to an allowance under paragraph (1)(D). However, not more than one monthly allowance may be paid with respect to a married couple under paragraph (1)(D) for any month.''.

SEC. 607. WAIVER OF TIME LIMITATIONS FOR CLAIM FOR PAY AND ALLOWANCES.

Section 3702 of title 31, United States Code, is amended by adding at the end the following:

''(e)(1) Upon the request of the Secretary concerned (as defined in section 101 of title 37), the Comptroller

General may waive the time limitations set forth in subsection (b) or (c) in the case of a claim for pay or allowances provided under title 37 and, subject to paragraph (2), settle the claim.

"(2) Payment of a claim settled under paragraph (1) shall be subject to the availability of appropriations for payment of that particular claim.

"(3) This subsection does not apply to a claim in excess of $25,000.".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 302g(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended

by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States

Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30,

1997'' and inserting in lieu thereof ''September 30, 1998''.

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1997'' and inserting in lieu thereof ''October 1, 1998''.

(g) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out ''October 1, 1997'' and inserting in lieu thereof ''October 1, 1998''.

SEC. 614. INCREASED SPECIAL PAY FOR DENTAL OFFICERS OF THE ARMED FORCES.

(a) INCREASED RATES.—Section 302b(a) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking out ''$1,200'' and inserting in lieu thereof ''$3,000'';

(B) in subparagraph (B), by striking out ''$2,000'' and inserting in lieu thereof ''$7,000''; and

(C) in subparagraph (C), by striking out ''$4,000'' and inserting in lieu thereof ''$7,000'';

(2) in paragraph (4), by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively, and by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) $4,000 per year, if the officer has less than three years of creditable service.''; and

(3) in paragraph (5)—

(A) in subparagraph (A)—

(i) by striking out ''$2,000'' and inserting in lieu thereof ''$2,500''; and

(ii) by striking out ''12 years'' and inserting in lieu thereof ''10 years'';

(B) in subparagraph (B)—

(i) by striking out ''$3,000'' and inserting in lieu thereof ''$3,500''; and

(ii) by striking out ''12 but less than 14 years'' and inserting in lieu thereof ''10 but less than 12 years''; and

(C) in subparagraph (C), by striking out ''14 or more years'' and inserting in lieu thereof ''12 or more years''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1996.

SEC. 615. RETENTION SPECIAL PAY FOR PUBLIC HEALTH SERVICE OPTOMETRISTS.

Section 302a(b) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking out ''an armed force'' in the matter preceding subparagraph (A) and inserting in lieu thereof ''a uniformed service''; and

(B) by striking out ''of the military department'' in subparagraph (C); and

(2) in paragraph (4), by striking out ''of the military department''.

SEC. 616. SPECIAL PAY FOR NONPHYSICIAN HEALTH CARE PROVIDERS IN THE PUBLIC HEALTH SERVICE.

Section 302c(d) of title 37, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out ''Secretary of Defense'' and inserting in lieu thereof ''Secretary concerned''; and

(2) in paragraph (1)—

(A) by striking out ''or'' the third place it appears; and

(B) by inserting before the period at the end the following: '', or an officer in the Regular or Reserve Corps of the Public Health Service''.

SEC. 617. FOREIGN LANGUAGE PROFICIENCY PAY FOR PUBLIC HEALTH SERVICE AND NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OFFICERS.

(a) ELIGIBILITY.—Section 316 of title 37, United States Code, is amended in subsection (a)—

(1) in the matter preceding paragraph (1), by striking out ''armed forces'' and inserting in lieu thereof ''uniformed services'';

(2) in paragraph (2)—

(A) by striking out ''Secretary of Defense'' and inserting in lieu thereof ''Secretary concerned''; and

(B) by inserting ''or public health'' after ''national defense''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking out ''military'' and inserting in lieu thereof ''uniformed services'';

(B) in subparagraph (C), by striking out ''military''; and

(C) in subparagraph (D)—

(i) by striking out ''Department of Defense'' and inserting in lieu thereof ''uniformed service''; and

(ii) by striking out ''Secretary of Defense'' and inserting in lieu thereof ''Secretary concerned''.

(b) ADMINISTRATION.—Subsection (d) of such section is amended—

(1) by striking out ''his jurisdiction and'' and inserting in lieu thereof ''the Secretary's jurisdiction,''; and

(2) by inserting before the period at the end '', by the Secretary of Health and Human Services for

the Commissioned Corps of the Public Health Service, and by the Secretary of Commerce for the National Oceanic and Atmospheric Administration''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1996, and apply with respect to months beginning on or after such date.

Subtitle C—Travel and Transportation Allowances

SEC. 621. ROUND TRIP TRAVEL ALLOWANCES FOR SHIPPING MOTOR VEHICLES AT GOVERNMENT EXPENSE.

(a) IN GENERAL.—Section 406(b)(1)(B) of title 37, United States Code, is amended as follows—

(1) in clause (i)(I), by inserting '', including return travel to the old duty station,'' after ''nearest the old duty station''; and

(2) in clause (ii), by inserting '', including travel from the new duty station to the port of debarkation to pick up the vehicle'' after ''to the new duty station''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on April 1, 1997.

SEC. 622. OPTION TO STORE INSTEAD OF TRANSPORT A PRIVATELY OWNED VEHICLE AT THE EXPENSE OF THE UNITED STATES.

(a) IN GENERAL.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (g);

(2) by transferring subsection (g), as so redesignated, to the end of such section; and

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

''(b) When a member is ordered to make a change of permanent station to a foreign country and the member is authorized under subsection (a) to have a vehicle transported under that subsection, the Secretary may authorize the member to store the vehicle (instead of having it transported) if restrictions imposed by the foreign country or the United States preclude entry of the vehicle into that country or require extensive modification of the vehicle as a condition for entry of the vehicle into the country. The cost of the storage of the vehicle, and costs associated with the delivery of the vehicle for storage and removal of the vehicle for delivery from storage shall be paid by the United States. Costs paid under this subsection may not exceed reasonable amounts, as determined under regulations prescribed by the Secretary of Defense (and the Secretary

of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy).''.

(b) UNACCOMPANIED TOURS.—Subsection (h)(1)(B) of section 406 of title 37, United States Code, is amended to read as follows:

''(B) in the case of a member described in paragraph (2)(A), authorize the transportation of one motor vehicle that is owned by the member (or a dependent of a member) and is for his dependent's personal use to that location by means of transportation authorized under section 2634 of title 10, or authorize storage of such motor vehicle if the storage of the motor vehicle is otherwise authorized under that section.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996.

SEC. 623. DEFERRAL OF TRAVEL WITH TRAVEL AND TRANSPORTATION ALLOWANCES IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) AUTHORITY FOR ADDITIONAL DEFERRAL OF TRAVEL.—Section 411b(a)(2) of title 37, United States Code, is amended by adding at the end the following: ''A member may defer the travel for one additional year if, due to participation in a contingency operation, the mem-

ber is unable to commence the travel within the one-year period provided for under the preceding sentence.''.

(b) EFFECTIVE DATE.—The amendment made by subsection shall (a) take effect as of November 1, 1995, and shall apply with respect to members of the uniformed services who, on or after that date, participate in critical operational missions, as determined under the third sentence of section 411b(a)(2) of title 37, United States Code (as added by subsection (a)).

SEC. 624. FUNDING FOR TRANSPORTATION OF HOUSEHOLD EFFECTS OF PUBLIC HEALTH SERVICE OFFICERS.

Section 406(j)(1) of title 37, United States Code, is amended in the first sentence—

(1) by inserting '', and appropriations available to the Department of Health and Human Services for providing transportation of household effects of members of the Commissioned Corps of the Public Health Service under subsection (b),'' after ''members of the armed forces under subsection (b)''; and

(2) by striking out ''of the military department''.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 631. EFFECTIVE DATE FOR MILITARY RETIREE COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 1998.

(a) REPEAL OF ADJUSTMENT OF EFFECTIVE DATE FOR FISCAL YEAR 1998.—Section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out ''(B) SPECIAL RULES'' and all that follows through ''In the case of'' in clause (i) and inserting in lieu thereof ''(B) SPECIAL RULE FOR FISCAL YEAR 1996.—In the case of''; and

(2) by striking out clause (ii).

(b) REPEAL OF CONTINGENT ALTERNATIVE DATE FOR FISCAL YEAR 1998.—Section 631 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 364) is amended by striking out subsection (b).

SEC. 632. ALLOTMENT OF RETIRED OR RETAINER PAY.

(a) AUTHORITY.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 71 the following new chapter:

''CHAPTER 72—MISCELLANEOUS RETIRED AND RETAINER PAY AUTHORITIES

''Sec.
''1421. Allotments.

"§ 1421. Allotments

''(a) AUTHORITY.—Subject to such conditions and restrictions as may be provided in regulations prescribed under subsection (b), a member or former member of the armed forces entitled to retired or retainer pay may transfer or assign the member or former member's retired or retainer pay account when due and payable.

''(b) REGULATIONS.—The Secretaries of the military departments and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) shall prescribe uniform regulations for the administration of subsection (a).''.

(2) The tables of chapters at the beginning of subtitle A of such title and the beginning of part II of such subtitle are amended by inserting after the item relating to chapter 71 the following:

''72. Miscellaneous retired and retainer pay authorities ..... 1421''.

(b) IMPLEMENTATION.—(1) Notwithstanding section 1421 of title 10, United States Code (as added by subsection (a)), a person entitled to retired or retainer pay may not initiate a transfer or assignment of retired or retainer pay under such section until regulations prescribed under subsection (b) of such section take effect.

(2) The Secretaries of the military departments and the Secretary of Transportation shall prescribe regulations under subsection (b) of such section that ensure that, be-

ginning not later than October 1, 1997, a person may make up to six transfers or assignments of the person's retired or retainer pay account when due and payable for payment of any financial obligations.

SEC. 633. COST-OF-LIVING INCREASES IN SBP CONTRIBUTIONS TO BE EFFECTIVE CONCURRENTLY WITH PAYMENT OF RELATED RETIRED PAY COST-OF-LIVING INCREASES.

(a) SURVIVOR BENEFIT PLAN.—Section 1452(h) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(h)''; and

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

''(2)(A) Notwithstanding paragraph (1), when the initial payment of an increase in retired pay under section 1401a of this title (or any other provision of law) to a person is later than the effective date of that increase by reason of the application of subsection (b)(2)(B) of such section (or section 631(b) of Public Law 104–106 (110 Stat. 364)), then the amount of the reduction in the person's retired pay shall be effective on the date of that initial payment of the increase in retired pay rather than the effective date of the increase in retired pay.

''(B) Subparagraph (A) may not be construed as delaying, for purposes of determining the amount of a

monthly annuity under section 1451 of this title, the effective date of an increase in a base amount under subsection (h) of such section from the effective date of an increase in retired pay under section 1401a of this title to the date on which the initial payment of that increase in retired pay is made in accordance with subsection (b)(2)(B) of such section 1401a.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to retired pay payable for months beginning on or after the date of the enactment of this Act.

SEC. 634. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1,

1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms ''uniformed services'' and ''Secretary concerned'' have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term ''surviving spouse'' has the meaning given the terms ''widow'' and ''widower'' in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month referred to in paragraph (1).

(f) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

SEC. 635. ADJUSTED ANNUAL INCOME LIMITATION APPLICABLE TO ELIGIBILITY FOR INCOME SUPPLEMENT FOR CERTAIN WIDOWS OF MEMBERS OF THE UNIFORMED SERVICES.

Section 4 of Public Law 92–425 (10 U.S.C. 1448 note) is amended by striking out ''$2,340'' in subsection (a)(3) and in the first sentence of subsection (b) and inserting in lieu thereof ''$5,448''.

SEC. 636. PREVENTION OF CIRCUMVENTION OF COURT ORDER BY WAIVER OF RETIRED PAY TO ENHANCE CIVIL SERVICE RETIREMENT ANNUITY.

(a) CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8332 of title 5, United States Code, is amended by adding at the end the following:

''(4) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this subchapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.''.

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking ''Except

as provided in paragraph (2)'' and inserting ''Except as provided in paragraphs (2) and (4)''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8411 of title 5, United States Code, is amended by adding at the end the following:

''(5) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this chapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.''.

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking ''Except as provided in paragraph (2) or (3)'' and inserting ''Except as provided in paragraphs (2), (3), and (5)''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1997.

Subtitle E—Other Matters

SEC. 641. REIMBURSEMENT FOR ADOPTION EXPENSES INCURRED IN ADOPTIONS THROUGH PRIVATE PLACEMENTS.

(a) DEPARTMENT OF DEFENSE.—Section 1052(g)(1) of title 10, United States Code, is amended by striking out ''adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption'' and inserting in lieu thereof ''adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law''.

(b) COAST GUARD.—Section 514(g)(1) of title 14, United States Code, is amended by striking out ''adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption'' and inserting in lieu thereof ''adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law''.

SEC. 642. WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY RECEIVED BY INVOLUNTARILY SEPARATED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Section 1174(h) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''(less the amount of Federal income tax withheld from such pay)'' before the period at the end; and

(2) in paragraph (2), by inserting ''(less the amount of Federal income tax withheld from such pay)'' before the period at the end of the first sentence.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996, and shall apply to payments of separation pay, severance pay, or readjustment pay that are made after October 1, 1996.

SEC. 643. PAYMENT TO VIETNAMESE COMMANDOS CAPTURED AND INTERNED BY NORTH VIETNAM.

(a) PAYMENT AUTHORIZED.—(1) The Secretary of Defense shall make a payment to any person who demonstrates that he or she was captured and incarcerated by the Democratic Republic of Vietnam after having entered into the territory of the Democratic Republic of Viet-

nam pursuant to operations conducted under OPLAN 34A or its predecessor.

(2) No payment may be made under this section to any individual who the Secretary of Defense determines, based on the available evidence, served in the Peoples Army of Vietnam or who provided active assistance to the Government of the Democratic Republic of Vietnam during the period 1958 through 1975.

(3) In the case of a decedent who would have been eligible for a payment under this section if the decedent had lived, the payment shall be made to survivors of the decedent in the order in which the survivors are listed, as follows:

(A) To the surviving spouse.

(B) If there is no surviving spouse, to the surviving children (including natural children and adopted children) of the decedent, in equal shares.

(b) AMOUNT PAYABLE.—The amount payable to or with respect to a person under this section is $40,000.

(c) TIME LIMITATIONS.—(1) In order to be eligible for payment under this section, the claimant must file his or her claim with the Secretary of Defense within 18 months of the effective date of the regulations implementing this section.

(2) Not later than 18 months after the Secretary receives a claim for payment under this section—

(A) the claimant's eligibility for payment of the claim under subsection (a) shall be determined; and

(B) if the claimant is determined eligible, the claim shall be paid.

(d) DETERMINATION AND PAYMENT OF CLAIMS.—(1) SUBMISSION AND DETERMINATION OF CLAIMS.—The Secretary of Defense shall establish by regulation procedures whereby individuals may submit claims for payment under this section. Such regulations shall be issued within 6 months of the date of enactment of this Act.

(2) PAYMENT OF CLAIMS.—The Secretary of Defense, in consultation with the other affected agencies, may establish guidelines for determining what constitutes adequate documentation that an individual was captured and incarcerated by the Democratic Republic of Vietnam after having entered the territory of the Democratic Republic of Vietnam pursuant to operations conducted under OPLAN 34A or its predecessor.

(e) AUTHORIZATION OF APPROPRIATIONS.—Of the total amount authorized to be appropriated under section 301, $20,000,000 is available for payments under this section. Notwithstanding section 301, that amount is author-

ized to be appropriated so as to remain available until expended.

(f) PAYMENT IN FULL SATISFACTION OF CLAIMS AGAINST THE UNITED STATES.—The acceptance of payment by an individual under this section shall be in full satisfaction of all claims by or on behalf of that individual against the United States arising from operations under OPLAN 34A or its predecessor.

(g) ATTORNEY FEES.—Notwithstanding any contract, the representative of an individual may not receive, for services rendered in connection with the claim of an individual under this section, more than ten percent of a payment made under this section on such claim.

(h) NO RIGHT TO JUDICIAL REVIEW.—All determinations by the Secretary of Defense pursuant to this section are final and conclusive, notwithstanding any other provision of law. Claimants under this program have no right to judicial review, and such review is specifically precluded.

(i) REPORTS.—(1) No later than 24 months after the enactment of this Act, the Secretary of Defense shall submit a report to the Congress on the payment of claims pursuant to this section.

(2) No later than 42 months after the enactment of this Act, the Secretary of Defense shall submit a final re-

port to the Congress on the payment of claims pursuant to this section.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—General

SEC. 701. IMPLEMENTATION OF REQUIREMENT FOR SELECTED RESERVE DENTAL INSURANCE PLAN.

(a) IMPLEMENTATION BY CONTRACT.—Section 1076b(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a) AUTHORITY TO ESTABLISH PLAN.—'';

(2) by designating the third sentence as paragraph (3); and

(3) by inserting after paragraph (1), as designated by paragraph (1) of this subsection, the following:

''(2) The Secretary shall provide benefits under the plan through one or more contracts awarded after full and open competition.''.

(b) SCHEDULE FOR IMPLEMENTATION.—Section 705(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 373; 10 U.S.C. 1076b note) is amended—

(1) by striking out ''Beginning not later than October 1, 1996'' in the first sentence and inserting in lieu thereof ''During fiscal year 1997'';

(2) by striking out ''fiscal year 1996'' both places it appears and inserting in lieu thereof ''fiscal years 1996 and 1997''; and

(3) in the second sentence, by striking out ''by that date'' and inserting in lieu thereof ''during fiscal year 1997''.

SEC. 702. DENTAL INSURANCE PLAN FOR MILITARY RETIREES AND CERTAIN DEPENDENTS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076b the following new section:

''§ 1076c. Military retirees' dental insurance plan

''(a) REQUIREMENT.—(1) The Secretary of Defense shall establish a dental insurance plan for—

''(A) members and former members of the armed forces who are entitled to retired or retainer pay;

''(B) members of the Retired Reserve who, except for not having attained 60 years of age, would be entitled to retired pay; and

"(C) eligible dependents of members and former members covered by the enrollment of such members or former members in the plan.

"(2) The dental insurance plan shall provide for voluntary enrollment of participants and shall authorize a member or former member to enroll for self only or for self and eligible dependents.

"(3) The plan shall be administered under regulations prescribed by the Secretary of Defense, in consultation with the Secretary of Transportation.

"(b) PREMIUMS.—(1) Subject to paragraph (2), a member or former member enrolled in the dental insurance plan shall pay the premiums charged for the insurance coverage. The amount of the premiums payable by a member or former member entitled to retired or retainer pay shall be deducted and withheld from the retired or retainer pay and shall be disbursed to pay the premiums. The regulations prescribed under subsection (a)(3) shall specify the procedures for payment of the premiums by other enrolled members and former members.

"(2) The Secretary of Defense may provide for premium-sharing between the Department of Defense and the members and former members enrolled in the plan.

"(c) BENEFITS AVAILABLE UNDER PLAN.—The dental insurance plan established under subsection (a) shall

provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services (including endodontics), surgical services, and emergency services.

"(d) COVERAGE.—(1) The Secretary shall prescribe a minimum required period for enrollment by a member or former member in the dental insurance plan established under subsection (a).

"(2) The Secretary shall terminate the enrollment in the plan of any member or former member, and any dependents covered by the enrollment, upon the occurrence of one of the following events:

"(A) Termination of the member or former member's entitlement to retired pay or retainer pay.

"(B) Termination of the member or former member's status as a member of the Retired Reserve.

"(e) CONTINUATION OF DEPENDENTS' ENROLLMENT UPON DEATH OF ENROLLEE.—Coverage of a dependent under an enrollment of a member or former member who dies during the period of enrollment shall continue until the end of that period, except that the coverage may be terminated on any earlier date when the premiums paid are no longer sufficient to cover continuation of the enrollment. The Secretary shall prescribe in regulations the par-

ties responsible for paying the remaining premiums due on the enrollment and the manner for collection of the premiums.

"(f) ELIGIBLE DEPENDENT DEFINED.—In this section, the term 'eligible dependent' means a dependent described in subparagraph (A), (D), or (I) of section 1072(2) of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076b the following new item:

"1076c. Military retirees' dental insurance plan.".

(b) IMPLEMENTATION.—Beginning not later than October 1, 1997, the Secretary of Defense shall offer members and former members of the Armed Forces referred to in subsection (a)(1) of section 1076c of title 10, United States Code (as added by subsection (a)(1) of this section), the opportunity to enroll in the dental insurance plan required under such section and to receive the benefits under the plan immediately upon enrollment.

SEC. 703. UNIFORM COMPOSITE HEALTH CARE SYSTEM SOFTWARE.

(a) REQUIREMENT FOR USE OF UNIFORM SOFTWARE.—The Secretary of Defense, in consultation with the other administering Secretaries, shall take such action as is necessary promptly—

(1) to provide a uniform software package for use by providers of health care under the TRICARE program and by military treatment facilities for the computerized processing of information; and

(2) to require such providers to use the uniform software package in connection with providing health care under the TRICARE program or otherwise under chapter 55 of title 10, United States Code.

(b) CONTENT OF UNIFORM SOFTWARE PACKAGE.—The uniform software package required to be used under subsection (a) shall, at a minimum, provide for processing of the following information:

(1) TRICARE program enrollment.

(2) Determinations of eligibility for health care.

(3) Provider network information.

(4) Eligibility of beneficiaries to receive health benefits from other sources.

(5) Appointment scheduling.

(c) MODIFICATION OF CONTRACTS.—Notwithstanding any other provision of law, the Secretary may modify any existing contract with a health care provider under the TRICARE program as necessary to require the health care provider to use the uniform software package required under subsection (a).

(d) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given such term in section 1072(3) of title 10, United States Code.

(2) The term ''military treatment facility''—

(A) means a facility of the uniformed services in which health care is provided under chapter 55 of title 10, United States Codes; and

(B) includes a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(3) The term ''TRICARE program'' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 704. ENHANCEMENT OF THIRD-PARTY COLLECTION AND SECONDARY PAYER AUTHORITIES UNDER CHAMPUS.

(a) RETENTION AND USE BY TREATMENT FACILITIES OF AMOUNTS COLLECTED.—Subsection (g)(1) of section 1095 of title 10, United States Code, is amended by inserting ''or through'' after ''provided at''.

(b) EXPANSION OF DEFINITION OF THIRD PARTY PAYER.—Subsection (h) of such section is amended—

(1) in the first sentence of paragraph (1), by inserting ''and a workers' compensation program or plan'' before the period; and

(2) in paragraph (2)—

(A) by striking out ''organization and'' and inserting in lieu thereof a ''organization,''; and

(B) by inserting '', and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle'' before the period.

(c) APPLICABILITY OF SECONDARY PAYER REQUIREMENT.—Section 1079(j)(1) of such title is amended by inserting '', including any plan offered by a third party payer (as defined in section 1095(h)(1) of this title),'' after ''or health plan''.

SEC. 705. CODIFICATION OF AUTHORITY TO CREDIT CHAMPUS COLLECTIONS TO PROGRAM ACCOUNTS.

(a) CREDITS TO CHAMPUS ACCOUNTS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1079 the following:

"§ 1079a. Crediting of CHAMPUS collections to program accounts

''All refunds and other amounts collected by or for the United States in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to the appropriation available for that program for the fiscal year in which collected.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1079 the following new item:

''1079a. Crediting of CHAMPUS collections to program accounts.''.

SEC. 706. COMPTROLLER GENERAL REVIEW OF HEALTH CARE ACTIVITIES OF THE DEPARTMENT OF DEFENSE RELATING TO PERSIAN GULF ILLNESSES.

(a) MEDICAL RESEARCH AND CLINICAL CARE PROGRAMS.—The Comptroller General shall analyze the effectiveness of the medical research programs and clinical care

programs of the Department of Defense that relate to illnesses that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(b) EXPERIMENTAL DRUGS.—The Comptroller General shall analyze the scope and effectiveness of the policies of the Department of Defense with respect to the investigational use of drugs, the experimental use of drugs, and the use of drugs not approved by the Food and Drug Administration to treat illnesses referred to in subsection (a).

(c) ADMINISTRATION OF MEDICAL RECORDS.—The Comptroller General shall analyze the administration of medical records by the military departments in order to assess the extent to which such records accurately reflect the pre-deployment medical assessments, immunization records, informed consent releases, complaints during routine sick call, emergency room visits, visits with unit medics during deployment, and other relevant medical information relating to the members and former members referred to in subsection (a) with respect to the illnesses referred to in that subsection.

(d) REPORTS.—The Comptroller General shall submit to Congress a separate report on each of the analyses required under subsections (a), (b), and (c). The Comp-

troller General shall submit the reports not later than March 1, 1997.

SEC. 707. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) RESTRICTION ON USE OF FUNDS.—".

SEC. 708. PLANS FOR MEDICARE SUBVENTION DEMONSTRATION PROGRAMS.

(a) PROGRAM FOR ENROLLMENT IN TRICARE MANAGED CARE OPTION.—(1) Not later than September 6, 1996, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report that sets forth a specific plan and the Secretaries' recommendations regarding the establishment of a demonstration program under which—

(A) military retirees who are eligible for medicare are permitted to enroll in the managed care option of the Tricare program; and

(B) the Secretary of Health and Human Services reimburses the Secretary of Defense from the medicare program on a capitated basis for the costs

of providing health care services to military retirees who enroll.

(2) The report shall include the following:

(A) The number of military retirees projected to participate in the demonstration program and the minimum number of such participants necessary to conduct the demonstration program effectively.

(B) A plan for notifying military retirees of their eligibility for enrollment in the demonstration program and for any other matters connected with enrollment.

(C) A recommendation for the duration of the demonstration program.

(D) A recommendation for the geographic regions in which the demonstration program should be conducted.

(E) The appropriate level of capitated reimbursement, and a schedule for such reimbursement, from the medicare program to the Department of Defense for health care services provided enrollees in the demonstration program.

(F) An estimate of the amounts to be allocated by the Department for the provision of health care services to military retirees eligible for medicare in the regions in which the demonstration program is

proposed to be conducted in the absence of the program and an assessment of revisions to such allocation that would result from the conduct of the program.

(G) An estimate of the cost to the Department and to the medicare program of providing health care services to medicare eligible military retirees who enroll in the demonstration program.

(H) An assessment of the likelihood of cost shifting among the Department and the medicare program under the demonstration program.

(I) A proposal for mechanisms for reconciling and reimbursing any improper payments among the Department and the medicare program under the demonstration program.

(J) A methodology for evaluating the demonstration program, including cost analyses.

(K) As assessment of the extent to which the Tricare program is prepared to meet requirements of the medicare program for purposes of the demonstration program and the provisions of law or regulation that would have to be waived in order to facilitate the carrying out of the demonstration program.

(L) An assessment of the impact of the demonstration program on military readiness.

(M) Contingency plans for the provision of health care services under the demonstration program in the event of the mobilization of health care personnel.

(N) A recommendation of the reports that the Department and the Department of Health and Human Services should submit to Congress describing the conduct of the demonstration program.

(b) FEASABILITY STUDY FOR PROGRAM FOR ENROLLMENT IN TRICARE FEE-FOR-SERVICE OPTION.—Not later than January 3, 1997, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report on the feasibility and advisability of expanding the demonstration program referred to in subsection (a) so as to provide the Department with reimbursement from the medicare program on a fee-for-service basis for health care services provided medicare-eligible military retirees who enroll in the demonstration program. The report shall include a proposal for the expansion of the program if the expansion is determined to be advisable.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated in section 301,

$75,000,000 shall be made available to carry out the demonstration program referred to in subsection (a) if Congress authorizes the program by the end of the Second Session of the One Hundred Fourth Congress.

SEC. 709. RESEARCH AND BENEFITS RELATING TO GULF WAR SERVICE.

(a) RESEARCH.—(1) The Secretary of Defense shall, by contract, grant, or other transaction, provide for scientific research to be carried out by entities independent of the Federal Government on possible causal relationships between the complex of illnesses and symptoms commonly known as ''Gulf War syndrome'' and the possible exposures of members of the Armed Forces to chemical warfare agents or other hazardous materials during Gulf War service.

(2) The Secretary shall prescribe the procedures for making awards under paragraph (1). The procedures shall—

(A) include a comprehensive, independent peer-review process for the evaluation of proposals for scientific research that are submitted to the Department of Defense; and

(B) provide for the final selection of proposals for award to be based on the scientific merit and program relevance of the proposed research.

(3) Of the amount authorized to be appropriated under section 301(19), $10,000,000 is available for research under paragraph (1).

(b) HEALTH CARE BENEFITS FOR AFFLICTED CHILDREN OF GULF WAR VETERANS.—(1) Under regulations prescribed by the Secretary of Defense, any child of a Gulf War veteran who has been born after August 2, 1990, and has a congenital defect or catastrophic illness not excluded from coverage under paragraph (2) is eligible for medical and dental care under chapter 55 of title 10, United States Code, for the congenital defect or catastrophic illness, and associated conditions, of the child.

(2) The administering Secretaries may exclude from coverage under this subsection—

(A) any congenital defect or catastrophic illness that, as determined by the Secretary of Defense to a reasonable degree of scientific certainty on the basis of scientific research, is not a defect or catastrophic illness that can result in a child from an exposure of a parent of the child to a chemical warfare agent or other hazardous material to which members of the Armed Forces might have been exposed during Gulf War service; and

(B) a particular congenital defect or catastrophic illness (and any associated condition) of a

particular child if the onset of the defect or illness is determined to have preceded any possible exposure of the parent or parents of the child to a chemical warfare agent or other hazardous material during Gulf War service.

(3) No fee, deductible, or copayment requirement may be imposed or enforced for medical or dental care provided under chapter 55 of title 10, United States Code, in the case of a child who is eligible for such care under this subsection (even if the child would otherwise be subject to such a requirement on the basis of any eligibility for such care that the child also has under any provision of law other than this subsection).

(c) DEFINITIONS.—(1) In this section:

(A) The term ''Gulf War veteran'' means a veteran of Gulf War service.

(B) The term ''Gulf War service'' means service on active duty as a member of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(C) The term ''Persian Gulf War'' has the meaning given that term in section 101(33) of title 38, United States Code.

(D) The term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

(E) The term ''child'' means a natural child.

(2) The Secretary of Defense shall prescribe in regulations a definition of the terms ''congenital defect'' and ''catastrophic illness'' for the purposes of this section.

SEC. 710. PREVENTIVE HEALTH CARE SCREENING FOR COLON AND PROSTATE CANCER.

(a) MEMBERS AND FORMER MEMBERS.—(1) Section 1074d of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by inserting ''(1)'' before ''Female''; and

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

''(2) Male members and former members of the uniformed services entitled to medical care under section 1074 or 1074a of this title shall also be entitled to preventive health care screening for colon or prostate cancer at such intervals and using such screening methods as the administering Secretaries consider appropriate.''; and

(B) in subsection (b), by adding at the end the following new paragraph:

"(8) Colon cancer screening, at the intervals and using the screening methods prescribed under subsection (a)(2).".

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

"§ 1074d. Primary and preventive health care services

(B) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1074d. Primary and preventive health care services.".

(b) DEPENDENTS.—(1) Section 1077(a) of such title is amended by adding at the end the following new paragraph:

"(14) Preventive health care screening for colon or prostate cancer, at the intervals and using the screening methods prescribed under section 1074d(a)(2) of this title.".

(2) Section 1079(a)(2) of such title is amended—

(A) in the matter preceding subparagraph (A), by inserting "the schedule and method of colon and prostate cancer screenings," after "pap smears and mammograms,"; and

(B) in subparagraph (B), by inserting "or colon and prostate cancer screenings" after "pap smears and mammograms".

Subtitle B—Uniformed Services Treatment Facilities

SEC. 721. DEFINITIONS.

In this subtitle:

(1) The term ''administering Secretaries'' means the Secretary of Defense, the Secretary of Transportation, and the Secretary of Health and Human Services.

(2) The term ''agreement'' means the agreement required under section 722(b) between the Secretary of Defense and a designated provider.

(3) The term ''capitation payment'' means an actuarially sound payment for a defined set of health care services that is established on a per enrollee per month basis.

(4) The term ''covered beneficiary'' means a beneficiary under chapter 55 of title 10, United States Code, other than a beneficiary under section 1074(a) of such title.

(5) The term ''designated provider'' means a public or nonprofit private entity that was a transferee of a Public Health Service hospital or other station under section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35; 95 Stat. 603) and that, before the date of the enact-

ment of this Act, was deemed to be a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code. The term includes any legal successor in interest of the transferee.

(6) The term ''enrollee'' means a covered beneficiary who enrolls with a designated provider.

(7) The term ''health care services'' means the health care services provided under the health plan known as the TRICARE PRIME option under the TRICARE program.

(8) The term ''Secretary'' means the Secretary of Defense.

(9) The term ''TRICARE program'' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

(a) INCLUSION IN SYSTEM.—The health care delivery system of the uniformed services shall include the designated providers.

(b) AGREEMENTS TO PROVIDE MANAGED HEALTH CARE SERVICES.—(1) After consultation with the other administering Secretaries, the Secretary of Defense shall negotiate and enter into an agreement with each designated provider, under which the designated provider will provide managed health care services to covered beneficiaries who enroll with the designated provider.

(2) The agreement shall be entered into on a sole source basis. The Federal Acquisition Regulation, except for those requirements regarding competition, issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to the agreements as acquisitions of commercial items.

(3) The implementation of an agreement is subject to availability of funds for such purpose.

(c) EFFECTIVE DATE OF AGREEMENTS.—(1) Unless an earlier effective date is agreed upon by the Secretary and the designated provider, the agreement shall take effect upon the later of the following:

(A) The date on which a managed care support contract under the TRICARE program is implemented in the service area of the designated provider.

(B) October 1, 1997.

(2) Notwithstanding paragraph (1), the designated provider whose service area includes Seattle, Washington, shall implement its agreement as soon as the agreement permits.

(d) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—The Secretary shall extend the participation agreement of a designated provider in effect immediately before the date of the enactment of this Act under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) until the agreement required by this section takes effect under subsection (c).

(e) SERVICE AREA.—The Secretary may not reduce the size of the service area of a designated provider below the size of the service area in effect as of September 30, 1996.

(f) COMPLIANCE WITH ADMINISTRATIVE REQUIREMENTS.—(1) Unless otherwise agreed upon by the Secretary and a designated provider, the designated provider shall comply with necessary and appropriate administra-

tive requirements established by the Secretary for other providers of health care services and requirements established by the Secretary of Health and Human Services for risk-sharing contractors under section 1876 of the Social Security Act (42 U.S.C. 1395mm). The Secretary and the designated provider shall determine and apply only such administrative requirements as are minimally necessary and appropriate. A designated provider shall not be required to comply with a law or regulation of a State government requiring licensure as a health insurer or health maintenance organization.

(2) A designated provider may not contract out more than five percent of its primary care enrollment without the approval of the Secretary, except in the case of primary care contracts between a designated provider and a primary care contractor in force on the date of the enactment of this Act.

SEC. 723. PROVISION OF UNIFORM BENEFIT BY DESIGNATED PROVIDERS.

(a) UNIFORM BENEFIT REQUIRED.—A designated provider shall offer to enrollees the health benefit option prescribed and implemented by the Secretary under section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073 note), including accompanying cost-sharing requirements.

(b) TIME FOR IMPLEMENTATION OF BENEFIT.—A designated provider shall offer the health benefit option described in subsection (a) to enrollees upon the later of the following:

(1) The date on which health care services within the health care delivery system of the uniformed services are rendered through the TRICARE program in the region in which the designated provider operates.

(2) October 1, 1996.

(c) ADJUSTMENTS.—The Secretary may establish a later date under subsection (b)(2) or prescribe reduced cost-sharing requirements for enrollees.

SEC. 724. ENROLLMENT OF COVERED BENEFICIARIES.

(a) FISCAL YEAR 1997 LIMITATION.—(1) During fiscal year 1997, the number of covered beneficiaries who are enrolled in managed care plans offered by designated providers may not exceed the number of such enrollees as of October 1, 1995.

(2) The Secretary may waive the limitation under paragraph (1) if the Secretary determines that additional enrollment authority for a designated provider is required to accommodate covered beneficiaries who are dependents of members of the uniformed services entitled to health care under section 1074(a) of title 10, United States Code.

(b) PERMANENT LIMITATION.—For each fiscal year after fiscal year 1997, the number of enrollees in managed care plans offered by designated providers may not exceed 110 percent of the number of such enrollees as of the first day of the immediately preceding fiscal year. The Secretary may waive this limitation as provided in subsection (a)(2).

(c) RETENTION OF CURRENT ENROLLEES.—An enrollee in the managed care program of a designated provider as of September 30, 1997, or such earlier date as the designated provider and the Secretary may agree upon, shall continue receiving services from the designated provider pursuant to the agreement entered into under section 722 unless the enrollee disenrolls from the designated provider. Except as provided in subsection (e), the administering Secretaries may not disenroll such an enrollee unless the disenrollment is agreed to by the Secretary and the designated provider.

(d) ADDITIONAL ENROLLMENT AUTHORITY.—Other covered beneficiaries may also receive health care services from a designated provider, except that the designated provider may market such services to, and enroll, only those covered beneficiaries who—

(1) do not have other primary health insurance coverage (other than medicare coverage) covering

basic primary care and inpatient and outpatient services; or

(2) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

(e) SPECIAL RULE FOR MEDICARE-ELIGIBLE BENEFICIARIES.—If a covered beneficiary who desires to enroll in the managed care program of a designated provider is also entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), the covered beneficiary shall elect whether to receive health care services as an enrollee or under part A of title XVIII of the Social Security Act. The Secretary may disenroll an enrollee who subsequently violates the election made under this subsection and receives benefits under part A of title XVIII of the Social Security Act.

(f) INFORMATION REGARDING ELIGIBLE COVERED BENEFICIARIES.—The Secretary shall provide, in a timely manner, a designated provider with an accurate list of covered beneficiaries within the marketing area of the designated provider to whom the designated provider may offer enrollment.

SEC. 725. APPLICATION OF CHAMPUS PAYMENT RULES.

(a) APPLICATION OF PAYMENT RULES.—Subject to subsection (b), the Secretary shall require a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services to apply the payment rules described in section 1074(c) of title 10, United States Code, in imposing charges for health care that the private facility or provider provides to enrollees of a designated provider.

(b) AUTHORIZED ADJUSTMENTS.—The payment rules imposed under subsection (a) shall be subject to such modifications as the Secretary considers appropriate. The Secretary may authorize a lower rate than the maximum rate that would otherwise apply under subsection (a) if the lower rate is agreed to by the designated provider and the private facility or health care provider.

(c) REGULATIONS.—The Secretary shall prescribe regulations to implement this section after consultation with the other administering Secretaries.

(d) CONFORMING AMENDMENT.—Section 1074 of title 10, United States Code, is amended by striking out subsection (d).

SEC. 726. PAYMENTS FOR SERVICES.

(a) FORM OF PAYMENT.—Unless otherwise agreed to by the Secretary and a designated provider, the form of payment for services provided by a designated provider

shall be full risk capitation. The capitation payments shall be negotiated and agreed upon by the Secretary and the designated provider. In addition to such other factors as the parties may agree to apply, the capitation payments shall be based on the utilization experience of enrollees and competitive market rates for equivalent health care services for a comparable population to such enrollees in the area in which the designated provider is located.

(b) LIMITATION ON TOTAL PAYMENTS.—Total capitation payments to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received their care through a military treatment facility, the TRICARE program, or the medicare program, as the case may be.

(c) ESTABLISHMENT OF PAYMENT RATES ON ANNUAL BASIS.—The Secretary and a designated provider shall establish capitation payments on an annual basis, subject to periodic review for actuarial soundness and to adjustment for any adverse or favorable selection reasonably anticipated to result from the design of the program.

(d) ALTERNATIVE BASIS FOR CALCULATING PAYMENTS.—After September 30, 1999, the Secretary and a designated provider may mutually agree upon a new basis for calculating capitation payments.

SEC. 727. REPEAL OF SUPERSEDED AUTHORITIES.

(a) REPEALS.—The following provisions of law are repealed:

(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c).

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d).

(3) Section 718(c) of the National Defense Authorization Act for Fiscal year 1991 (Public Law 101–510; 42 U.S.C. 248c note).

(4) Section 726 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 248c note).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

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

SEC. 801. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1997 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 802. EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out ''1995'' and inserting in lieu thereof ''1998''; and

(2) in paragraph (2), by striking out ''1996'' and inserting in lieu thereof ''1999''.

SEC. 803. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

(a) AUTHORIZED OFFICIALS.—(1) Subsection (a) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1547; 10 U.S.C. 2371 note) is amended by inserting ", the Secretary of a military department, or any other official designated by the Secretary of Defense" after "Agency".

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

"(2) To the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a).".

(b) EXTENSION OF AUTHORITY.—Subsection (c) of such section is amended by striking out "terminate" and all that follows and inserting in lieu thereof "terminate at the end of September 30, 2001.".

SEC. 804. REVISIONS TO THE PROGRAM FOR THE ASSESSMENT OF THE NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE.

(a) NATIONAL DEFENSE PROGRAM FOR ANALYSIS OF THE TECHNOLOGY AND INDUSTRIAL BASE.—Section 2503 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "(1) The Secretary of Defense, in consultation with the National De-

fense Technology and Industrial Base Council'' in paragraph (1) and inserting in lieu thereof ''The Secretary of Defense, in consultation with the Secretary of Commerce''; and

(B) by striking out paragraphs (2), (3), and (4); and

(2) in subsection (c)(3)(A)—

(A) by striking out ''the National Defense Technology and Industrial Base Council in'' and inserting in lieu thereof ''the Secretary of Defense for''; and

(B) by striking out ''and the periodic plans required by section 2506 of this title''.

(b) PERIODIC DEFENSE CAPABILITY ASSESSMENTS.—(1) Section 2505 of title 10, United States Code, is amended to read as follows:

''§ 2505. National technology and industrial base: periodic defense capability assessments

''(a) PERIODIC ASSESSMENT.—Each fiscal year, the Secretary of Defense shall prepare selected assessments of the capability of the national technology and industrial base to attain the national security objectives set forth in section 2501(a) of this title.

"(b) ASSESSMENT PROCESS.—The Secretary of Defense shall ensure that technology and industrial capability assessments—

"(1) describe sectors or capabilities, their underlying infrastructure and processes;

"(2) analyze present and projected financial performance of industries supporting the sectors or capabilities in the assessment; and

"(3) identify technological and industrial capabilities and processes for which there is potential for the national industrial and technology base not to be able to support the achievement of national security objectives.

"(c) FOREIGN DEPENDENCY CONSIDERATIONS.—In the preparation of the periodic assessments, the Secretary shall include considerations of foreign dependency.

"(d) INTEGRATED PROCESS.—The Secretary of Defense shall ensure that consideration of the technology and industrial base assessments is integrated into the overall budget, acquisition, and logistics support decision processes of the Department of Defense.".

(2) Section 2502(b) of title 10, United States Code, is amended—

(A) by striking out "the following responsibilities:" and all that follows through "effective co-

operation'' and inserting in lieu thereof ''the responsibility to ensure effective cooperation''; and

(B) by striking out paragraph (2); and

(3) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and adjusting the margin of such paragraphs two ems to the left.

(c) REPEAL OF REQUIREMENT FOR PERIODIC DEFENSE CAPABILITY PLAN.—Section 2506 of title 10, United States Code, is repealed.

(d) DEPARTMENT OF DEFENSE TECHNOLOGY AND INDUSTRIAL BASE POLICY GUIDANCE.—Subchapter II of chapter 148 of title 10, United States Code, is amended by inserting after section 2505 the following new section 2506:

''§ 2506. Department of Defense technology and industrial base policy guidance

''(a) DEPARTMENTAL GUIDANCE.—The Secretary of Defense shall prescribe departmental guidance for the attainment of each of the national security objectives set forth in section 2501(a) of this title. Such guidance shall provide for technological and industrial capability considerations to be integrated into the budget allocation, weapons acquisition, and logistics support decision processes.

"(b) REPORT TO CONGRESS.—The Secretary of Defense shall report on the implementation of the departmental guidance in the annual report to Congress submitted pursuant to section 2508 of this title.".

(e) ANNUAL REPORT TO CONGRESS.—Such subchapter is amended by inserting after section 2507 the following new section:

"§ 2508. Annual report to Congress

"The Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives by March 1 of each year a report which shall include the following information:

"(1) A description of the departmental guidance prepared pursuant to section 2506 of this title.

"(2) A description of the methods and analyses being undertaken by the Department of Defense alone or in cooperation with other Federal agencies, to identify and address concerns regarding technological and industrial capabilities of the national technology and industrial base.

"(3) A description of the assessments prepared pursuant to section 2505 of this title and other analyses used in developing the budget submission of the Department of Defense for the next fiscal year.

"(4) Identification of each program designed to sustain specific essential technological and industrial capabilities and processes of the national technology and industrial base.".

(f) REPEAL OF REQUIREMENT TO COORDINATE THE ENCOURAGEMENT OF TECHNOLOGY TRANSFER WITH THE COUNCIL.—Subsection 2514(c) of title 10, United States Code, is amended by striking out paragraph (5).

(g) CLERICAL AMENDMENTS.—The table of sections at the beginning of subchapter II of chapter 148 of title 10, United States Code, is amended—

(1) by striking out the item relating to section 2506 and inserting in lieu thereof the following:

"2506. Department of Defense technology and industrial base policy guidance.";

and

(2) by adding at the end the following:

"2508. Annual report to Congress.".

(h) REPEAL OF SUPERSEDED AND EXECUTED LAW.—Sections 4218, 4219, and 4220 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2505 note and 2506 note) are repealed.

SEC. 805. PROCUREMENTS TO BE MADE FROM SMALL ARMS INDUSTRIAL BASE FIRMS.

(a) REQUIREMENT.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Procurements from the small arms industrial base

"(a) AUTHORITY TO DESIGNATE EXCLUSIVE SOURCES.—To the extent that the Secretary of Defense determines necessary to preserve the part of the national technology and industrial base that supplies property and services described in subsection (b), the Secretary may require that the procurements of such items for the Department of Defense be made only from the firms listed in the plan entitled 'Preservation of Critical Elements of the Small Arms Industrial Base', dated January 8, 1994, that was prepared by an independent assessment panel of the Army Science Board.

"(b) COVERED ITEMS.—The authority provided in subsection (a) applies to the following property and services:

"(1) Repair parts for small arms.

"(2) Modifications of parts to improve small arms used by the armed forces.

"(3) Overhaul of unserviceable small arms of the armed forces.".

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

"2473. Procurements from the small arms industrial base.".

SEC. 806. EXCEPTION TO PROHIBITION ON PROCUREMENT OF FOREIGN GOODS.

Section 2534(d)(3) of title 10, United States Code, is amended by inserting "or would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items that is entered into under section 2531 of this title," after "a foreign country,".

SEC. 807. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

(a) TREATMENT AS CONTRACT FOR TELECOMMUNICATIONS SERVICES.—Subject to subsection (b), a cable television franchise agreement for the Department of Defense shall be considered a contract for telecommunications services for purposes of part 49 of the Federal Acquisition Regulation.

(b) LIMITATION.—The treatment of a cable television franchise agreement as a contract for telecommunications services shall be subject to such terms, conditions, limitations, restrictions, and requirements relating to the power of the executive branch to treat such an agreement as such

a contract as are identified in the advisory opinion required under section 823 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399).

(c) APPLICABILITY.—This section applies to cable television franchise agreements for the Department of Defense only if the United States Court of Federal Claims states in an advisory opinion referred to in subsection (b) that it is within the power of the executive branch to treat cable television franchise agreements for the construction, installation, or capital improvement of cable television systems at military installations of the Department of Defense as contracts under part 49 of the Federal Acquisition Regulation without violating title VI of the Communications Act of 1934 (47 U.S.C. 521 et seq.).

SEC. 808. REMEDIES FOR REPRISALS AGAINST CONTRACTOR EMPLOYEE WHISTLEBLOWERS.

Section 2409(c)(1) of title 10, United States Code, is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) Order the contractor either—

"(i) to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and

conditions of employment that would apply to the person in that position if the reprisal had not been taken; or

"(ii) without reinstating the person, to pay the person an amount equal to the compensation (including back pay) that, if the reprisal had not been taken, would have been paid the person in that position up to the date on which the head of the agency determines that the person has been subjected to a reprisal prohibited under subsection (a).".

SEC. 809. IMPLEMENTATION OF INFORMATION TECHNOLOGY MANAGEMENT REFORM.

(a) REPORT.—(1) The Secretary of Defense shall include in the report submitted in 1997 under section 381 of Public Law 103–337 (108 Stat. 2739) a discussion of the following matters relating to information resources management by the Federal Government:

(A) The progress made in implementing the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(B) The progress made in implementing the strategy for the development or modernization of

automated information systems for the Department of Defense, as required by section 366 of Public Law 104–106 (110 Stat 275; 10 U.S.C. 113 note).

(C) Plans of the Department of Defense for establishing an integrated framework for management of information resources within the department.

(2) The discussion of matters under paragraph (1) shall specifically include a discussion of the following:

(A) The status of the implementation of a set of strategic, outcome-oriented performance measures.

(B) The specific actions being taken to link the proposed performance measures to the planning, programming, and budgeting system of the Department of Defense and to the life-cycle management processes of the department.

(C) The results of pilot program testing of proposed performance measures.

(D) The additional training necessary for the implementation of performance-based information management.

(E) Plans for integrating management improvement programs of the Department of Defense.

(F) The department-wide actions that are necessary to comply with the requirements of the following provisions of law:

(i) The amendments made by the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(ii) The Information Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(iii) Title V of the Federal Acquisition Management Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3349) and the amendments made by that title.

(iv) The Chief Financial Officers Act of 1990 (Public Law 101–576; 104 Stat. 2838) and the amendments made by that Act.

(G) A strategic information resources plan for the Department of Defense that is based on the strategy of the Secretary of Defense for support of the department's overall strategic goals by the core and supporting processes of the department.

(b) YEAR 2000 SOFTWARE CONVERSION.—(1) The Secretary of Defense shall ensure that all information technology acquired by the Department of Defense pursu-

ant to contracts entered into after September 30, 1996, have the capabilities that comply with time and date standards established by the National Institute of Standards and Technology or, if there is no such standard, generally accepted industry standards for providing fault-free processing of date and date-related data in 2000.

(2) The Secretary, acting through the chief information officers within the department (as designated pursuant to section 3506 of title 44, United States Code), shall assess all information technology within the Department of Defense to determine the extent to which such technology have the capabilities to operate effectively with technology that meet the standards referred to in paragraph (1).

(3) Not later than January 1, 1997, the Secretary shall submit to Congress a detailed plan for eliminating any deficiencies identified pursuant to paragraph (2). The plan shall include—

(A) a prioritized list of all affected programs;

(B) a description of how the deficiencies could affect the national security of the United States; and

(C) an estimate of the resources that are necessary to eliminate the deficiencies.

SEC. 810. RESEARCH UNDER TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.

(a) CONDITIONS FOR USE OF AUTHORITY.—Subsection (e) of section 2371 of title 10, United States Code, is amended—

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

(2) by inserting ''and'' after the semicolon at the end of subparagraph (A), as so redesignated;

(3) by striking out ''; and'' at the end of subparagraph (B), as so redesignated, and inserting in lieu thereof a period;

(4) by inserting ''(1)'' after ''(e) CONDITIONS.—''; and

(5) by striking out paragraph (3) and inserting in lieu thereof the following:

''(2) A cooperative agreement containing a clause under subsection (d) or a transaction authorized under subsection (a) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.''.

(b) REVISED REQUIREMENT FOR ANNUAL REPORT.—Section 2371 of such title is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) ANNUAL REPORT.—(1) Not later than 90 days after the end of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on Department of Defense use during such fiscal year of—

"(A) cooperative agreements authorized under section 2358 of this title that contain a clause under subsection (d); and

"(B) transactions authorized under subsection (a).

"(2) The report shall include, with respect to the cooperative agreements and other transactions covered by the report, the following:

"(A) The technology areas in which research projects were conducted under such agreements or other transactions.

"(B) The extent of the cost-sharing among Federal Government and non-Federal sources.

"(C) The extent to which the use of the cooperative agreements and other transactions—

"(i) has contributed to a broadening of the technology and industrial base available for meeting Department of Defense needs; and

"(ii) has fostered within the technology and industrial base new relationships and practices that support the national security of the United States.

"(D) The total amount of payments, if any, that were received by the Federal Government during the fiscal year covered by the report pursuant to a clause described in subsection (d) that was included in the cooperative agreements and transactions, and the amount of such payments, if any, that were credited to each account established under subsection (f).".

(c) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—Such section, as amended by subsection (b), is further amended by inserting after subsection (h) the following:

"(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

"(2) Paragraph (1) applies to the following information in the records of the Department of Defense if the information was submitted to the department in a com-

petitive or noncompetitive process having the potential for resulting in an award, to the submitters, of a cooperative agreement that includes a clause described in subsection (d) or other transaction authorized under subsection (a):

"(A) Proposals, proposal abstracts, and supporting documents.

"(B) Business plans submitted on a confidential basis.

"(C) Technical information submitted on a confidential basis.".

(d) DIVISION OF SECTION INTO DISTINCT PROVISIONS BY SUBJECT MATTER.—(1) Chapter 139 of title 10, United States Code, is amended—

(A) by inserting before the last subsection of section 2371 (relating to cooperative research and development agreements under the Stevenson-Wydler Technology Innovation Act of 1980) the following:

"§ 2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980";

(B) by striking out "(i) COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS UNDER STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.—"; and

(C) in the table of sections at the beginning of such chapter, by inserting after the item relating to section 2371 the following:

"2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980.".

(2) Section 2358(d) of such title is amended by striking out "section 2371" and inserting in lieu thereof "sections 2371 and 2371a".

SEC. 811. REPORTING REQUIREMENT UNDER DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

Section 816(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is amended by striking out "1996" and inserting in lieu thereof "1998".

SEC. 812. TEST PROGRAMS FOR MODERNIZATION-THROUGH-SPARES.

Not later than 60 days after the date of enactment of this Act, the Secretary of the Army shall report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on the steps he has taken to ensure that each program included in the Army's modernization-through-spares program is conducted in accordance with—

(1) the competition requirements in section 2304 of title 10;

(2) the core logistics requirements in section 2464 of title 10;

(3) the public-private competition requirements in section 2469 of title 10; and

(4) requirements relating to contract bundling and spare parts breakout in sections 15(a) and 15(l) of the Small Business Act (15 U.S.C. 644) and implementing regulations in the Defense FAR Supplement.

SEC. 813. PILOT PROGRAM FOR TRANSFER OF DEFENSE TECHNOLOGY INFORMATION TO PRIVATE INDUSTRY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program to demonstrate online transfers of information on defense technologies to businesses in the private sector through an interactive data network involving Small Business Development Centers of institutions of higher education.

(b) COMPUTERIZED DATA BASE OF DEFENSE TECHNOLOGIES.—(1) Under the pilot program, the Secretary shall enter into an agreement with the head of an eligible institution of higher education that provides for such institution—

(A) to develop and maintain a computerized data base of information on defense technologies;

(B) to make such information available online to—

(i) businesses; and

(ii) other institutions of higher education entering into partnerships with the Secretary under subsection (c).

(2) The online accessibility may be established by means of any of, or any combination of, the following:

(A) Digital teleconferencing.

(B) International Signal Digital Network lines.

(C) Direct modem hookup.

(c) PARTNERSHIP NETWORK.—Under the pilot program, the Secretary shall seek to enter into agreements with the heads of several eligible institutions of higher education having strong business education programs to provide for the institutions of higher education entering into such agreements—

(1) to establish interactive computer links with the data base developed and maintained under subsection (b); and

(2) to assist the Secretary in making information on defense technologies available online to the

broadest practicable number, types, and sizes of businesses.

(d) ELIGIBLE INSTITUTIONS.—For the purposes of this section, an institution of higher education is eligible to enter into an agreement under subsection (b) or (c) if the institution has a Small Business Development Center.

(e) DEFENSE TECHNOLOGIES COVERED.—(1) The Secretary shall designate the technologies to be covered by the pilot program from among the existing and experimental technologies that the Secretary determines—

(A) are useful in meeting Department of Defense needs; and

(B) should be made available under the pilot program to facilitate the satisfaction of such needs by private sector sources.

(2) Technologies covered by the program should include technologies useful for defense purposes that can also be used for nondefense purposes (without or without modification).

(f) DEFINITIONS.—In this section:

(1) The term ''Small Business Development Center'' means a small business development center established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(2) The term ''defense technology'' means a technology designated by the Secretary of Defense under subsection (d).

(3) The term ''partnership'' means an agreement entered into under subsection (c).

(g) TERMINATION OF PILOT PROGRAM.—The pilot program shall terminate one year after the Secretary enters into an agreement under subsection (b).

(h) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4) for university research initiatives, $3,000,000 is available for the pilot program.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—General Matters

SEC. 901. REPEAL OF REORGANIZATION OF OFFICE OF SECRETARY OF DEFENSE.

Sections 901 and 903 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399 and 401) are repealed.

SEC. 902. CODIFICATION OF REQUIREMENTS RELATING TO CONTINUED OPERATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CODIFICATION OF EXISTING LAW.—(1) Chapter 104 of title 10, United States Code, is amended by inserting after section 2112 the following:

"§ 2112a. Continued operation of University

''(a) CLOSURE PROHIBITED.—The University may not be closed.

''(b) PERSONNEL STRENGTH.—During the five-year period beginning on October 1, 1996, the personnel staffing levels for the University may not be reduced below the personnel staffing levels for the University on October 1, 1993.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2112 the following:

''2112a. Continued operation of University.''.

(b) REPEAL OF SUPERSEDED LAW.—(1) Section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 282; 10 U.S.C. 2112 note) is amended by striking out subsection (a).

(2) Section 1071 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110

Stat. 445; 10 U.S.C. 2112 note) is amended by striking out subsection (b).

SEC. 903. CODIFICATION OF REQUIREMENT FOR UNITED STATES ARMY RESERVE COMMAND.

(a) REQUIREMENT FOR ARMY RESERVE COMMAND.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3074 the following:

"§ 3074a. United States Army Reserve Command

''(a) COMMAND.—The United States Army Reserve Command is a separate command of the Army commanded by the Chief of Army Reserve.

''(b) CHAIN OF COMMAND.—Except as otherwise prescribed by the Secretary of Defense, the Secretary of the Army shall prescribe the chain of command for the United States Army Reserve Command.

''(c) ASSIGNMENT OF FORCES.—The Secretary of the Army—

''(1) shall assign to the United States Army Reserve Command all forces of the Army Reserve in the continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

''(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to

carry out functions of the Secretary of the Army specified in section 3013 of this title, shall assign all such forces of the Army Reserve to the commander of the United States Atlantic Command.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3074 the following:

''3074a. United States Army Reserve Command.''.

(b) REPEAL OF SUPERSEDED LAW.—Section 903 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1620; 10 U.S.C. 3074 note) is repealed.

SEC. 904. TRANSFER OF AUTHORITY TO CONTROL TRANSPORTATION SYSTEMS IN TIME OF WAR.

(a) AUTHORITY OF SECRETARY OF DEFENSE.—Section 4742 of title 10, United States Code, is amended by striking out ''Secretary of the Army'' and inserting in lieu thereof ''Secretary of Defense''.

(b) TRANSFER OF SECTION.—Such section, as amended by subsection (a), is transferred to the end of chapter 157 of such title and is redesignated as section 2644.

(c) CONFORMING AMENDMENT.—Section 9742 of such title is repealed.

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 157 of such title is

amended by inserting after the item relating to section 2643 the following new item:

"2644. Control of transportation systems in time of war.".

(2) The table of sections at the beginning of chapter 447 of such title is amended by striking out the item relating to section 4742.

(3) The table of sections at the beginning of chapter 947 of such title is amended by striking out the item relating to section 9742.

SEC. 905. REDESIGNATION OF OFFICE OF NAVAL RECORDS AND HISTORY FUND AND CORRECTION OF RELATED REFERENCES.

(a) NAME OF FUND.—Subsection (a) of section 7222 of title 10, United States Code, is amended by striking out " 'Office of Naval Records and History Fund' " in the second sentence and inserting in lieu thereof " 'Naval Historical Center Fund' ".

(b) CORRECTION OF REFERENCE TO ADMINISTERING OFFICE.—Subsection (a) of such section, as amended by subsection (a), is further amended by striking out "Office of Naval Records and History" in the first sentence and inserting in lieu thereof "Naval Historical Center".

(c) CONFORMING REFERENCE.—Subsection (c) of such section is amended by striking out "Office of Naval Records and History Fund" in the second sentence and inserting in lieu thereof "Naval Historical Center Fund".

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

"§ 7222. Naval Historical Center Fund".

(2) The item relating to such section in the table of sections at the beginning of chapter 631 of title 10, United States Code, is amended to read as follows:

"7222. Naval Historical Center Fund.".

SEC. 906. ROLE OF DIRECTOR OF CENTRAL INTELLIGENCE IN APPOINTMENT AND EVALUATION OF CERTAIN INTELLIGENCE OFFICIALS.

(a) IN GENERAL.—Section 201 of title 10, United States Code, is amended to read as follows:

"§ 201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance

"(a) CONSULTATION REGARDING APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to the position of Director of the Defense Intelligence Agency, the Secretary of Defense shall consult with the Director of Central Intelligence regarding the recommendation.

"(b) CONCURRENCE IN APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to a position referred to in paragraph (2), the Secretary of Defense shall seek the concurrence of the Director of Central Intelligence in the

recommendation. If the Director does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

"(2) Paragraph (1) applies to the following positions:

"(A) The Director of the National Security Agency.

"(B) The Director of the National Reconnaissance Office.

"(c) PERFORMANCE EVALUATIONS.—(1) The Director of Central Intelligence shall provide annually to the Secretary of Defense, for the Secretary's consideration, an evaluation of the performance of the individuals holding the positions referred to in paragraph (2) in fulfilling their respective responsibilities with regard to the National Foreign Intelligence Program.

"(2) The positions referred to in paragraph (1) are the following:

"(A) The Director of the National Security Agency.

"(B) The Director of the National Reconnaissance Office.

"(C) The Director of the National Imagery and Mapping Agency.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 8 of such title is amended by striking out the item relating to section 201 and inserting in lieu thereof the following new item:

"201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance.".

SEC. 907. MATTERS TO BE CONSIDERED IN NEXT ASSESSMENT OF CURRENT MISSIONS, RESPONSIBILITIES, AND FORCE STRUCTURE OF THE UNIFIED COMBATANT COMMANDS.

The Chairman of the Joint Chiefs of Staff shall consider, as part of the next periodic review of the missions, responsibilities, and force structure of the unified combatant commands under section 161(b) of title 10, United States Code, the following matters:

(1) For each Area of Responsibility of the regional unified combatant commands—

(A) the foremost threats to United States or allied security in the near- and long-term;

(B) the total area of ocean and total area of land encompassed; and

(C) the number of countries and total population encompassed.

(2) Whether any one Area of Responsibility encompasses a disproportionately high or low share of threats, mission requirements, land or ocean area, number of countries, or population.

(3) The other factors used to establish the current Areas of Responsibility.

(4) Whether any of the factors addressed under paragraph (3) account for any apparent imbalances indicated in the response to paragraph (2).

(5) Whether, in light of recent reductions in the overall force structure of the Armed Forces, the United States could better execute its warfighting plans with fewer unified combatant commands, including—

(A) a total of five or fewer commands, all of which are regional;

(B) an eastward-oriented command, a westward-oriented command, and a central command; or

(C) a purely functional command structure, involving (for example) a first theater command, a second theater command, a logistics command, a special contingencies command, and a strategic command.

(6) Whether any missions, staff, facilities, equipment, training programs, or other assets or activities of the unified combatant commands are redundant.

(7) Whether warfighting requirements are adequate to justify the current functional commands.

(8) Whether the exclusion of Russia from a specific Area of Responsibility presents any difficulties for the unified combatant commands with respect to contingency planning for that area and its periphery.

(9) Whether the current geographic boundary between the Central Command and the European Command through the Middle East could create command conflicts in the context of fighting a major regional conflict in the Middle East.

SEC. 908. ACTIONS TO LIMIT ADVERSE EFFECTS OF ESTABLISHMENT OF NATIONAL MISSILE DEFENSE JOINT PROGRAM OFFICE ON PRIVATE SECTOR EMPLOYMENT.

The Director of the Ballistic Missile Defense Organization shall take such actions as are necessary in connection with the establishment of the National Missile Defense Joint Program Office to ensure that the establishment of that office does not make it necessary for a Federal Government contractor to reduce the number of per-

sons employed by the contractor for supporting the national missile defense development program at any particular location outside the National Capital Region (as defined in section 2674(f)(2) of title 10, United States Code).

Subtitle B—National Imagery and Mapping Agency

SEC. 911. SHORT TITLE.

This subtitle may be cited as the ''National Imagery and Mapping Agency Act of 1996''.

SEC. 912. FINDINGS.

Congress makes the following findings:

(1) There is a need within the Department of Defense and the Intelligence Community of the United States to provide a single agency focus for the growing number and diverse types of customers for imagery and geospatial information resources within the Government, to ensure visibility and accountability for those resources, and to harness, leverage, and focus rapid technological developments to serve the imagery, imagery intelligence, and geospatial information customers.

(2) There is a need for a single Government agency to solicit and advocate the needs of that growing and diverse pool of customers.

(3) A single combat support agency dedicated to imagery, imagery intelligence, and geospatial information could act as a focal point for support of all imagery intelligence and geospatial information customers, including customers in the Department of Defense, the Intelligence Community, and related agencies outside of the Department of Defense.

(4) Such an agency would best serve the needs of the imagery, imagery intelligence, and geospatial information customers if it were organized—

(A) to carry out its mission responsibilities under the authority, direction, and control of the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff; and

(B) to carry out its responsibilities to national intelligence customers in accordance with policies and priorities established by the Director of Central Intelligence.

PART I—ESTABLISHMENT

SEC. 921. ESTABLISHMENT, MISSIONS, AND AUTHORITY.

(a) ESTABLISHMENT IN TITLE 10, UNITED STATES CODE.—Part I of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 22 as chapter 23; and

(2) by inserting after chapter 21 the following new chapter 22:

"CHAPTER 22—NATIONAL IMAGERY AND MAPPING AGENCY

"Subchapter	Sec.
"I. Establishment, Missions, and Authority	441
"II. Maps, Charts, and Geodetic Products	451
"III. Personnel Management	461
"IV. Definitions	471

"SUBCHAPTER I—ESTABLISHMENT, MISSIONS, AND AUTHORITY

"Sec.
"441. Establishment.
"442. Missions.
"443. Imagery intelligence and geospatial information support for foreign countries
"444. Support from Central Intelligence Agency.
"445. Protection of agency identifications and organizational information.

"§ 441. Establishment

"(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is a combat support agency of the Department of Defense and has significant national missions.

"(b) DIRECTOR.—(1) The Director of the National Imagery and Mapping Agency is the head of the agency. The President shall appoint the Director.

"(2)(A) Upon a vacancy in the position of Director, the Secretary of Defense shall recommend to the President an individual for appointment to the position.

"(B) The Secretary shall seek the concurrence of the Director of Central Intelligence in recommending an individual for appointment under subparagraph (A). If the Di-

rector does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

"(3) If an officer of the armed forces is appointed to the position of Director under this subsection, the position is a position of importance and responsibility for purposes of section 601 of this title and carries the grade of lieutenant general, or, in the case of an officer of the Navy, vice admiral.

"(c) COLLECTION TASKING AUTHORITY.—The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.

"§ 442. Missions

"(a) DEPARTMENT OF DEFENSE MISSIONS.—The National Imagery and Mapping Agency shall—

"(1) provide timely, relevant, and accurate imagery, imagery intelligence, and geospatial information in support of the national security objectives of the United States;

"(2) improve means of navigating vessels of the Navy and the merchant marine by providing, under the authority of the Secretary of Defense, accurate and inexpensive nautical charts, sailing directions, books on navigation, and manuals of instructions for the use of all vessels of the United States and of navigators generally; and

"(3) prepare and distribute maps, charts, books, and geodetic products as authorized under subchapter II of this chapter.

"(b) NATIONAL MISSION.—The National Imagery and Mapping Agency shall also have national missions as specified in section 120(a) of the National Security Act of 1947.

"(c) LIFE CYCLE SUPPORT.—The National Imagery and Mapping Agency may, in furtherance of a mission of the agency, design, develop, deploy, operate, and maintain systems related to the processing and dissemination of imagery intelligence and geospatial information that may be transferred to, accepted or used by, or used on behalf of—

"(1) the armed forces, including any combatant command, component of a combatant command, joint task force, or tactical unit; or

"(2) to any other department or agency of the United States.

"§ 443. Imagery intelligence and geospatial information support for foreign countries

''(a) APPROPRIATED FUNDS.—The Director of the National Imagery and Mapping Agency may use appropriated funds available to the National Imagery and Mapping Agency to provide foreign countries with imagery intelligence and geospatial information support.

''(b) FUNDS OTHER THAN APPROPRIATED FUNDS.—(1) Subject to paragraphs (2), (3), and (4), the Director is also authorized to use funds other than appropriated funds to provide foreign countries with imagery intelligence and geospatial information support.

''(2) Funds other than appropriated funds may not be expended, in whole or in part, by or for the benefit of the National Imagery and Mapping Agency for a purpose for which Congress had previously denied funds.

''(3) Proceeds from the sale of imagery intelligence or geospatial information items may be used only to purchase replacement items similar to the items that are sold.

''(4) Funds other than appropriated funds may not be expended to acquire items or services for the principal benefit of the United States.

''(5) The authority to use funds other than appropriated funds under this section may be exercised notwithstanding provisions of law relating to the expenditure of funds of the United States.

"(c) ACCOMMODATION PROCUREMENTS.—The authority under this section may be exercised to conduct accommodation procurements on behalf of foreign countries.

"(d) COORDINATION WITH DIRECTOR OF CENTRAL INTELLIGENCE.—The Director shall coordinate with the Director of Central Intelligence any action under this section that involves imagery intelligence or intelligence products or involves providing support to an intelligence or security service of a foreign country.

"§ 444. Support from Central Intelligence Agency

"(a) SUPPORT AUTHORIZED.—The Director of Central Intelligence may provide support in accordance with this section to the Director of the National Imagery and Mapping Agency. The Director of the National Imagery and Mapping Agency may accept support provided under this section.

"(b) ADMINISTRATIVE AND CONTRACT SERVICES.—(1) In furtherance of the national intelligence effort, the Director of Central Intelligence may provide administrative and contract services to the National Imagery and Mapping Agency as if that agency were an organizational element of the Central Intelligence Agency.

"(2) Services provided under paragraph (1) may include the services of security police. For purposes of section 15 of the Central Intelligence Agency Act of 1949

(50 U.S.C. 403o), an installation of the National Imagery and Mapping Agency provided security police services under this section shall be considered an installation of the Central Intelligence Agency.

''(3) Support provided under this subsection shall be provided under terms and conditions agreed upon by the Secretary of Defense and the Director of Central Intelligence.

''(c) DETAIL OF PERSONNEL.—The Director of Central Intelligence may detail Central Intelligence Agency personnel indefinitely to the National Imagery and Mapping Agency without regard to any limitation on the duration of interagency details of Federal Government personnel.

''(d) REIMBURSABLE OR NONREIMBURSABLE SUPPORT.—Support under this section may be provided and accepted on either a reimbursable basis or a nonreimbursable basis.

''(e) AUTHORITY TO TRANSFER FUNDS.—(1) The Director of the National Imagery and Mapping Agency may transfer funds available for the agency to the Director of Central Intelligence for the Central Intelligence Agency.

''(2) The Director of Central Intelligence—

"(A) may accept funds transferred under paragraph (1); and

"(B) shall expend such funds, in accordance with the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), to provide administrative and contract services or detail personnel to the National Imagery and Mapping Agency under this section.

"§ 445. Protection of agency identifications and organizational information

"(a) UNAUTHORIZED USE OF AGENCY NAME, INITIALS, OR SEAL.—(1) Except with the written permission of the Secretary of Defense, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary of Defense, any of the following:

"(A) The words 'National Imagery and Mapping Agency', the initials 'NIMA', or the seal of the National Imagery and Mapping Agency.

"(B) The words 'Defense Mapping Agency', the initials 'DMA', or the seal of the Defense Mapping Agency.

"(C) Any colorable imitation of such words, initials, or seals.

"(2) Whenever it appears to the Attorney General that any person is engaged or about to engage in an act or practice which constitutes or will constitute conduct prohibited by paragraph (1), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to a hearing and determination of such action and may, at any time before such final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.

"(b) PROTECTION OF ORGANIZATIONAL INFORMATION.—Notwithstanding any other provision of law, the Director of the National Imagery and Mapping Agency is not required to disclose the organization of the agency, any function of the agency, any information with respect to the activities of the agency, or the names, titles, salaries, or number of the persons employed by the agency. This subsection does not apply to disclosures of information to Congress.

"SUBCHAPTER II—MAPS, CHARTS, AND GEODETIC PRODUCTS

"Sec.
"451. Maps, charts, and books.
"452. Pilot charts.
"453. Prices of maps, charts, and navigational publications.
"454. Exchange of mapping, charting, and geodetic data with foreign countries and international organizations
"455. Maps, charts, and geodetic data: public availability; exceptions.
"456. Civil actions barred.

"SUBCHAPTER III—PERSONNEL MANAGEMENT

"Sec.
"461. Civilian personnel management generally.
"462. National Imagery and Mapping Senior Executive Service.
"463. Management rights.

"§ 461. Civilian personnel management generally

"(a) GENERAL PERSONNEL AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of Federal employees—

"(1) establish such excepted service positions for employees in the National Imagery and Mapping Agency as the Secretary considers necessary to carry out the functions of those agencies, including positions designated under subsection (f) as National Imagery and Mapping Senior Level positions;

"(2) appoint individuals to those positions; and

"(3) fix the compensation for service in those positions.

"(b) AUTHORITY TO FIX RATES OF BASIC PAY AND OTHER ALLOWANCES AND BENEFITS.—(1) The Secretary

of Defense shall, subject to subsection (c), fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that title which have corresponding levels of duties and responsibilities. Except as otherwise provided by law, an employee of the National Imagery and Mapping Agency may not be paid basic pay at a rate in excess of the maximum rate payable under section 5376 of title 5.

''(2) The Secretary of Defense may provide employees in positions of the National Imagery and Mapping Agency compensation (in addition to basic pay under paragraph (1)) and benefits, incentives, and allowances consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

''(c) PREVAILING RATES SYSTEMS.—The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions in or under which the National Imagery and Mapping Agency may employ individuals described in section 5342(a)(2)(A) of such title.

''(d) ALLOWANCES BASED ON LIVING COSTS AND ENVIRONMENT FOR EMPLOYEES STATIONED OUTSIDE CONTINENTAL UNITED STATES OR IN ALASKA.—(1) In

addition to the basic compensation payable under subsection (b), employees of the National Imagery and Mapping Agency described in paragraph (3) may be paid an allowance, in accordance with regulations prescribed by the Secretary of Defense, at a rate not in excess of the allowance authorized to be paid under section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

''(2) Such allowance shall be based on—

''(A) living costs substantially higher than in the District of Columbia;

''(B) conditions of environment which—

''(i) differ substantially from conditions of environment in the continental United States; and

''(ii) warrant an allowance as a recruitment incentive; or

''(C) both of those factors.

''(3) This subsection applies to employees who—

''(A) are citizens or nationals of the United States; and

''(B) are stationed outside the continental United States or in Alaska.

''(e) TERMINATION OF EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of De-

fense may terminate the employment of any employee of the National Imagery and Mapping Agency if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared

eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense and the Director of the National Imagery and Mapping Agency. An action to terminate employment of an employee by any such officer may be appealed to the Secretary of Defense.

"(f) NATIONAL IMAGERY AND MAPPING SENIOR LEVEL POSITIONS.—(1) In carrying out subsection (a)(1), the Secretary may designate positions described in paragraph (3) as National Imagery and Mapping Senior Level positions.

"(2) Positions designated under this subsection shall be treated as equivalent for purposes of compensation to the senior level positions to which section 5376 of title 5 is applicable.

"(3) Positions that may be designated as National Imagery and Mapping Senior Level positions are positions in the National Imagery and Mapping Agency that (A) are classified above the GS–15 level, (B) emphasize function expertise and advisory activity, but (C) do not have the organizational or program management functions necessary for inclusion in the National Imagery and Mapping Senior Executive Service.

"(4) Positions referred to in paragraph (3) include National Imagery and Mapping Senior Technical positions and National Imagery and Mapping Senior Professional positions. For purposes of this subsection National Imagery and Mapping Senior Technical positions are positions covered by paragraph (3) if—

"(A) the positions involve—

"(i) research and development;

"(ii) test and evaluation;

"(iii) substantive analysis, liaison, or advisory activity focusing on engineering, physical sciences, computer science, mathematics, biology, chemistry, medicine, or other closely related scientific and technical fields; or

"(iv) intelligence disciplines including production, collection, and operations in close association with any of the activities described in clauses (i), (ii), and (iii) or related activities; or

"(B) the positions emphasize staff, liaison, analytical, advisory, or other activity focusing on intelligence, law, finance and accounting, program and budget, human resources management, training, information services, logistics, security, and other appropriate fields.

"(g) 'EMPLOYEE' DEFINED AS INCLUDING OFFICERS.—In this section, the term 'employee', with respect to the National Imagery and Mapping Agency, includes any civilian officer of that agency.

"§ 462. National Imagery and Mapping Senior Executive Service

"(a) ESTABLISHMENT.—The Secretary of Defense may establish a National Imagery and Mapping Senior Executive Service for senior civilian personnel within the National Imagery and Mapping Agency.

"(b) REQUIREMENTS FOR THE SERVICE.—In establishing a National Imagery and Mapping Senior Executive Service the Secretary shall—

"(1) meet the requirements set forth for the Senior Executive Service in section 3131 of title 5;

"(2) ensure that the National Imagery and Mapping Senior Executive Service positions satisfy requirements that are consistent with the provisions of section 3132(a)(2) of title 5;

"(3) prescribe rates of pay for the National Imagery and Mapping Senior Executive Service that are not in excess of the maximum rate of basic pay, nor less than the minimum rate of basic pay, established for the Senior Executive Service under section 5382 of title 5;

"(4) provide for adjusting the rates of pay at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

"(5) provide a performance appraisal system for the National Imagery and Mapping Senior Executive Service that conforms to the provisions of subchapter II of chapter 43 of title 5;

"(6) provide for removal consistent with section 3592 of title 5, and removal or suspension consistent with subsections (a), (b), and (c) of section 7543 of title 5 (except that any hearing or appeal to which a member of the National Imagery and Mapping Senior Executive Service is entitled shall be held or decided pursuant to procedures established by the Secretary of Defense);

"(7) permit the payment of performance awards to members of the National Imagery and Mapping Senior Executive Service consistent with the provisions applicable to performance awards under section 5384 of title 5;

"(8) provide that members of the National Imagery and Mapping Senior Executive Service may be granted sabbatical leaves consistent with the provisions of section 3396(c) of title 5; and

"(9) provide for the recertification of members of the National Imagery and Mapping Senior Executive Service consistent with the provisions of section 3393a of title 5.

"(c) AUTHORITY.—Except as otherwise provided in subsection (b), the Secretary of Defense may—

"(1) make applicable to the National Imagery and Mapping Senior Executive Service any of the provisions of title 5 that are applicable to applicants for or members of the Senior Executive Service; and

"(2) appoint, promote, and assign individuals to positions established within the National Imagery and Mapping Senior Executive Service without regard to the provisions of title 5 governing appointments and other personnel actions in the competitive service.

"(d) AWARD OF RANK.—The President, based on the recommendations of the Secretary of Defense, may award ranks to individuals who occupy positions in the National Imagery and Mapping Senior Executive Service in a manner consistent with the provisions of section 4507 of title 5.

"(e) DETAILS AND ASSIGNMENTS.—Notwithstanding any other provisions of this section, the Secretary of Defense may detail or assign any member of the National

Imagery and Mapping Senior Executive Service to serve in a position outside the National Imagery and Mapping Agency in which the member's expertise and experience may be of benefit to the National Imagery and Mapping Agency or another Government agency. Any such member shall not by reason of such detail or assignment lose any entitlement or status associated with membership in the National Imagery and Mapping Senior Executive Service.

"§ 463. Management rights

''(a) SCOPE.—If there is no obligation under the provisions of chapter 71 of title 5 for the head of an agency of the United States to consult or negotiate with a labor organization on a particular matter by reason of that matter being covered by a provision of law or a Government-wide regulation, the Director of the National Imagery and Mapping Agency is not obligated to consult or negotiate with a labor organization on that matter even if that provision of law or regulation is inapplicable to the National Imagery and Mapping Agency.

''(b) BARGAINING UNITS.—The National Imagery and Mapping Agency shall accord exclusive recognition to a labor organization under section 7111 of title 5 only for a bargaining unit that was recognized as appropriate for the Defense Mapping Agency on the day before the date on which employees and positions of the Defense Mapping

Agency in that bargaining unit became employees and positions of the National Imagery and Mapping Agency under the National Imagery and Mapping Agency Act of 1996 (subtitle B of title IX of the National Defense Authorization Act for Fiscal Year 1997).

"(c) TERMINATION OF BARGAINING UNIT COVERAGE OF POSITION MODIFIED TO AFFECT NATIONAL SECURITY DIRECTLY.—(1) If the Director of the National Imagery and Mapping Agency determines that the responsibilities of a position within a collective bargaining unit should be modified to include intelligence, counterintelligence, investigative, or security duties not previously assigned to that position and that the performance of the newly assigned duties directly affects the national security of the United States, then, upon such a modification of the responsibilities of that position, the position shall cease to be covered by the collective bargaining unit and the employee in that position shall cease to be entitled to representation by a labor organization accorded exclusive recognition for that collective bargaining unit.

"(2) A determination described in paragraph (1) that is made by the Director of the National Imagery and Mapping Agency may not be reviewed by the Federal Labor Relations Authority or any court of the United States.

''SUBCHAPTER IV—DEFINITIONS

''Sec.
''471. Definitions.

''§ 471. Definitions

''In this chapter:

''(1) The term 'function' means any duty, obligation, responsibility, privilege, activity, or program.

''(2)(A) The term 'imagery' means, except as provided in subparagraph (B), a likeness or presentation of any natural or manmade feature or related object or activity and the positional data acquired at the same time the likeness or representation was acquired, including—

''(i) products produced by space-based national intelligence reconnaissance systems; and

''(ii) likenesses or presentations produced by satellites, airborne platforms, unmanned aerial vehicles, or other similar means.

''(B) The term does not include handheld or clandestine photography taken by or on behalf of human intelligence collection organizations.

''(3) The term 'imagery intelligence' means the technical, geographic, and intelligence information derived through the interpretation or analysis of imagery and collateral materials.

"(4) The term 'geospatial information' means information that identifies the geographic location and characteristics of natural or constructed features and boundaries on the earth and includes—

"(A) statistical data and information derived from, among other things, remote sensing, mapping, and surveying technologies;

"(B) mapping, charting, and geodetic data; and

"(C) geodetic products, as defined in section 455(c) of this title.".

(b) TRANSFER OF CHAPTER 167 PROVISIONS.—Sections 2792, 2793, 2794, 2795, 2796, and 2798 of title 10, United States Code, are transferred to subchapter II of chapter 22 of such title, as added by subsection (a), are inserted in that sequence in such subchapter following the table of sections, and are redesignated in accordance with the following table:

Section transferred	Section as redesignated
2792	451
2793	452
2794	453
2795	454
2796	455
2798	456.

(c) OVERSIGHT OF AGENCY AS A COMBAT SUPPORT AGENCY.—Section 193 of title 10, United States Code, is amended—

(1) in subsection (d)—

(A) by striking out the caption and inserting in lieu thereof "REVIEW OF NATIONAL SECURITY AGENCY AND NATIONAL IMAGERY AND MAPPING AGENCY.—";

(B) in paragraph (1)—

(i) by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency"; and

(ii) by striking out "the Agency" and inserting in lieu thereof "that the agencies"; and

(C) in paragraph (2), by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency";

(2) in subsection (e)—

(A) by striking out "DIA AND NSA" in the caption and inserting in lieu thereof the following: "DIA, NSA, AND NIMA.—"; and

(B) by striking out "and the National Security Agency" and inserting in lieu thereof ", the National Security Agency, and the National Imagery and Mapping Agency"; and

(3) in subsection (f), by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) The National Imagery and Mapping Agency.".

(d) SPECIAL PRINTING AUTHORITY FOR AGENCY.—(1) Section 207(a)(2)(B) of the Legislative Branch Appropriations Act, 1993 (Public Law 102–392; 44 U.S.C. 501 note) is amended by inserting "National Imagery and Mapping Agency," after "Defense Intelligence Agency,".

(2) Section 1336 of title 44, United States Code, is amended—

(A) by striking out "Secretary of the Navy" and inserting in lieu thereof "Director of the National Imagery and Mapping Agency"; and

(B) by striking out "United States Naval Oceanographic Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

SEC. 922. TRANSFERS.

(a) DEPARTMENT OF DEFENSE.—The missions and functions of the following elements of the Department of Defense are transferred to the National Imagery and Mapping Agency:

(A) The Defense Mapping Agency.

(B) The Central Imagery Office.

(C) Other elements of the Department of Defense as provided in the classified annex to this Act.

(b) CENTRAL INTELLIGENCE AGENCY.—The missions and functions of the following elements of the Central Intelligence Agency are transferred to the National Imagery and Mapping Agency:

(A) The National Photographic Interpretation Center.

(B) Other elements of the Central Intelligence Agency as provided in the classified annex to this Act.

(c) PERSONNEL AND ASSETS.—(1) Subject to paragraphs (2) and (3), the personnel, assets, unobligated balances of appropriations and authorizations of appropriations, and, to the extent jointly determined appropriate by the Secretary of Defense and Director of Central Intelligence, obligated balances of appropriations and authorizations of appropriations employed, used, held, arising from, or available in connection with the missions and functions transferred under subsection (a) or (b) are transferred to the National Imagery and Mapping Agency. A transfer may not be made under the preceding sentence for any program or function for which funds are not appropriated to the National Imagery and Mapping Agency for fiscal year 1997. Transfers of appropriations from the Central Intelligence Agency under this paragraph shall be

made in accordance with section 1531 of title 31, United States Code.

(2) Not earlier than two years after the effective date of this subtitle, the Secretary of Defense and the Director of Central Intelligence shall determine which, if any, positions and personnel of the Central Intelligence Agency are to be transferred to the National Imagery and Mapping Agency. The positions to be transferred, and the employees serving in such positions, shall be transferred to the National Imagery and Mapping Agency under terms and conditions prescribed by the Secretary of Defense and the Director of Central Intelligence.

(3) If the National Photographic Interpretation Center of the Central Intelligence Agency or any imagery-related activity of the Central Intelligence Agency authorized to be performed by the National Imagery and Mapping Agency is not completely transferred to the National Imagery and Mapping Agency, the Secretary of Defense and the Director of Central Intelligence shall—

(A) jointly determine which, if any, contracts, leases, property, and records employed, used, held, arising from, available to, or otherwise relating to such Center or activity is to be transferred to the National Imagery and Intelligence Agency; and

(B) provide by written agreement for the transfer of such items.

SEC. 923. COMPATIBILITY WITH AUTHORITY UNDER THE NATIONAL SECURITY ACT OF 1947.

(a) AGENCY FUNCTIONS.—Section 105(b) of the National Security Act of 1947 (50 U.S.C. 403–5(b)) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) through the National Imagery and Mapping Agency (except as otherwise directed by the President or the National Security Council), with appropriate representation from the intelligence community, the continued operation of an effective unified organization within the Department of Defense—

"(A) for carrying out tasking of imagery collection;

"(B) for the coordination of imagery processing and exploitation activities;

"(C) for ensuring the dissemination of imagery in a timely manner to authorized recipients; and

"(D) notwithstanding any other provision of law, for—

"(i) prescribing technical architecture and standards related to imagery intelligence and geospatial information and ensuring compliance with such architecture and standards; and

"(ii) developing and fielding systems of common concern related o imagery intelligence and geospatial information;".

(b) NATIONAL MISSION.—Title I of such Act (50 U.S.C. 402 et seq.) is amended by adding at the end the following:

"NATIONAL MISSION OF NATIONAL IMAGERY AND MAPPING AGENCY

"SEC. 120. (a) IN GENERAL.—In addition to the Department of Defense missions set forth in section 442 of title 10, United States Code, the National Imagery and Mapping Agency shall also support the imagery requirements of the Department of State and other departments and agencies of the United States outside the Department of Defense.

"(b) REQUIREMENTS AND PRIORITIES.—The Director of Central Intelligence shall establish requirements and priorities governing the collection of national intelligence by the National Imagery and Mapping Agency under subsection (a).

"(c) CORRECTION OF DEFICIENCIES.—The Director of Central Intelligence shall develop and implement such programs and policies as the Director and the Secretary jointly determine necessary to review and correct deficiencies identified in the capabilities of the National Imagery and Mapping Agency to accomplish assigned national missions. The Director shall consult with the Secretary of Defense on the development and implementation of such programs and policies. The Secretary shall obtain the advice of the Chairman of the Joint Chiefs of Staff regarding the matters on which the Director and the Secretary are to consult under the preceding sentence.".

(c) TASKING OF IMAGERY ASSETS.—Title I of such Act is further amended by adding at the end the following:

"COLLECTION TASKING AUTHORITY

"SEC. 121. The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.".

(d) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after section 109 the following new items:

"Sec. 120. National mission of National Imagery and Mapping Agency.
"Sec. 121. Collection tasking authority.".

SEC. 924. OTHER PERSONNEL MANAGEMENT AUTHORITIES.

(a) COMPARABLE TREATMENT WITH OTHER INTELLIGENCE SENIOR EXECUTIVE SERVICES.—Title 5, United States Code, is amended as follows:

(1) In section 2108(3), by inserting ''the National Imagery and Mapping Senior Executive Service,'' after ''the Senior Cryptologic Executive Service,'' in the matter following subparagraph (F)(iii).

(2) In section 6304(f)(1), by—

(A) by striking out ''or'' at the end of subparagraph (D);

(B) by striking out the period at the end of in subparagraph (E) and inserting in lieu thereof ''; or''; and

(C) by adding at the end the following:

''(F) the National Imagery and Mapping Senior Executive Service.''; and

(3) In sections 8336(h)(2) and 8414(a)(2), by striking out ''or the Senior Cryptologic Executive Service'' and inserting in lieu thereof '', the Senior Cryptologic Executive Service, or the National Imagery and Mapping Senior Executive Service''.

(b) CENTRAL IMAGERY OFFICE PERSONNEL MANAGEMENT AUTHORITIES.—

(1) NONDUPLICATION OF COVERAGE BY DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERV-

ICE.—Section 1601 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out ''and the Central Imagery Office'';

(B) in subsection (d), by striking out ''or the Central Imagery Office in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency, the Central Imagery Office,'' in the first sentence and inserting in lieu thereof ''in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency''; and

(C) in subsection (e), by striking out ''and the Central Imagery Office'' in the first sentence.

(2) MERIT PAY.—Section 1602 of such title is amended by striking out ''and Central Imagery Office''.

(3) MISCELLANEOUS AUTHORITIES.—Subsection 1604 of such title is amended—

(A) in subsection (a)(1)—

(i) by striking out ''and the Central Imagery Office''; and

(ii) by striking out ''and Office'';

(B) in subsection (b)—

(i) in paragraph (1), by striking out ''or the Central Imagery Office'' in the second sentence; and

(ii) in paragraph (2), by striking out ''and the Central Imagery Office'';

(C) in subsection (c), by striking out ''or the Central Imagery Office'';

(D) in subsection (d)(1), by striking out ''and the Central Imagery Office'';

(E) in subsection (e)—

(i) in paragraph (1), by striking out ''or the Central Imagery Office''; and

(ii) in paragraph (5) by striking out '', the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency), and the Director of the Central Imagery Office (with respect to employees of the Central Imagery Office)'' and inserting in lieu thereof ''and the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency)'';

(F) in subsection (f)(3), by striking out ''and Central Imagery Office''; and

(G) in subsection (g)—

(i) by striking out ''or the Central Imagery Office''; and

(ii) by striking out ''or Office''.

(c) APPLICABILITY OF FEDERAL LABOR-MANAGEMENT RELATIONS SYSTEM.—Section 7103(a)(3) of title 5, United States Code is amended—

(1) by inserting ''or'' at the end of subparagraph (F);

(2) by striking out ''; or'' at the end of subparagraph (G) and inserting in lieu thereof a period; and

(3) by striking out subparagraph (H).

(d) APPLICABILITY OF AUTHORITY AND PROCEDURES FOR IMPOSING CERTAIN ADVERSE ACTIONS.—Section 7511(b)(8) of title 5, United States Code, is amended by striking out ''Central Imagery Office''.

SEC. 925. CREDITABLE CIVILIAN SERVICE FOR CAREER CONDITIONAL EMPLOYEES OF THE DEFENSE MAPPING AGENCY.

In the case of an employee of the National Imagery and Mapping Agency who, on the day before the effective date of this subtitle, was an employee of the Defense Mapping Agency in a career-conditional status, the continuous service of that employee as an employee of the National Imagery and Mapping Agency on and after such date shall

be considered creditable service for the purpose of any determination of the career status of the employee.

SEC. 926. SAVING PROVISIONS.

(a) CONTINUING EFFECT ON LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, international agreements, grants, contracts, leases, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in connection with any of the functions which are transferred under this subtitle or any function that the National Imagery and Mapping Agency is authorized to perform by law, and

(2) which are in effect at the time this title takes effect, or were final before the effective date of this subtitle and are to become effective on or after the effective date of this subtitle,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of Defense, the Director of the National Imagery and Mapping Agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—This subtitle and the amendments made by this subtitle shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before an element of the Department of Defense or Central Intelligence Agency at the time this subtitle takes effect, with respect to function of that element transferred by section 922, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) SEVERABILITY.—If any provision of this subtitle (or any amendment made by this subtitle), or the application of such provision (or amendment) to any person or circumstance is held unconstitutional, the remainder of

this subtitle (or of the amendments made by this subtitle) shall not be affected by that holding.

SEC. 927. DEFINITIONS.

In this part, the terms ''function'', ''imagery'', ''imagery intelligence'', and ''geospatial information'' have the meanings given those terms in section 461 of title 10, United States Code, as added by section 921.

SEC. 928. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for the National Imagery and Mapping Agency for fiscal year 1997 in amounts and for purposes, and subject to the terms, conditions, limitations, restrictions, and requirements, that are set forth in the Classified Annex to this Act.

PART II—CONFORMING AMENDMENTS AND EFFECTIVE DATES

SEC. 931. REDESIGNATION AND REPEALS.

(a) REDESIGNATION.—Chapter 23 of title 10, United States Code (as redesignated by section 921(a)(1)) is amended by redesignating the section in that chapter as section 481.

(b) REPEAL OF SUPERSEDED LAW.—Chapter 167 of such title, as amended by section 921(b), is repealed.

SEC. 932. REFERENCES.

(a) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In sections 2302(a)(2)(C)(ii), 3132(a)(1)(B), 4301(1) (in clause (ii)), 4701(a)(1)(B), 5102(a)(1) (in clause (xi)), 5342(a)(1)(L), 6339(a)(1)(E), and 7323(b)(2)(B)(i)(XIII), by striking out ''Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(2) DIRECTOR, CENTRAL IMAGERY OFFICE.—In section 6339(a)(2)(E), by striking out ''Central Imagery Office, the Director of the Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency, the Director of the National Imagery and Mapping Agency''.

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In section 1599(f)(4), by striking out ''Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(2) DEFENSE MAPPING AGENCY.—In sections 451(1), 452, 453, 454, and 455 (in subsections (a) and (b)(1)(C)), and 456, as redesignated by section 921(b), by striking out ''Defense Mapping Agency'' each place it appears and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(c) OTHER LAWS.—

(1) NATIONAL SECURITY ACT OF 1947.—Section 3(4)(E) of the National Security Act of 1947 (50 U.S.C. 401a(4)(E) is amended by striking out ''Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(2) ETHICS IN GOVERNMENT ACT OF 1978.—Section 105(a) of the Ethics in Government Act of 1978 (Public Law 95–521; 5 U.S.C. App. 4) is amended by striking out ''Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(3) EMPLOYEE POLYGRAPH PROTECTION ACT.—Section 7(b)(2)(A)(i) of the Employee Polygraph Protection Act of 1988 (Public Law 100–347; 29 U.S.C. 2006(b)(2)(A)(i)) is amended by striking out ''Central Imagery Office'' and inserting in lieu thereof ''National Imagery and Mapping Agency''.

(d) CROSS REFERENCE.—Section 82 of title 14, United States Code, is amended by striking out ''chapter 167'' and inserting in lieu thereof ''subchapter II of chapter 22''.

SEC. 933. HEADINGS AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—

(1) HEADING.—The heading of chapter 83 of title 10, United States Code, is amended to read as follows:

"CHAPTER 83—DEFENSE INTELLIGENCE AGENCY CIVILIAN PERSONNEL".

(2) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, is amended—

(i) by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports ..... 471";

(ii) by striking out the item relating to chapter 83 and inserting in lieu thereof the following:

"83. Defense Intelligence Agency Civilian Personnel ..... 1601";

and

(iii) by striking out the item relating to chapter 167.

(B) The table of chapters at the beginning of part I of such subtitle is amended by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports ..... 471";

(C) The item relating to chapter 83 in the table of chapters at the beginning of part II of such subtitle is amended to read as follows:

"83. Defense Intelligence Agency Civilian Personnel ..... 1601".

(D) The table of chapters at the beginning of part IV of such subtitle is amended by striking out the item relating to chapter 167.

(E) The item in the table of sections at the beginning of chapter 23 of title 10, United States Code (as redesignated by section 921), is amended to read as follows:

"481. Racial and ethnic issues; biennial survey; biennial report.".

(b) TITLE 44, UNITED STATES CODE.—

(1) SECTION HEADING.—The heading of section 1336 of title 44, United States Code, is amended to read as follows:

"§ 1336. National Imagery and Mapping Agency: special publications".

(2) CLERICAL AMENDMENT.—The item relating to such section in the tables of sections at the beginning of chapter 13 of such title is amended to read as follows:

"1336. National Imagery and Mapping Agency: special publications.".

SEC. 934. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this sub-

title shall take effect on the later of October 1, 1996, or the date of the enactment of an Act appropriating funds for fiscal year 1997 for the National Imagery and Mapping Agency.

(b) EXCEPTION.—Section 928 shall take effect on the date of the enactment of this Act.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1997 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(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. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1996 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in

fiscal year 1996 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1996 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1996 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1996 in the Department of Defense Appropriations Act, 1996 (Public Law 104–61).

(2) FISCAL YEAR 1996 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1996 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106).

SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1996.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased

(by a supplemental appropriation) or decreased (by a rescission), or both, in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134).

SEC. 1004. USE OF FUNDS TRANSFERRED TO THE COAST GUARD.

(a) LIMITATION.—Funds appropriated to the Department of Defense for fiscal year 1997 that are transferred to the Coast Guard may be used only for the performance of national security functions of the Coast Guard in support of the Department of Defense.

(b) CERTIFICATION REQUIRED.—Funds described in subsection (a) may not be transferred to the Coast Guard until the Secretary of Defense and the Secretary of Transportation jointly certify to Congress that the funds so transferred will be used only as described in subsection (a).

(c) GAO AUDIT.—The Comptroller General of the United States shall—

(1) audit, from time to time, the use of funds transferred to the Coast Guard from appropriations for the Department of Defense for fiscal year 1997 in order to verify that the funds are being used in accordance with the limitation in subsection (a); and

(2) notify the congressional defense committees of any use of such funds that, in the judgment of the Comptroller General, is a significant violation of such limitation.

SEC. 1005. USE OF MILITARY-TO-MILITARY CONTACTS FUNDS FOR PROFESSIONAL MILITARY EDUCATION AND TRAINING.

Section 168(c) of title 10, United States Code, is amended by adding at the end the following:

''(9) Military education and training for military and civilian personnel of foreign countries (including transportation expenses, expenses for translation services, and administrative expenses to the extent that the expenses are related to the providing of such education and training to such personnel).''.

SEC. 1006. PAYMENT OF CERTAIN EXPENSES RELATING TO HUMANITARIAN AND CIVIC ASSISTANCE.

Section 401(c) of title 10, United States Code, is amended—

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

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

"(2) Expenses covered by paragraph (1) include the following expenses incurred in the providing of assistance described in subsection (e)(5):

"(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing the assistance.

"(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or supporting activities described in such subsection (e)(5), including any nonlethal, individual or small-team landmine cleaning equipment or supplies that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

"(C) The cost of any equipment, services, or supplies provided pursuant to subparagraph (B) may not exceed $5,000,000 each year.".

SEC. 1007. REIMBURSEMENT OF DEPARTMENT OF DEFENSE FOR COSTS OF DISASTER ASSISTANCE PROVIDED OUTSIDE THE UNITED STATES.

Section 404 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

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

"(d) REIMBURSEMENT POLICY.—It is the sense of Congress that, whenever the President directs the Secretary of Defense to provide disaster assistance outside the United States under subsection (a)—

"(1) the President should direct the Administrator of the Agency for International Development to reimburse the Department of Defense for the cost to the Department of Defense of the assistance provided; and

"(2) a reimbursement by the Administrator should be paid out of funds available under chapter 9 of part I of the Foreign Assistance Act of 1961 for international disaster assistance for the fiscal year in which the cost is incurred.".

SEC. 1008. FISHER HOUSE TRUST FUND FOR THE NAVY.

(a) AUTHORITY.—Section 2221 of title 10, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

"(3) The Fisher House Trust Fund, Department of the Navy.";

(2) in subsection (c)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph (3):

''(3) Amounts in the Fisher House Trust Fund, Department of the Navy, that are attributable to earnings or gains realized from investments shall be available for the operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Navy.''; and

(3) in subsection (d)(1), by striking out ''or the Air Force'' and inserting in lieu thereof '', the Air Force, or the Navy''.

(b) CORPUS OF TRUST FUNDS.—The Secretary of the Navy shall transfer to the Fisher House Trust Fund, Department of the Navy, established by section 2221(a)(3) of title 10, United States Code (as added by subsection (a)(1)), all amounts in the accounts for Navy installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses, as defined in section 2221(d) of such title.

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

''(94) Fisher House Trust Fund, Department of the Navy.''; and

(2) in subsection (b)(2), by adding at the end the following:

''(D) Fisher House Trust Fund, Department of the Navy.''.

SEC. 1009. DESIGNATION AND LIABILITY OF DISBURSING AND CERTIFYING OFFICIALS FOR THE COAST GUARD.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by adding at the end the following:

''(3) The Department of Transportation (with respect to public money available for expenditure by the Coast Guard when it is not operating as a service in the Navy).''.

(2)(A) Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''§ 673. Designation, powers, and accountability of deputy disbursing officials

''(a)(1) Subject to paragraph (3), a disbursing official of the Coast Guard may designate a deputy disbursing official—

"(A) to make payments as the agent of the disbursing official;

"(B) to sign checks drawn on disbursing accounts of the Secretary of the Treasury; and

"(C) to carry out other duties required under law.

"(2) The penalties for misconduct that apply to a disbursing official apply to a deputy disbursing official designated under this subsection.

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Transportation (when the Coast Guard is not operating as a service in the Navy).

"(b)(1) If a disbursing official of the Coast Guard dies, becomes disabled, or is separated from office, a deputy disbursing official may continue the accounts and payments in the name of the former disbursing official until the last day of the second month after the month in which the death, disability, or separation occurs. The accounts and payments shall be allowed, audited, and settled as provided by law. The Secretary of the Treasury shall honor checks signed in the name of the former disbursing official in the same way as if the former disbursing official had continued in office.

"(2) The deputy disbursing official, and not the former disbursing official or the estate of the former disbursing official, is liable for the actions of the deputy disbursing official under this subsection.

"(c)(1) Except as provided in paragraph (2), this section does not apply to the Coast Guard when section 2773 of title 10 applies to the Coast Guard by reason of the operation of the Coast Guard as a service in the Navy.

"(2) A designation of a deputy disbursing official under subsection (a) that is made while the Coast Guard is not operating as a service in the Navy continues in effect for purposes of section 2773 of title 10 while the Coast Guard operates as a service in the Navy unless and until the designation is terminated by the disbursing official who made the designation or an official authorized to approve such a designation under subsection (a)(3) of such section.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"673. Designation, powers, and accountability of deputy disbursing officials.".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended by striking out "members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary

to do so'' and inserting in lieu thereof ''members of the armed forces may certify vouchers when authorized, in writing, by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Transportation''.

(c) CONFORMING AMENDMENTS.—(1) Section 1007(a) of title 37, United States Code, is amended by inserting after ''Secretary of Defense'' the following: ''(or the Secretary of Transportation, in the case of an officer of the Coast Guard when the Coast Guard is not operating as a service in the Navy)''.

(2) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) in subparagraph (A)(i), by inserting after ''Department of Defense'' the following: ''(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)''; and

(B) in subparagraph (B), by inserting after ''or the Secretary of the appropriate military department'' the following: ''(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)''.

SEC. 1010. AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS OF THE COAST GUARD.

Section 3711(g) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out ''or Marine Corps'' and inserting in lieu thereof ''Marine Corps, or Coast Guard'';

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

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

''(2) The Secretary of Transportation may suspend or terminate an action by the Secretary under subsection (a) to collect a claim against the estate of a person who died while serving on active duty as a member of the Coast Guard if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.''.

SEC. 1011. CHECK CASHING AND EXCHANGE TRANSACTIONS WITH CREDIT UNIONS OUTSIDE THE UNITED STATES.

Section 3342(b) of title 31, United States Code, is amended—

(1) by striking out ''and'' at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(7) a Federal credit union (as defined in section 101(1) of the Federal Credit Union Act (12 U.S.C. 1752(1)) that is operating at Department of Defense invitation in a foreign country where contractor-operated military banking facilities are not available.".

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) EGYPT.—The Secretary of the Navy may transfer to the Government of Egypt the "OLIVER HAZARD PERRY" frigate GALLERY. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(b) MEXICO.—The Secretary of the Navy may transfer to the Government of Mexico the "KNOX" class frigates STEIN (FF 1065) and MARVIN SHIELDS (FF 1066). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(c) NEW ZEALAND.—The Secretary of the Navy may transfer to the Government of New Zealand the ''STALWART'' class ocean surveillance ship TENACIOUS. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(d) PORTUGAL.—The Secretary of the Navy may transfer to the Government of Portugal the ''STALWART'' class ocean surveillance ship AUDACIOUS. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j; relating to transfers of excess defense articles).

(e) TAIWAN.—The Secretary of the Navy may transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the following:

(1) The ''KNOX'' class frigates AYLWIN (FF 1081), PHARRIS (FF 1094), and VALDEZ (FF 1096). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) The ''NEWPORT'' class tank landing ship NEWPORT (LST 1179). Such transfer shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(f) THAILAND.—The Secretary of the Navy may transfer to the Government of Thailand the ''KNOX'' class frigate OUELLET (FF 1077). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(g) COSTS OF TRANSFER.—Any expense of the United States in connection with a transfer authorized by this section shall be charged to the recipient.

(h) REPAIR AND REFURBISHMENT OF VESSELS.—The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(i) EXPIRATION OF AUTHORITY.—Any authority for transfer granted by this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 1022. TRANSFER OF CERTAIN OBSOLETE TUGBOATS OF THE NAVY.

(a) REQUIREMENT TO TRANSFER VESSELS.—The Secretary of the Navy shall transfer the six obsolete tugboats of the Navy specified in subsection (b) to the North-

east Wisconsin Railroad Transportation Commission, an instrumentality of the State of Wisconsin, if the Secretary determines that the tugboats are not needed for transfer, donation, or other disposal under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.). A transfer made under the preceding sentence shall be made without reimbursement to the United States.

(b) VESSELS COVERED.—The requirement in subsection (a) applies to the six decommissioned Cherokee class tugboats, listed as of the date of the enactment of this Act as being surplus to the Navy, that are designated as ATF–105, ATF–110, ATF–149, ATF–158, ATF–159, and ATF–160.

(c) CONDITION RELATING TO ENVIRONMENTAL COMPLIANCE.—The Secretary shall require as a condition of the transfer of a vessel under subsection (a) that use of the vessel by the Commission not commence until the terms of any necessary environmental compliance letter or agreement with respect to that vessel have been complied with.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions (including a requirement that the transfer be at no cost to the Government) in connection with the transfers

required by subsection (a) as the Secretary considers appropriate.

SEC. 1023. REPEAL OF REQUIREMENT FOR CONTINUOUS APPLICABILITY OF CONTRACTS FOR PHASED MAINTENANCE OF AE CLASS SHIPS.

Section 1016 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 425) is repealed.

SEC. 1024. CONTRACT OPTIONS FOR LMSR VESSELS.

(a) FINDINGS.—Congress reaffirms the findings set forth in section 1013(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 422), and makes the following modifications and supplemental findings:

(1) Since the findings set forth in section 1013(a) of such Act were originally formulated, the Secretary of the Navy has exercised options for the acquisition of two of the six additional large, medium-speed, roll-on/roll-off (LMSR) vessels that may be acquired by exercise of options provided for under contracts covering the acquisition of a total of 17 LMSR vessels.

(2) Therefore, under those contracts, the Secretary has placed orders for the acquisition of 13 LMSR vessels and has remaining options for the ac-

quisition of four more LMSR vessels, all of which would be new construction vessels.

(3) The remaining options allow the Secretary to place orders for one vessel to be constructed at each of two shipyards for award before December 31, 1996, and December 31, 1997, respectively.

(b) SENSE OF CONGRESS.—Congress also reaffirms its declaration of the sense of Congress, as set forth in section 1013(b) of Public Law 104–106, that the Secretary of the Navy should plan for, and budget to provide for, the acquisition as soon as possible of a total of 19 large, medium-speed, roll-on/roll-off (LMSR) vessels (the number determined to be required in the report entitled ''Mobility Requirements Study Bottom-Up Review Update'', submitted by the Secretary of Defense to Congress in April 1995), rather than only 17 such vessels (which is the number of vessels under contract as of April 1996).

(c) ADDITIONAL NEW CONSTRUCTION CONTRACT OPTION.—The Secretary of the Navy should negotiate with each of the two shipyards holding new construction contracts referred to in subsection (a)(1) (Department of the Navy contracts numbered N00024–93–C–2203 and N00024–93–C–2205) for an option under each such contract for construction of one additional such LMSR vessel, with such option to be available to the Secretary for exer-

cise not earlier than fiscal year 1998, subject to the availability of funds authorized and appropriated for such purpose. Nothing in this subsection shall be construed to preclude the Secretary of the Navy from competing the award of the two options between the two shipyards holding new construction contracts referred to in subsection (a)(1).

(d) REPORT.—The Secretary of the Navy shall submit to the congressional defense committees, by March 31, 1997, a report stating the intentions of the Secretary regarding the acquisition of options for the construction of two additional LMSR vessels as described in subsection (c).

(e) REPEAL OF SUPERSEDED PROVISION.—Section 1013 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat 422) is amended by striking out subsection (c).

SEC. 1025. SENSE OF THE SENATE CONCERNING USS LCS 102 (LSSL 102).

It is the sense of the Senate that the Secretary of Defense should use existing authorities in law to seek the expeditious return, upon completion of service, of the former USS LCS 102 (LSSL 102) from the Government of Thailand in order for the ship to be transferred to the United States Shipbuilding Museum in Quincy, Massachusetts.

Subtitle C—Counter-Drug Activities

SEC. 1031. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) AUTHORITY TO PROVIDE ADDITIONAL SUPPORT.—Subject to subsections (e) and (f), the Secretary of Defense may, during fiscal year 1997, provide the Government of Mexico the support described in subsection (b) for the counter-drug activities of the Government of Mexico. Such support shall be in addition to support provided the Government of Mexico under any other provision of law.

(b) TYPES OF SUPPORT.—The Secretary may provide the following support under subsection (a):

(1) The transfer of spare parts and non-lethal equipment and materiel, including radios, night vision goggles, global positioning systems, uniforms, command, control, communications, and intelligence (C^3I) integration equipment, detection equipment, and monitoring equipment.

(2) The maintenance and repair of equipment of the Government of Mexico that is used for counter-narcotics activities.

(c) APPLICABILITY OF OTHER SUPPORT AUTHORITIES.—Except as otherwise provided in this section, the

provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) shall apply to the provision of support under this section.

(d) FUNDING.—Of the amounts authorized to be appropriated for fiscal year 1997 for the Department of Defense for drug interdiction and counter-drug activities, not more than $10,000,000 shall be available in that fiscal year for the provision of support under this section.

(e) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (3) the certification described in paragraph (2).

(2) The certification referred to in paragraph (1) is a written certification of the following:

(A) That the provision of support under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and materiel provided as support will be used only by officials and employees of the Government of Mexico who have undergone a background check by that government.

(C) That the Government of Mexico has certified to the Secretary that—

(i) the equipment and material provided as support will be used only by the officials and employees referred to in subparagraph (B);

(ii) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(iii) the equipment and materiel will be used only for the purposes intended by the United States Government.

(D) That the Government of Mexico has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of the Government of Mexico will grant United States Government personnel unrestricted access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(F) That the Government of Mexico will provide security with respect to the equipment and materiel provided as support that is equivalent to the security that the United States Government would provide with respect to such equipment and materiel.

(G) That the Government of Mexico will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(3) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services and Foreign Relations of the Senate.

(B) The Committees on National Security and International Relations of the House of Representatives.

(f) PROHIBITION ON PROVISION OF CERTAIN MILITARY EQUIPMENT.—The Secretary may not provide as support under this section—

(1) any article of military equipment for which special export controls are warranted because of the

substantial military utility or capability of such equipment;

(2) any military equipment identified on the United States Munitions List; or

(3) any of the following military equipment (whether or not the equipment has been equipped, re-equipped, or modified for military operations):

(A) Cargo aircraft bearing ''C'' designations, including aircraft with designations C–45 through C–125, C–131 aircraft, and aircraft bearing ''C'' designations that use reciprocating engines.

(B) Trainer aircraft bearing ''T'' designations, including aircraft bearing such designations that use reciprocating engines or turboprop engines delivering less than 600 horsepower.

(C) Utility aircraft bearing ''U'' designations, including UH–1 aircraft and UH/EH–60 aircraft and aircraft bearing such designations that use reciprocating engines.

(D) Liaison aircraft bearing ''L'' designations.

(E) Observation aircraft bearing ''O'' designations, including OH–58 aircraft and air-

craft bearing such designations that use reciprocating engines.

(F) Truck, tractors, trailers, and vans, including all vehicles bearing ''M'' designations.

SEC. 1032. LIMITATION ON DEFENSE FUNDING OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) EXCEPTION.—If the Attorney General operates the National Drug Intelligence Center using funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1033. INVESTIGATION OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) INVESTIGATION REQUIRED.—The Inspector General of the Department of Defense, the Inspector General of the Department of Justice, the Inspector General of the Central Intelligence Agency, and the Comptroller General of the United States shall—

(1) jointly investigate the operations of the National Drug Intelligence Center, Johnstown, Pennsylvania; and

(2) not later than March 31, 1997, jointly submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on the results of the investigation.

(b) CONTENT OF REPORT.—The joint report shall contain a determination regarding whether there is a significant likelihood that the funding of the operation of the National Drug Intelligence Center, a domestic law enforcement program, through an appropriation under the control of the Director of Central Intelligence will result in a violation of the National Security Act of 1947 or Executive Order 12333.

Subtitle D—Matters Relating to Foreign Countries

SEC. 1041. AGREEMENTS FOR EXCHANGE OF DEFENSE PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES.

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

"§ 2350l. Exchange of defense personnel between the United States and foreign countries

''(a) INTERNATIONAL EXCHANGE AGREEMENTS AUTHORIZED.—The Secretary of Defense is authorized to enter into agreements with the governments of allies of the United States and other friendly foreign countries for the exchange of military and civilian personnel of the Department of Defense and military and civilian personnel of the defense ministries of such foreign governments.

''(b) ASSIGNMENT OF PERSONNEL.—(1) Pursuant to an agreement entered into under subsection (a), personnel of the defense ministry of a foreign government may be assigned to positions in the Department of Defense, and personnel of the Department of Defense may be assigned to positions in the defense ministry of that foreign government. Positions to which exchanged personnel are assigned may include positions of instructors.

"(2) An agreement for the exchange of personnel engaged in research and development activities may provide for assignment of Department of Defense personnel to positions in private industry that support the defense ministry of the host foreign government.

"(3) A specific position and the individual to be assigned to that position shall be acceptable to both governments.

"(c) RECIPROCITY OF PERSONNEL QUALIFICATIONS REQUIRED.—Each government shall be required under an agreement authorized by subsection (a) to provide personnel having qualifications, training, and skills that are essentially equal to those of the personnel provided by the other government.

"(d) PAYMENT OF PERSONNEL COSTS.—(1) Each government shall pay the salary, per diem, cost of living, travel, cost of language or other training, and other costs for its own personnel in accordance with the laws and regulations of such government that pertain to such matters.

"(2) The requirement in paragraph (1) does not apply to the following costs:

"(A) Cost of temporary duty directed by the host government.

"(B) Costs of training programs conducted to familiarize, orient, or certify exchanged personnel re-

garding unique aspects of the exchanged personnel's assignments.

"(C) Costs incident to the use of host government facilities in the performance of assigned duties.

"(e) PROHIBITED CONDITIONS.—No personnel exchanged pursuant to an agreement under this section may take or be required to take an oath of allegiance to the host country or to hold an official capacity in the government of such country.

"(f) RELATIONSHIP TO OTHER AUTHORITY.—Nothing in this section limits any authority of the secretaries of the military departments to enter into an agreement with the government of a foreign country to provide for exchange of members of the armed forces and military personnel of the foreign country except that subsections (c) and (d) shall apply in the exercise of that authority. The Secretary of Defense may prescribe regulations for the application of such subsections in the exercise of such authority.".

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

"2350l. Exchange of defense personnel between the United States and foreign countries.".

SEC. 1042. AUTHORITY FOR RECIPROCAL EXCHANGE OF PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES FOR FLIGHT TRAINING.

Section 544 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347c) is amended—

(1) by inserting ", and for attendance of foreign military personnel at flight training schools or programs (including test pilot schools) in the United States," after "(other than service academies)"; and

(2) by striking out "and comparable institutions" and inserting in lieu thereof " or flight training schools or programs, as the case may be, and comparable institutions, schools, or programs".

SEC. 1043. EXTENSION OF COUNTERPROLIFERATION AUTHORITIES.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 104–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3)—

(A) by striking out "fiscal year 1995, or" and inserting in lieu thereof "fiscal year 1995,"; and

(B) by inserting before the period at the end the following: ", $15,000,000 for fiscal year

1997, or $15,000,000 for fiscal year 1998''; and

(2) in subsection (f), by striking out ''fiscal year 1996'' and inserting in lieu thereof ''fiscal year 1998''.

SEC. 1044. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the

country or geographic area concerned that is routinely available from commercial sources.

SEC. 1045. DEFENSE BURDENSHARING.

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

(1) The United States continues to spend billions of dollars to promote regional security and to make preparations for regional contingencies.

(2) United States defense expenditures promote United States national security interests; however, they also significantly contribute to the defense of our allies.

(3) In 1993, the gross domestic product of the United States equaled $6,300,000,000,000, while the gross domestic product of other NATO member countries totaled $7,200,000,000,000.

(4) Over the course of 1993, the United States spent 4.7 percent of its gross domestic product on defense, while other NATO members collectively spent 2.5 percent of their gross domestic product on defense.

(5) In addition to military spending, foreign assistance plays a vital role in the establishment and maintenance of stability in other nations and in im-

plementing the United States national security strategy.

(6) This assistance has often prevented the outbreak of conflicts which otherwise would have required costly military interventions by the United States and our allies.

(7) From 1990–1993, the United States spent $59,000,000,000 in foreign assistance, a sum which represents an amount greater than any other nation in the world.

(8) In 1995, the United States spent over $10,000,000,000 to promote European security, while European NATO nations only contributed $2,000,000,000 toward this effort.

(9) With a smaller gross domestic product and a larger defense budget than its European NATO allies, the United States shoulders an unfair share of the burden of the common defense.

(10) Japan now pays over 75 percent of the nonpersonnel costs incurred by United States military forces permanently assigned there, while our European allies pay for less than 25 percent of these same costs. Japan signed a new Special Measures Agreement this year which will increase Japan's contribution toward the cost of stationing United States

troops in Japan by approximately $30,000,000 a year over the next five years.

(11) These increased contributions help to rectify the imbalance in the burden shouldered by the United States for the common defense.

(12) The relative share of the burden of the common defense still falls too heavily on the United States, and our allies should dedicate more of their own resources to defending themselves.

(b) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) Increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving the following percentages of such costs:

(A) By September 30, 1997, 37.5 percent.

(B) By September 30, 1998, 50 percent.

(C) By September 30, 1999, 62.5 percent.

(D) By September 30, 2000, 75 percent.

An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide.

(c) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (b) with respect to any nation, or in response

to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation taxes, fees, or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(d) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1997, the

Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (b);

(2) all measures taken by the President, including those authorized in subsection (c), to achieve the actions described in subsection (b); and

(3) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(e) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the rel-

ative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1997, in classified and unclassified form.

SEC. 1046. SENSE OF THE SENATE CONCERNING EXPORT CONTROLS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Export controls are a part of a comprehensive response to national security threats. United States exports should be restricted where those threats exist to national security, nonproliferation, and foreign policy interests of the United States.

(2) The export of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technologies by those countries and end users whose actions or policies run counter to United States national security or foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies. The availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should be eliminated through deterrence, negotiations, and other appropriate means whenever possible.

(4) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(5) On November 5, 1995, President William J. Clinton extended Executive Order No. 12938 regarding ''Weapons of Mass Destruction'', and ''de-

clared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons and the means of delivering such weapons''.

(6) A successor regime to COCOM (the Coordinating Commission on Multilateral Controls) has not been established. Currently, each nation is determining independently which dual-use military items, if any, will be controlled for export.

(7) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of sensitive dual-use goods and technologies.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) establishing an international export control regime, empowered to control exports of dual-use technology, is critically important and should become a top priority for the United States; and

(2) the United States should strongly encourage its allies and friends to—

(A) adopt a commodity control list which governs the same or similar items as are con-

trolled by the United States Commodity Control list;

(B) strengthen enforcement activities; and

(C) explore the use of unilateral export controls where the possibility exists that an export could contribute to proliferation.

SEC. 1047. REPORT ON NATO ENLARGEMENT.

(a) REPORT.—Not later than December 1, 1996, the President shall transmit a report on NATO enlargement to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives. The report shall contain a comprehensive discussion of the following:

(1) Geopolitical and financial costs and benefits, including financial savings, associated with—

(A) enlargement of NATO;

(B) further delays in the process of NATO enlargement; and

(C) a failure to enlarge NATO.

(2) Additional NATO and United States military expenditures requested by prospective NATO members to facilitate their admission into NATO.

(3) Modifications necessary in NATO's military strategy and force structure required by the inclu-

sion of new members and steps necessary to integrate new members, including the role of nuclear and conventional capabilities, reinforcement, force deployments, prepositioning of equipment, mobility, and headquarter locations.

(4) The relationship between NATO enlargement and transatlantic stability and security.

(5) The state of military preparedness and interoperability of Central and Eastern European nations as it relates to the responsibilities of NATO membership and additional security costs or benefits that may accrue to the United States from NATO enlargement.

(6) The state of democracy and free market development as it affects the preparedness of Central and Eastern European nations for the responsibilities of NATO membership, including civilian control of the military, the rule of law, human rights, and parliamentary oversight.

(7) The state of relations between prospective NATO members and their neighbors, steps taken by prospective members to reduce tensions, and mechanisms for the peaceful resolution of border disputes.

(8) The commitment of prospective NATO members to the principles of the North Atlantic Treaty and the security of the North Atlantic area.

(9) The effect of NATO enlargement on the political, economic, and security conditions of European Partnership for Peace nations not among the first new NATO members.

(10) The relationship between NATO enlargement and EU enlargement and the costs and benefits of both.

(11) The relationship between NATO enlargement and treaties relevant to United States and European security, such as the Conventional Armed Forces in Europe Treaty.

(12) The anticipated impact both of NATO enlargement and further delays of NATO enlargement on Russian foreign and defense policies and the costs and benefits of a security relationship between NATO and Russia.

(b) INDEPENDENT ASSESSMENT.—Not later than 15 days after enactment of this Act, the Majority Leader of the Senate and the Speaker of the House of Representatives shall appoint a chairman and two other Members and the Minority Leaders of the Senate and House of Representatives shall appoint two Members to serve on a bi-

partisan review group of nongovernmental experts to conduct an independent assessment of NATO enlargement, including a comprehensive review of the issues in subsection (a) (1) through (12) above. The report of the review group shall be completed no later than December 1, 1996. The Secretary of Defense shall furnish the review group administrative and support services requested by the review group. The expenses of the review group shall be paid out of funds available for the payment of similar expenses incurred by the Department of Defense.

(c) INTERPRETATION.—Nothing in this section should be interpreted or construed to affect the implementation of the NATO Participation Act of 1994, as amended (Public Law 103–447), or any other program or activity which facilitates or assists prospective NATO members.

Subtitle E—Miscellaneous Reporting Requirements

SEC. 1051. ANNUAL REPORT ON EMERGING OPERATIONAL CONCEPTS.

(a) REPORT REQUIRED.—Not later than March 1 of each year, the Chairman of the Joint Chiefs of Staff shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on emerging operational con-

cepts. The report shall contain a description, for the year preceding the year in which submitted, of the following:

(1) The process undertaken in each of the Army, Navy, Air Force, and Marine Corps to define and develop doctrine, operational concepts, organizational concepts, and acquisition strategies based on—

(A) the potential of emerging technologies for significantly improving the operational effectiveness of that armed force;

(B) changes in the international order that may necessitate changes in the operational capabilities of that armed force;

(C) emerging capabilities of potential adversary states; and

(D) changes in defense budget projections that put existing acquisition programs of the service at risk.

(2) The manner in which the process undertaken in each of the Army, Navy, Air Force, and Marine Corps is harmonized with a joint vision and with the similar processes of the other armed forces to ensure that there is a sufficient consideration of the development of joint doctrine, operational concepts, and acquisition strategies.

(3) The manner in which the process undertaken by each of the Army, Navy, Air Force, and Marine Corps is coordinated through the Joint Requirements Oversight Council or another entity to ensure that the results of the process are considered in the planning, programming, and budgeting process of the Department of Defense.

(4) Proposals under consideration by the Joint Requirements Oversight Council or other entity within the Department of Defense to modify the roles and missions of any of the Army, Navy, Air Force, and Marine Corps as a result of the processes described in paragraph (1).

(b) FIRST REPORT.—The first report under this section shall be submitted not later than March 1, 1997.

(c) TERMINATION OF REQUIREMENT AFTER FOURTH REPORT.—Notwithstanding subsection (a), no report is required under this section after 2000.

SEC. 1052. ANNUAL JOINT WARFIGHTING SCIENCE AND TECHNOLOGY PLAN.

(a) ANNUAL PLAN REQUIRED.—On March 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for ensuring that the science and technology pro-

gram of the Department of Defense supports the development of the future joint warfighting capabilities identified as priority requirements for the Armed Forces.

(b) FIRST PLAN.—The first plan shall be submitted not later than March 1, 1997.

SEC. 1053. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT.—Not later than January 31, 1997, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units) prepared by the officers referred to in subsection (b). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it will be required to respond to a military conflict and the time in which it will be required to respond.

(b) OFFICERS.—The report required by subsection (a) shall be prepared jointly by the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, and the Commander of the Special Operations Command.

(c) ASSESSMENT SCENARIO.—The report shall assess readiness requirements in a scenario based on the following assumptions:

(1) The conflict is in a generic theater of operations located anywhere in the world and does not exceed the notional limits for a major regional contingency.

(2) The forces available for deployment include the forces described in the Bottom Up Review force structure, including all planned force enhancements.

(3) Assistance is not available from allies.

(d) ASSESSMENT ELEMENTS.—The report shall identify by unit type, and assess the readiness requirements of, all active and reserve component units. Each such unit shall be categorized within one of the following classifications:

(1) Forward-deployed and crisis response forces, or ''Tier I'' forces, that possess limited internal sustainment capability and do not require immediate access to regional air bases or ports or overflight rights, including the following:

(A) Force units that are routinely deployed forward at sea or on land outside the United States.

(B) Combat-ready crises response forces that are capable of mobilizing and deploying within 10 days after receipt of orders.

(C) Forces that are supported by prepositioning equipment afloat or are capable of being inserted into a theater upon the capture of a port or airfield by forcible entry forces.

(2) Combat-ready follow-on forces, or ''Tier II'' forces, that can be mobilized and deployed to a theater within approximately 60 days after receipt of orders.

(3) Combat-ready conflict resolution forces, or ''Tier III'' forces, that can be mobilized and deployed to a theater within approximately 180 days after receipt of orders.

(4) All other active and reserve component force units which are not categorized within a classification described in paragraph (1), (2), or (3).

(e) FORM OF REPORT.—The report under this section shall be submitted in unclassified form but may contain a classified annex.

SEC. 1054. ANNUAL REPORT OF RESERVE FORCES POLICY BOARD.

Section 113(c) of title 10, United States Code, is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (1), (2), and (4) as subparagraphs (A), (B), and (C), respectively;

(3) by inserting ''(1)'' after ''(c)'';

(4) by inserting ''and'' at the end of subparagraph (B), as redesignated by paragraph (2); and

(5) by adding at the end the following:

''(2) At the same time that the Secretary submits the annual report under paragraph (1), the Secretary shall transmit to the President and Congress a separate report from the Reserve Forces Policy Board on the reserve programs of the Department of Defense and on any other matters that the Reserve Forces Policy Board considers appropriate to include in the report.''.

SEC. 1055. INFORMATION ON PROPOSED FUNDING FOR THE GUARD AND RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall specify in each future-years defense program submitted to Congress after the date of the enactment of this Act the estimated expenditures and proposed appropriations for

the procurement of equipment and for military construction for each of the Guard and Reserve components.

(b) DEFINITION.—For purposes of this section, the term ''Guard and Reserve components'' means the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Naval Reserve.

(4) The Marine Corps Reserve.

(5) The Air Force Reserve.

(6) The Air National Guard of the United States.

SEC. 1056. REPORT ON FACILITIES USED FOR TESTING LAUNCH VEHICLE ENGINES.

(a) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Administrator of the National Aeronautics and Space Administration, shall submit to Congress a report on the facilities used for testing launch vehicle engines.

(b) CONTENT OF REPORT.—The report shall contain an analysis of the duplication between Air Force and National Aeronautics and Space Administration hydrogen

rocket test facilities and the potential benefits of further coordinating activities at such facilities.

Subtitle F—Other Matters

SEC. 1061. UNIFORM CODE OF MILITARY JUSTICE AMENDMENTS.

(a) TECHNICAL AMENDMENT REGARDING FORFEITURES DURING CONFINEMENT ADJUDGED BY A COURT-MARTIAL.—(1) Section 858b(a)(1) of title 10, United States Code (article 58b(a)(1) of the Uniform Code of Military Justice), is amended—

(A) in the first sentence, by inserting ''(if adjudged by a general court-martial)'' after ''all pay and''; and

(B) in the third sentence, by striking out ''two-thirds of all pay and allowances'' and inserting in lieu thereof ''two-thirds of all pay''.

(2) The amendments made by paragraph (1) shall take effect as of April 1, 1996, and shall apply to any case in which a sentence is adjudged by a court-martial on or after that date.

(b) EXCEPTED SERVICE APPOINTMENTS TO CERTAIN NONATTORNEY POSITIONS OF THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES..—(1) Subsection (c) of section 943 of title 10, United States Code (article 143(c) of the Uniform Code of Military Jus-

tice) is amended in paragraph (1), by inserting after the first sentence the following: ''A position of employment under the Court that is provided primarily for the service of one judge of the court, reports directly to the judge, and is a position of a confidential character is excepted from the competitive service.''.

(2) The caption for such subsection is amended by striking out ''ATTORNEY'' in the subsection caption and inserting in lieu thereof ''CERTAIN''.

(c) REPEAL OF 13-YEAR SPECIAL LIMIT ON TERM OF TRANSITIONAL JUDGE OF UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.—(1) Subsection (d)(2) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1575; 10 U.S.C. 942 note) is amended by striking out ''to the judges who are first appointed to the two new positions of the court created as of October 1, 1990—'' and all that follows and inserting in lieu thereof ''to the judge who is first appointed to one of the two new positions of the court created as of October 1, 1990, as designated by the President at the time of appointment, the anniversary referred to in subparagraph (A) of that paragraph shall be treated as being the seventh anniversary and the number of years referred to in subparagraph (B) of that paragraph shall be treated as being seven.''.

(2) Subsection (e)(1) of such section is amended by striking out ''each judge'' and inserting in lieu thereof ''a judge''.

SEC. 1062. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1997 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1997, the Secretary of Defense may waive the application of the limitation under paragraphs (2), (3), and (4) of subsection (a) to Trident ballistic missile submarines, Minuteman III intercontinental ballistic missiles, and Peacekeeper intercontinental ballistic missiles, respectively, to the extent that the

Secretary determines necessary in order to implement the treaty.

(c) START II TREATY DEFINED.—In this section, the term ''START II Treaty'' means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the ''START II Treaty'' (contained in Treaty Document 103–1):

(1) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Elimination and Conversion Protocol'').

(2) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Exhibitions and Inspections Protocol'').

(3) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Memorandum on Attribution'').

(d) RETENTION OF B–52H AIRCRAFT ON ACTIVE STATUS.—(1) The Secretary of the Air Force shall maintain in active status (including the performance of standard maintenance and upgrades) the current fleet of B–52H bomber aircraft.

(2) For purposes of carrying out upgrades of B–52H bomber aircraft during fiscal year 1997, the Secretary shall treat the entire current fleet of such aircraft as aircraft expected to be maintained in active status during the five-year period beginning on October 1, 1996.

SEC. 1063. CORRECTION OF REFERENCES TO DEPARTMENT OF DEFENSE ORGANIZATIONS.

(a) NORTH AMERICAN AEROSPACE DEFENSE COMMAND.—Section 162 of title 10, United States Code, is amended in paragraphs (1), (2), and (3) of subsection (a) by striking out ''North American Air Defense Command'' and inserting in lieu thereof ''North American Aerospace Defense Command''.

(b) DEFENSE DISTRIBUTION CENTER, ANNISTON.—The Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 515; 36 U.S.C. 5501 et seq.) is amended by striking out ''Anniston Army Depot'' each place it appears in the following provisions and inserting in lieu thereof ''Defense Distribution Depot, Anniston'':

(1) Section 1615(a)(3) (36 U.S.C. 5505(a)(3)).

(2) Section 1616(b) (36 U.S.C. 5506(b)).

(3) Section 1619(a)(1) (36 U.S.C. 5509(a)(1)).

SEC. 1064. AUTHORITY OF CERTAIN MEMBERS OF THE ARMED FORCES TO PERFORM NOTARIAL OR CONSULAR ACTS.

Section 1044a(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ''on active duty or performing inactive-duty for training'' and inserting in lieu thereof ''of the armed forces, including members of reserve components who are judge advocates (whether or not in a duty status)'';

(2) in paragraph (3), by striking out ''adjutants on active duty or performing inactive-duty training'' and inserting in lieu thereof ''adjutants, including members of reserve components acting as such an adjutant (whether or not in a duty status)''; and

(3) in paragraph (4), by striking out ''persons on active duty or performing inactive-duty training'' and inserting in lieu thereof ''members of the armed forces, including members of reserve components (whether or not in a duty status),''.

SEC. 1065. TRAINING OF MEMBERS OF THE UNIFORMED SERVICES AT NON-GOVERNMENT FACILITIES.

(a) USE OF NON-GOVERNMENT FACILITIES.—Section 4105 of title 5, United States Code, is amended—

(1) by inserting ''and members of a uniformed service under the jurisdiction of the head of the agency'' after ''employees of the agency''; and

(2) by adding at the end the following: ''For the purposes of this section, the term 'agency' includes a military department.''.

(b) EXPENSES OF TRAINING.—Section 4109 of such title is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out ''under regulations prescribed under section 4118(a)(8) of this title and'';

(B) in paragraph (1), by inserting after ''an employee of the agency'' the following: '', or the pay of a member of a uniformed service within the agency, who is''; and

(C) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting ''or member of a uniformed service'' after ''reimburse the employee'';

(ii) in subparagraph (A), by striking out ''commissioned officers of the National Oceanic and Atmospheric Administration'' and inserting in lieu thereof ''a member of a uniformed service''; and

(iii) in subparagraph (B), by striking out ''commissioned officers of the National Oceanic and Atmospheric Administration'' and inserting in lieu thereof ''a member of a uniformed service''; and

(2) by adding at the end the following:

''(d) In the exercise of authority under subsection (a) with respect to an employee of an agency, the head of the agency shall comply with regulations prescribed under section 4118(a)(8) of this title.

''(e) For the purposes of this section, the term 'agency' includes a military department.''.

SEC. 1066. THIRD-PARTY LIABILITY TO UNITED STATES FOR TORTIOUS INFLICTION OF INJURY OR DISEASE ON MEMBERS OF THE UNIFORMED SERVICES.

(a) RECOVERY OF PAY AND ALLOWANCES.—Section 1 of Public Law 87–693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting ''or pay for'' after ''required by law to furnish''; and

(B) by striking out ''or to be furnished'' each place that phrase appears and inserting in lieu thereof '', to be furnished, paid for, or to be paid for'';

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

(3) by inserting after subsection (a), the following new subsections:

''(b) If a member of the uniformed services is injured, or contracts a disease, under circumstances creating a tort liability upon a third person (other than or in addition to the United States and except employers of seamen referred to in subsection (a)) for damages for such injury or disease and the member is unable to perform the member's regular military duties as a result of the injury or disease, the United States shall have a right (independent of the rights of the member) to recover from the third

person or an insurer of the third person, or both, the amount equal to the total amount of the pay that accrues and is to accrue to the member for the period for which the member is unable to perform such duties as a result of the injury or disease and is not assigned to perform other military duties.

''(c)(1) If, pursuant to the laws of a State that are applicable in a case of a member of the uniformed services who is injured or contracts a disease as a result of tortious conduct of a third person, there is in effect for such a case (as a substitute or alternative for compensation for damages through tort liability) a system of compensation or reimbursement for expenses of hospital, medical, surgical, or dental care and treatment or for lost pay pursuant to a policy of insurance, contract, medical or hospital service agreement, or similar arrangement, the United States shall be deemed to be a third-party beneficiary of such a policy, contract, agreement, or arrangement.

''(2) For the purposes of paragraph (1)—

''(A) the expenses incurred or to be incurred by the United States for care and treatment for an injured or diseased member as described in subsection (a) shall be deemed to have been incurred by the member;

"(B) the cost to the United States of the pay of the member as described in subsection (b) shall be deemed to have been pay lost by the member as a result of the injury or disease; and

"(C) the United States shall be subrogated to any right or claim that the injured or diseased member or the member's guardian, personal representative, estate, dependents, or survivors have under a policy, contract, agreement, or arrangement referred to in paragraph (1) to the extent of the reasonable value of the care and treatment and the total amount of the pay deemed lost under subparagraph (B).";

(4) in subsection (d), as redesignated by paragraph (2), by inserting "or paid for" after "treatment is furnished"; and

(5) by adding at the end the following:

"(f)(1) Any amounts recovered under this section for medical care and related services furnished by a military medical treatment facility or similar military activity shall be credited to the appropriation or appropriations supporting the operation of that facility or activity, as determined under regulations prescribed by the Secretary of Defense.

"(2) Any amounts recovered under this section for the cost to the United States of pay of an injured or dis-

eased member of the uniformed services shall be credited to the appropriation that supports the operation of the command, activity, or other unit to which the member was assigned at the time of the injury or illness, as determined under regulations prescribed by the Secretary concerned.

''(g) For the purposes of this section:

''(A) The term 'uniformed services' has the meaning given such term in section 1072(1) of title 10, United States Code.

''(B) The term 'tortious conduct' includes any tortious omission.

''(C) The term 'pay', with respect to a member of the uniformed services, means basic pay, special pay, and incentive pay that the member is authorized to receive under title 37, United States Code, or any other law providing pay for service in the uniformed services.

''(D) The term 'Secretary concerned' means—

''(i) the Secretary of Defense, with respect to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard (when it is operating as a service in the Navy);

''(ii) the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy;

"(iii) the Secretary of Health and Human Services, with respect to the Commissioned Corps of the Public Health Service; and

"(iv) the Secretary of Commerce, with respect to the Commissioned Corps of the National Oceanic and Atmospheric Administration.".

(b) CONFORMING AMENDMENTS.—Section 1 of Public Law 87–693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "(independent of the rights of the injured or diseased person)" after "a right to recover"; and

(B) by inserting ", or that person's insurer," after "from said third person";

(2) in subsection (d), as redesignated by subsection (a)(2)—

(A) by striking out "such right," and inserting in lieu thereof "a right under subsections (a), (b), and (c)"; and

(B) by inserting ", or the insurance carrier or other entity responsible for the payment or reimbursement of medical expenses or lost pay," after "the third person who is liable for

the injury or disease'' each place that it appears.

(c) APPLICABILITY.—The authority to collect pursuant to the amendments made by this section shall apply to expenses described in the first section of Public Law 87–693 (as amended by this section) that are incurred, or are to be incurred, by the United States on or after the date of the enactment of this Act, whether the event from which the claim arises occurred before, on, or after that date.

SEC. 1067. DISPLAY OF STATE FLAGS AT INSTALLATIONS AND FACILITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Except as provided in subsection (b) and notwithstanding any other provision of law, no funds appropriated or otherwise made available to the Department of Defense may be used to adopt or enforce any rule or other prohibition that discriminates against the display of the official flag of a particular State, territory, or possession of the United States at an official ceremony at any installation or other facility of the Department of Defense at which the official flags of the other States, territories, or possessions of the United States are being displayed.

(b) POSITION AND MANNER OF DISPLAY.—The display of an official flag referred to in subsection (a) at an installation or other facility of the Department shall be governed by the provisions of section 3 of the Joint Resolution of June 22, 1942 (56 Stat. 378, chapter 435; 36 U.S.C. 175), and any modification of such provisions under section 8 of that Joint Resolution (36 U.S.C. 178).

SEC. 1068. GEORGE C. MARSHALL EUROPEAN CENTER FOR STRATEGIC SECURITY STUDIES.

(a) AUTHORITY TO ACCEPT FUNDS, MATERIALS, AND SERVICES.—(1) The Secretary of Defense may, on behalf of the George C. Marshall European Center for Strategic Security Studies, accept gifts or donations of funds, materials (including research materials), property, and services (including lecture services and faculty services) from foreign governments, foundations and other charitable organizations in foreign countries, and individuals in foreign countries in order to defray the costs of the operation of the Center.

(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the George C. Marshall European Center for Strategic Security Studies. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same

purposes and same period as the appropriations with which merged.

(b) PARTICIPATION OF FOREIGN NATIONS OTHERWISE PROHIBITED.—(1) The Secretary may permit representatives of a foreign government to participate in a program of the George C. Marshall European Center for Strategic Security Studies, notwithstanding any other provision of law that would otherwise prevent representatives of that foreign government from participating in the program. Before doing so, the Secretary shall determine, in consultation with the Secretary of State, that the participation of representatives of that foreign government in the program is in the national interest of the United States.

(2) Not later than January 31 of each year, the Secretary of Defense shall, with the assistance of the Director of the Center, submit to Congress a report setting forth the foreign governments permitted to participate in programs of the Center during the preceding year under the authority provided in paragraph (1).

(c) WAIVER OF CERTAIN REQUIREMENTS FOR BOARD OF VISITORS.—(1) The Secretary may waive the application of any financial disclosure requirement imposed by law to a foreign member of the Board of Visitors of the Center if that requirement would otherwise apply to the member solely by reason of the service as a member

of the Board. The authority under the preceding sentence applies only in the case of a foreign member who serves on the Board without compensation.

(2) Notwithstanding any other provision of law, a member of the Board of Visitors may not be required to register as an agent of a foreign government solely by reason of service as a member of the Board.

SEC. 1069. AUTHORITY TO AWARD TO CIVILIAN PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR THE CONGRESSIONAL MEDAL PREVIOUSLY AUTHORIZED ONLY FOR MILITARY PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR.

(a) AUTHORITY.—The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of Congress, a bronze medal provided for under section 1492 of the National Defense Authorization Act for Fiscal Year 1991 (104 Stat. 1721) to any person who meets the eligibility requirements set forth in subsection (d) of that section other than the requirement for membership in the Armed Forces, as certified under subsection (e) of that section or under subsection (b) of this section.

(b) CERTIFICATION.—The Secretary of Defense shall, not later than 12 months after the date of the enactment of this Act, certify to the Speaker of the House of Rep-

resentatives and the President pro tempore of the Senate the names of persons who are eligible for award of the medal under this Act and have not previously been certified under section 1492(e) of the National Defense Authorization Act for Fiscal Year 1991.

(c) APPLICATIONS.—Subsections (d)(2) and (f) of section 1492 of the National Defense Authorization Act for Fiscal Year 1991 shall apply in the administration of this Act.

(d) ADDITIONAL STRIKING AUTHORITY.—The Secretary of the Treasury shall strike such additional medals as may be necessary for presentation under the authority of subsection (a).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sum as may be necessary to carry out this section.

(f) RETROACTIVE EFFECTIVE DATE.—The authority under subsection (a) shall be effective as of November 5, 1990.

SEC. 1070. MICHAEL O'CALLAGHAN FEDERAL HOSPITAL, LAS VEGAS, NEVADA.

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

(1) Michael O'Callaghan, former Governor of the State of Nevada, served in three branches of the

Armed Forces of the United States, namely, the Army, the Air Force, and the Marine Corps.

(2) At 16 years of age, Michael O'Callaghan enlisted in the United States Marine Corps to serve during the end of World War II.

(3) During the Korean conflict, Michael O'Callaghan served successively in the Air Force and the Army and, during such service, suffered wounds in combat that necessitated the amputation of his left leg.

(4) Michael O'Callaghan was awarded the Silver Star, the Bronze Star with Valor Device, and the Purple Heart for his military service.

(5) In 1963, Michael O'Callaghan became the first director of the Health and Welfare Department of the State of Nevada.

(6) In 1970, Michael O'Callaghan became Governor of the State of Nevada and served in that position through 1978, making him one of only five two-term governors in the history of the State of Nevada.

(7) In 1982, Michael O'Callaghan received the Air Force Exceptional Service Award.

(8) It is appropriate to name the Nellis Federal Hospital, Las Vegas, Nevada, a hospital operated

jointly by the Department of Defense, through Nellis Air Force Base, and the Department of Veterans Affairs, through the Las Vegas Veterans Affairs Outpatient Clinic, after Michael O'Callaghan, a man who (A) has served his country with honor in three branches of the Armed Forces, (B) as a disabled veteran knows personally the tragic sacrifices that are so often made in the service of his country in the Armed Forces, and (C) has spent his entire career working to improve the lives of all Nevadans.

(b) DESIGNATION OF MICHAEL O'CALLAGHAN FEDERAL HOSPITAL.—The Nellis Federal Hospital, a Federal building located at 4700 North Las Vegas Boulevard, Las Vegas, Nevada, is designated as the ''Michael O'Callaghan Federal Hospital''.

(c) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (b) shall be deemed to be a reference to the ''Michael O'Callaghan Federal Hospital''.

SEC. 1071. NAMING OF BUILDING AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

It is the sense of the Senate that the Secretary of Defense should name Building A at the Uniformed Serv-

ices University of the Health Sciences as the ''David Packard Building''.

SEC. 1072. SENSE OF THE SENATE REGARDING THE UNITED STATES–JAPAN SEMICONDUCTOR TRADE AGREEMENT.

(a) FINDINGS.—The Senate makes the following findings:

(1) The United States and Japan share a long and important bilateral relationship which serves as an anchor of peace and stability in the Asia Pacific region, an alliance which was reaffirmed at the recent summit meeting between President Clinton and Prime Minister Hashimoto in Tokyo.

(2) The Japanese economy has experienced difficulty over the past few years, demonstrating that it is no longer possible for Japan, the world's second largest economy, to use exports as the sole engine of economic growth, but that the Government of Japan must promote deregulation of its domestic economy in order to increase economic growth.

(3) Deregulation of the Japanese economy requires government attention to the removal of barriers to imports of manufactured goods.

(4) The United States-Japan Semiconductor Trade Agreement has begun the process of deregula-

tion in the semiconductor sector and is opening the Japanese market to competitive foreign products.

(5) The United States-Japan Semiconductor Trade Agreement has put in place both government-to-government and industry-to-industry mechanisms which have played a vital role in allowing cooperation to replace conflict in this important high technology sector.

(6) The mechanisms include joint calculation of foreign market share, deterrence of dumping, and promotion of industrial cooperation in the design of foreign semiconductor devices.

(7) Because of these actions under the United States-Japan Semiconductor Trade Agreement, the United States and Japan today enjoy trade in semiconductors which is mutually beneficial, harmonious, and free from the friction that once characterized the semiconductor industry.

(8) Because of structural barriers in Japan, a gap still remains between the share of the world market for semiconductor products outside Japan that the United States and other foreign semiconductor sources are able to capture through competitiveness and the share of the Japanese semiconductor market that the United States and those

other sources are able to capture through competitiveness, and that gap is consistent across the full range of semiconductor products as well as a full range of end-use applications.

(9) The competitiveness and health of the United States semiconductor industry is of critical importance to the overall economic well-being and high technology defense capabilities of the United States.

(10) The economic interests of both the United States and Japan are best served by well functioning, open markets, deterrence of dumping, and continuing good cooperative relationships in all sectors, including semiconductors.

(11) A strong and healthy and military and political alliance between the United States and Japan requires continuation of the industrial and economic cooperation promoted by the United States-Japan Semiconductor Trade Agreement.

(12) President Clinton has called on the Government of Japan to agree to a continuation of a United States-Japan Semiconductor Trade Agreement beyond the current agreement's expiration on July 31, 1996.

(13) The Government of Japan has opposed any continuation of a government-to-government

agreement to promote cooperation in United States-Japan semiconductor trade.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) it is regrettable that the Government of Japan has refused to consider continuation of a government-to-government agreement to ensure that cooperation continues in the semiconductor sector beyond the expiration of the Semiconductor Trade Agreement on July 31, 1996; and

(2) the President should take all necessary and appropriate actions to ensure the continuation of a government-to-government United States-Japan Semiconductor Trade Agreement before the current agreement expires on that date.

(c) DEFINITION.—As used in this section, the term ''United States-Japan Semiconductor Trade Agreement'' refers to the agreement between the United States and Japan concerning trade in semiconductor products, with arrangement, done by exchange of letters at Washington on June 11, 1991.

SEC. 1073. FOOD DONATION PILOT PROGRAM AT THE SERVICE ACADEMIES.

(a) PROGRAM AUTHORIZED.—The Secretaries of the military departments and the Secretary of Transportation

may each carry out a food donation pilot program at the service academy under the jurisdiction of the Secretary.

(b) DONATIONS AND COLLECTIONS OF FOOD AND GROCERY PRODUCTS.—Under the pilot program, the Secretary concerned may donate to, and permit others to collect for, a nonprofit organization any food or grocery product that—

(1) is—

(A) an apparently wholesome food;

(B) an apparently fit grocery product; or

(C) a food or grocery product that is donated in accordance with section 402(e) of the National and Community Service Act of 1990 (42 U.S.C. 12672(e));

(2) is owned by the United States;

(3) is located at a service academy under the jurisdiction of the Secretary; and

(4) is excess to the requirements of the academy.

(c) PROGRAM COMMENCEMENT.—The Secretary concerned shall commence carrying out the pilot program, if at all, during fiscal year 1997.

(d) APPLICABILITY OF GOOD SAMARITAN FOOD DONATION ACT..—Section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) shall apply

to donations and collections of food and grocery products under the pilot program without regard to section 403 of such Act (42 U.S.C. 12673).

(e) REPORTS.—(1) Each Secretary that carries out a pilot program at a service academy under this section shall submit to Congress an interim report and a final report on the pilot program.

(2) The Secretary concerned shall submit the interim report not later than one year after the date on which the Secretary commences the pilot program at a service academy.

(3) The Secretary concerned shall submit the final report not later than 90 days after the Secretary completes the pilot program at a service academy.

(4) Each report shall include the following:

(A) A description of the conduct of the pilot program.

(B) A discussion of the experience under the pilot program.

(C) An evaluation of the extent to which section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) has been effective in protecting the United States and others from liabilities associated with actions taken under the pilot program.

(D) Any recommendations for legislation to facilitate donations or collections of excess food and grocery products of the United States or others for nonprofit organizations.

(f) DEFINITIONS.—In this section:

(1) The term ''service academy'' means each of the following:

(A) The United States Military Academy.

(B) The United States Naval Academy.

(C) The United States Air Force Academy.

(D) The United States Coast Guard Academy.

(2) The term ''Secretary concerned'' means the following:

(A) The Secretary of the Army, with respect to the United States Military Academy.

(B) The Secretary of the Navy, with respect to the United States Naval Academy.

(C) The Secretary of the Air Force, with respect to the United States Air Force Academy.

(D) The Secretary of Transportation, with respect to the United States Coast Guard Academy.

(3) The terms ''apparently fit grocery product'', ''apparently wholesome food'', ''donate'', ''food'', and ''grocery product'' have the meanings given those terms in section 402(b) of the National and Community Service Act of 1990 (42 U.S.C. 12672(b)).

SEC. 1074. DESIGNATION OF MEMORIAL AS NATIONAL D–DAY MEMORIAL.

(a) DESIGNATION.—The memorial to be constructed by the National D–Day Memorial Foundation in Bedford, Virginia, is hereby designated as a national memorial to be known as the ''National D–Day Memorial''. The memorial shall serve to honor the members of the Armed Forces of the United States who served in the invasion of Normandy, France, in June 1944.

(b) PUBLIC PROCLAMATION.—The President is requested and urged to issue a public proclamation acknowledging the designation of the memorial to be constructed by the National D–Day Memorial Foundation in Bedford, Virginia, as the National D–Day Memorial.

(c) MAINTENANCE OF MEMORIAL.—All expenses for maintenance and care of the memorial shall be paid for with non-Federal funds, including funds provided by the National D–Day Memorial Foundation. The United States shall not be liable for any expense incurred for the maintenance and care of the memorial.

SEC. 1075. IMPROVEMENTS TO NATIONAL SECURITY EDUCATION PROGRAM.

(a) REPEAL OF TEMPORARY REQUIREMENT RELATING TO EMPLOYMENT.—Title VII of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 650), is amended under the heading ''NATIONAL SECURITY EDUCATION TRUST FUND'' by striking out the proviso.

(b) GENERAL PROGRAM REQUIREMENTS.—Subsection (a)(1) of section 802 of the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1902) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph (A):

''(A) awarding scholarships to undergraduate students who—

''(i) are United States citizens in order to enable such students to study, for at least one academic semester or equivalent term, in foreign countries that are critical countries (as determined under section 803(d)(4)(A) of this title) in those languages and study areas where deficiencies exist (as identified in the assess-

ments undertaken pursuant to section 806(d) of this title); and

"(ii) pursuant to subsection (b)(2)(A) of this section, enter into an agreement to work for, and make their language skills available to, an agency or office of the Federal Government or work in the field of higher education in the area of study for which the scholarship was awarded;"; and

(2) in subparagraph (B)—

(A) in clause (i), by inserting "relating to the national security interests of the United States" after "international fields"; and

(B) in clause (ii)—

(i) by striking out "subsection (b)(2)" and inserting in lieu thereof "subsection (b)(2)(B)"; and

(ii) by striking out "work for an agency or office of the Federal Government or in" and inserting in lieu thereof "work for, and make their language skills available to, an agency or office of the Federal Government or work in".

(c) SERVICE AGREEMENT.—Subsection (b) of that section is amended—

(1) in the matter preceding paragraph (1), by striking out ", or of scholarships" and all that follows through "12 months or more," and inserting in lieu thereof "or any scholarship".

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

"(2) will—

"(A) not later than eight years after such recipient's completion of the study for which scholarship assistance was provided under the program, and in accordance with regulations issued by the Secretary—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as determined by the Secretary in consultation with the National Security Education Board) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office, for a period specified by the Secretary, which period shall be no longer than the period for

which scholarship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the scholarship was awarded, for a period specified by the Secretary, which period shall be determined in accordance with clause (i); or

"(B) upon completion of such recipient's education under the program, and in accordance with such regulations—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as so determined) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office,

for a period specified by the Secretary, which period shall be not less than one and not more than three times the period for which the fellowship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available upon the completion of the degree, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the fellowship was awarded, for a period specified by the Secretary, which period shall be established in accordance with clause (i); and".

(d) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—Such section 802 is further amended by—

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

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

"(c) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—The Secretary shall, through the National Security Education Program office, administer a test of the foreign language skills of each recipient of a scholarship or fellowship under this title before the commencement of the study or education for which the scholarship or fellowship is awarded and after the completion of such study or education. The purpose of the tests is to evaluate the progress made by recipients of scholarships and fellowships in developing foreign language skills as a result of assistance under this title.".

(e) FUNCTIONS OF THE NATIONAL SECURITY EDUCATION BOARD.—Section 803(d) of that Act (50 U.S.C. 1903(d)) is amended—

(1) in paragraph (1), by inserting ", including an order of priority in such awards that favors individuals expressing an interest in national security issues or pursuing a career in an agency or office of the Federal Government having national security responsibilities" before the period;

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking out "Make recommendations" and inserting in lieu thereof "After taking into account the annual analyses of trends in lan-

guage, international, and area studies under section 806(b)(1), make recommendations''; (B) in subparagraph (A), by inserting ''and countries which are of importance to the national security interests of the United States'' after ''are studying''; and (C) in subparagraph (B), by inserting ''relating to the national security interests of the United States'' after ''of this title''; (3) by redesignating paragraph (5) as paragraph (7); and (4) by inserting after paragraph (4) the following new paragraphs:

''(5) Encourage applications for fellowships under this title from graduate students having an educational background in disciplines relating to science or technology.

''(6) Provide the Secretary on an on-going basis with a list of scholarship recipients and fellowship recipients who are available to work for, or make their language skills available to, an agency or office of the Federal Government having national security responsibilities.''.

(f) REPORT ON PROGRAM.—(1) Not later than six months after the date of the enactment of this Act, the

Secretary of Defense shall submit to Congress a report assessing the improvements to the program established under the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1901 et seq.) that result from the amendments made by this section.

(2) The report shall also include an assessment of the contribution of the program, as so improved, in meeting the national security objectives of the United States.

SEC. 1076. REIMBURSEMENT FOR EXCESSIVE COMPENSATION OF CONTRACTOR PERSONNEL PROHIBITED.

(a) ARMED SERVICES PROCUREMENTS.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

(b) CIVILIAN AGENCY PROCUREMENTS.—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:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

SEC. 1077. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES UNDER MILITARY YOUTH PROGRAMS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Programs of the Department of Defense for youth who are dependents of members of the Armed Forces have not received the same level of attention and resources as have child care programs of the Department since the passage of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) Older children deserve as much attention to their developmental needs as do younger children.

(3) The Department has started to direct more attention to programs for youths who are dependents of members of the Armed Forces by funding the implementation of 20 model community programs to address the needs of such youths.

(4) The lessons learned from such programs could apply to civilian youth programs as well.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Department of Defense, Federal, State, and local agencies, and businesses and communities involved in conducting youth programs could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to such programs and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships could benefit all families by helping the providers of services for youths exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that such partnerships could be developed, including—

(A) cooperation between the Department and Federal and State educational agencies in exploring the use of public school facilities for child care programs and youth programs that are mutually beneficial to the Department and civilian communities and complement programs

of the Department carried out at its facilities; and

(B) improving youth programs that enable adolescents to relate to new peer groups when families of members of the Armed Forces are relocated.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the youth programs of the Department of Defense and to improve such programs so as to benefit communities in the vicinity of military installations.

SEC. 1078. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES WITH MILITARY CHILD CARE.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Department of Defense should be congratulated on the successful implementation of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) The actions taken by the Department as a result of that Act have dramatically improved the availability, affordability, quality, and consistency of

the child care services provided to members of the Armed Forces.

(3) Child care is important to the readiness of members of the Armed Forces because single parents and couples in military service must have access to affordable child care of good quality if they are to perform their jobs and respond effectively to long work hours or deployments.

(4) Child care is important to the retention of members of the Armed Forces in military service because the dissatisfaction of the families of such members with military life is a primary reason for the departure of such members from military service.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the civilian and military child care communities, Federal, State, and local agencies, and businesses and communities involved in the provision of child care services could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to their experiences with the provision of such services and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships would be beneficial to all families by helping providers of child care services exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that these partnerships can be developed, including—

(A) cooperation between the directors and curriculum specialists of military child development centers and civilian child development centers in assisting such centers in the accreditation process;

(B) use of family support staff to conduct parent and family workshops for new parents and parents with young children in family housing on military installations and in communities in the vicinity of such installations;

(C) internships in Department of Defense child care programs for civilian child care providers to broaden the base of good-quality child care services in communities in the vicinity of military installations; and

(D) attendance by civilian child care providers at Department child-care training classes on a space-available basis.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the child care programs of the Department of Defense and to improve such programs so as to benefit civilian child care providers in communities in the vicinity of military installations.

SEC. 1079. INCREASE IN PENALTIES FOR CERTAIN TRAFFIC OFFENSES ON MILITARY INSTALLATIONS.

Section 4 of the Act of June 1, 1948 (40 U.S.C. 318c) is amended to read as follows:

''SEC. 4. (a) Except as provided in subsection (b), whoever shall violate any rule or regulation promulgated pursuant to section 2 of this Act may be fined not more than $50 or imprisoned for not more than thirty days, or both.

''(b) Whoever shall violate any rule or regulation for the control of vehicular or pedestrian traffic on military installations that is promulgated by the Secretary of Defense, or the designee of the Secretary, under the authority delegated pursuant to section 2 of this Act may be fined an amount not to exceed the amount of a fine for a like or similar offense under the criminal or civil law of the State, territory, possession, or district where the

military installation is located, or imprisoned for not more than thirty days, or both.''.

SEC. 1080. PHARMACEUTICAL INDUSTRY SPECIAL EQUITY.

(a) SHORT TITLE.—This section may be cited as the ''Pharmaceutical Industry Special Equity Act of 1996''.

(b) APPROVAL OF GENERIC DRUGS.—

(1) IN GENERAL.—With respect to any patent, the term of which is modified under section 154(c)(1) of title 35, United States Code, as amended by the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983), the remedies of section 271(e)(4) of title 35, United States Code, shall not apply if—

(A) such patent is the subject of a certification described under—

(i) section 505 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV)); or

(ii) section 512(n)(1)(H)(iv) of such Act (21 U.S.C. 360b(n)(1)(H)(iv));

(B) on or after the date of enactment of this section, such a certification is made in an application that was filed under section 505 or 512 of the Federal Food, Drug, and Cosmetic

Act and accepted for filing by the Food and Drug Administration prior to June 8, 1995; and

(C) a final order, from which no appeal is pending or may be made, has been entered in an action brought under chapter 28 or 29 of title 35, United States Code—

(i) finding that the person who submitted such certification made a substantial investment of the type described under section 154(c)(2) of title 35, United States Code, as amended by the Uruguay Round Agreements Act; and

(ii) establishing the amount of equitable remuneration of the type described under section 154(c)(3) of title 35, United States Code, as amended by the Uruguay Round Agreements Act, that is required to be paid by the person who submitted such certification to the patentee for the product that is the subject of the certification.

(2) DETERMINATION OF SUBSTANTIAL INVESTMENT.—In determining whether a substantial investment has been made in accordance with this section, the court shall find that—

(A) a complete application submitted under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act was found by the Secretary of Health and Human Services on or before June 8, 1995 to be sufficiently complete to permit substantive review; and

(B) the total sum of the investment made by the person submitting such an application—

(i) is specifically related to the research, development, manufacture, sale, marketing, or other activities undertaken in connection with, the product covered by such an application; and

(ii) does not solely consist of that person's expenditures related to the development and submission of the information contained in such an application.

(3) EFFECTIVE DATE OF APPROVAL OF APPLICATION.—In no event shall the Food and Drug Administration make the approval of an application under sections 505 or 512 of the Federal Food, Drug, and Cosmetic Act, which is subject to the provisions of this section, effective prior to the entry of the order described in paragraph (1)(C).

(4) APPLICABILITY.—The provisions of this subsection shall not apply to any patent the term of which, inclusive of any restoration period provided under section 156 of title 35, United States Code, would have expired on or after June 8, 1998, under the law in effect on the date before December 8, 1994.

(c) APPLICATION OF CERTAIN BENEFITS AND TERM EXTENSIONS TO ALL PATENTS IN FORCE ON A CERTAIN DATE.—For the purposes of this section and the provisions of title 35, United States Code, all patents in force on June 8, 1995, including those in force by reason of section 156 of title 35, United States Code, are entitled to the full benefit of the Uruguay Round Agreements Act of 1994 and any extension granted before such date under section 156 of title 35, United States Code.

(d) EXTENSION OF PATENTS RELATING TO NONSTEROIDAL ANTI-INFLAMMATORY DRUGS.—

(1) IN GENERAL.—Notwithstanding section 154 of title 35, United States Code, the term of patent shall be extended for any patent which encompasses within its scope of composition of matter known as a nonsteroidal anti-inflammatory drug if—

(A) during the regulatory review of the drug by the Food and Drug Administration the patentee—

(i) filed a new drug application in 1982 under section 505 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 355); and

(ii) awaited approval by the Food and Drug Administration for at least 96 months; and

(B) such new drug application was approved in 1991.

(2) TERM.—The term of any patent described in paragraph (1) shall be extended from its current expiration date for a period of 2 years.

(3) NOTIFICATION.—No later than 90 days after the date of enactment of this section, the patentee of any patent described in paragraph (1) shall notify the Commissioner of Patents and Trademarks of the number of any patent extended under such paragraph. On receipt of such notice, the Commissioner shall confirm such extension by placing a notice thereof in the official file of such patent and publishing an appropriate notice of such extension in

the Official Gazette of the Patent and Trademark Office.

(e) EXPEDITED PROCEDURES FOR CIVIL ACTIONS.—

(1) APPLICATION.—(A) This subsection applies to any civil action in a court of the United States brought to determine the rights of the parties under this section, including any determination made under subsection (b).

(B) For purposes of this subsection the term ''civil action'' refers to a civil action described under subparagraph (A).

(2) SUPERSEDING PROVISIONS.—Procedures adopted under this subsection shall supersede any provision of title 28, United States Code, the Federal Rules of Civil Procedure, or the Federal Rules of Appellate Procedure to the extent of any inconsistency.

(3) PROCEDURES IN DISTRICT COURT.—No later than 60 days after the date of the enactment of this Act, each district court of the United States shall adopt procedures to—

(A) provide for priority in consideration of civil actions on an expedited basis, including consideration of determinations relating to sub-

stantial investment, equitable remuneration, and equitable compensation;

(B) provide that—

(i) no later than 10 days after a party files an answer to a complaint filed in a civil action the court shall order that all discovery (including a hearing on any discovery motions) shall be completed no later than 60 days after the date on which the court enters the order; and

(ii) the court may grant a single extension of the 60-day period referred to under clause (i) for an additional period of no more than 30 days upon a showing of good cause;

(C) require any dispositive motion in a civil action to be filed no later than 30 days after completion of discovery;

(D) require that—

(i) if a dispositive motion is filed in a civil action, the court shall rule on such a motion no later than 30 days after the date on which the motion is filed;

(ii) the court shall begin the trial of a civil action no later than 60 days after the later of—

(I) the date on which discovery is completed in accordance with subparagraph (B); or

(II) the last day of the 30-day period referred to under clause (i), if a dispositive motion is filed;

(E) require that if a person does not hold the patent which is the subject of a civil action and is the prevailing party in the civil action, the court shall order the nonprevailing party to pay damages to the prevailing party;

(F) the damages payable to such persons shall include—

(i) the costs resulting from the delay caused by the civil action; and

(ii) lost profits from such delay; and

(G) provide that the prevailing party in a civil action shall be entitled to recover reasonable attorney's fees and court costs.

(4) PROCEDURES IN FEDERAL CIRCUIT COURT.—No later than 60 days after the date of the enactment of this Act, the United States Court of

Appeals for the Federal Circuit shall adopt procedures to provide for expedited considerations of civil actions brought under this Act.

SEC. 1081. CLARIFICATION OF NATIONAL SECURITY SYSTEMS TO WHICH THE INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1996 APPLIES.

Section 5142(b) of the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 689; 40 U.S.C. 1452(b)) is amended—

(1) by striking out ''(b) LIMITATION.—'' and inserting in lieu thereof ''(b) LIMITATIONS.—(1)''; and

(2) by adding at the end the following:

''(2) Notwithstanding any other provision of this section or any other provision of law, for the purposes of this subtitle, a system that, in function, operation, or use, involves the storage, processing, or forwarding of classified information and is protected at all times by procedures established for the handling of classified information shall be considered as a national security system under the definition in subsection (a) only if the function, operation, or use of the system—

"(A) involves activities described in paragraph (1), (2), or (3) of subsection (a);

"(B) involves equipment described in paragraph (4) of subsection (a); or

"(C) is critical to an objective described in paragraph (5) of subsection (a) and is not excluded by paragraph (1) of this subsection.".

SEC. 1082. SALE OF CHEMICALS USED TO MANUFACTURE CONTROLLED SUBSTANCES BY FEDERAL DEPARTMENTS OR AGENCIES.

A Federal department or agency may not sell from the stocks of the department or agency any chemical which, as determined by the Administrator of the Drug Enforcement Agency, could be used in the manufacture of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802) unless the Administrator certifies in writing to the head of the department or agency that there is no reasonable cause to believe that the sale of the chemical would result in the illegal manufacture of a controlled substance.

SEC. 1083. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT.

(a) STATUS OF EXCESS AIRCRAFT.—Operational support airlift aircraft excess to the requirements of the Department of Defense shall be placed in an inactive status and stored at Davis-Monthan Air Force Base, Arizona,

pending the completion of any study or analysis of the costs and benefits of disposing of or operating such aircraft that precedes a decision to dispose of or continue to operate such aircraft.

(b) OPERATIONAL SUPPORT AIRLIFT AIRCRAFT DEFINED.—In this section, the term ''operational support airlift aircraft'' has the meaning given such term in section 1086(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 458).

SEC. 1084. SENSE OF SENATE REGARDING BOSNIA AND HERZEGOVINA.

It is the sense of the Senate that, notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in section 540 of the Foreign Operations Act of 1996 (Public Law 104–107), the price of the transferred equipment shall not exceed the lowest level at which the same or similar equipment has been transferred to any other country under any other United States Government program.

SEC. 1085. STRENGTHENING CERTAIN SANCTIONS AGAINST NUCLEAR PROLIFERATION ACTIVITIES.

(a) IN GENERAL.—Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended—

(1) by inserting after ''any country has willfully aided or abetted'' the following: '', or any person has knowingly aided or abetted,'';

(2) by striking ''or countries'' and inserting '', countries, person, or persons'';

(3) by inserting after ''United States exports to such country'' the following: ''or, in the case of any such person, give approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of, exports to or by any such person for a 12-month period,'';

(4) by inserting ''(A)'' immediately after ''(4)'';

(5) by inserting after ''United States exports to such country'' the second place it appears the following: '', except as provided in subparagraph (B),''; and

(6) by adding at the end the following:

''(B) In the case of any country or person aiding or abetting a non-nuclear-weapon state as described in subparagraph (A), the prohibition on financing by the Bank contained in the second sentence of that subparagraph

shall not apply to the country or person, as the case may be, if the President determines and certifies in writing to the Congress that—

"(i) reliable information indicates that the country or person with respect to which the determination is made has ceased to aid or abet any non-nuclear-weapon state to acquire any nuclear explosive device or to acquire unsafeguarded special nuclear material; and

"(ii) the President has received reliable assurances from the country or person that such country or person will not, in the future, aid or abet any non-nuclear-weapon state in its efforts to acquire any nuclear explosive device or any unsafeguarded special nuclear material.

"(C) For purposes of subparagraphs (A) and (B)—

"(i) the term 'country' has the meaning given to 'foreign state' in section 1603(a) of title 28, United States Code;

"(ii) the term 'knowingly' is used within the meaning of the term 'knowing' in section 104 of the Foreign Corrupt Practices Act; and

"(iii) the term 'person' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental

entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.''.

(b) EFFECTIVE DATE.—(1) The amendments made by paragraphs (1) through (5) of subsection (a) shall apply to persons, and the amendment made by subsection (a)(6), shall apply to countries and persons, aiding or abetting non-nuclear weapon states on or after June 29, 1994.

(2) Nothing in this section or the amendments made by this section shall apply to obligations undertaken pursuant to guarantees, insurance, and the extension of credits (and participation in the extension of credits) made before the date of enactment of this Act.

SEC. 1086. TECHNICAL AMENDMENT.

Paragraph (3) of section 8003(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)) is amended—

(1) by striking ''2000 and such number equals or exceeds 15'' and inserting ''1000 or such number equals or exceeds 10''; and

(2) by inserting '', except that notwithstanding any other provision of this title the Secretary shall not make a payment computed under this paragraph for a child described in subparagraph (F) or (G) of

paragraph (1) who is associated with Federal property used for Department of Defense activities unless funds for such payment are made available to the Secretary from funds available to the Secretary of Defense'' before the period.

SEC. 1087. FACILITY FOR MILITARY DEPENDENT CHILDREN WITH DISABILITIES, LACKLAND AIR FORCE BASE, TEXAS.

(a) FUNDING.—Of the amounts authorized to be appropriated by this Act for the Department of the Air Force, $2,000,000 may be available for the construction at Lackland Air Force Base, Texas, of a facility (and supporting infrastructure) to provide comprehensive care and rehabilitation services to children with disabilities who are dependents of members of the Armed Forces.

(b) TRANSFER OF FUNDS.—Subject to subsection (c), the Secretary of the Air Force may grant the funds available under subsection (a) to the Children's Association for Maximum Potential (CAMP) for use by the association to defray the costs of designing and constructing the facility referred to in subsection (a).

(c) LEASE OF FACILITY.—(1) The Secretary may not make a grant of funds under subsection (b) until the Secretary and the association enter into an agreement under

which the Secretary leases to the association the facility to be constructed using the funds.

(2)(A) The term of the lease under paragraph (1) may not be less than 25 years.

(B) As consideration for the lease of the facility, the association shall assume responsibility for the operation and maintenance of the facility, including the costs of such operation and maintenance.

(3) The Secretary may require such additional terms and conditions in connection with the lease as the Secretary considers appropriate to protect the interests of the United States.

SEC. 1088. PROHIBITION ON THE DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(l) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends or knows, that such explosive materials or information will be used for, or in furtherance of, an activ-

ity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce.''.

(b) PENALTY.—Section 844(a) of title 18, United States Code, is amended—

(1) by striking ''(a) Any person'' and inserting ''(a)(1) Any person''; and

(2) by adding at the end the following:

''(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined under this title, imprisoned not more than 20 years, or both.''.

SEC. 1089. EXEMPTION FOR SAVINGS INSTITUTIONS SERVING MILITARY PERSONNEL.

Section 10(m)(3)(F) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(3)(F)) is amended to read as follows:

''(F) EXEMPTION FOR SPECIALIZED SAVINGS ASSOCIATIONS SERVING CERTAIN MILITARY PERSONNEL.—Subparagraph (A) does not apply to a savings association subsidiary of a savings and loan holding company if not less than 90 percent of the customers of the savings and loan holding company and the subsidiaries and affiliates of such company are active or former officers in the United States military services or the widows, widowers, divorced

spouses, or current or former dependents of such officers.''.

Subtitle G—Review of Armed Forces Force Structures

SEC. 1091. SHORT TITLE.

This subtitle may be cited as the ''Armed Forces Force Structures Review Act of 1996''.

SEC. 1092. FINDINGS.

Congress makes the following findings:

(1) Since the collapse of the Soviet Union in 1991, the United States has conducted two substantial assessments of the force structure of the Armed Forces necessary to meet United States defense requirements.

(2) The assessment by the Bush Administration (known as the ''Base Force'' assessment) and the assessment by the Clinton Administration (known as the ''Bottom-Up Review'') were intended to reassess the force structure of the Armed Forces in light of the changing realities of the post-Cold War world.

(3) Both assessments served an important purpose in focusing attention on the need to reevaluate the military posture of the United States, but the pace of global change necessitates a new, comprehensive assessment of the defense strategy of the

United States and the force structure of the Armed Forces required to meet the threats to the United States in the 21st century.

(4) The Bottom-Up Review has been criticized on several points, including—

(A) the assumptions underlying the strategy of planning to fight and win two nearly simultaneous major regional conflicts;

(B) the force levels recommended to carry out that strategy; and

(C) the funding proposed for such recommended force levels.

(5) In response to the recommendations of the Commission on Roles and Missions of the Armed Forces, the Secretary of Defense endorsed the concept of conducting a quadrennial review of the defense program at the beginning of each newly elected Presidential administration, and the Secretary intends to complete the first such review in 1997.

(6) The review is to involve a comprehensive examination of defense strategy, the force structure of the active, guard, and reserve components, force modernization plans, infrastructure, and other elements of the defense program and policies in order to determine and express the defense strategy of the

United States and to establish a revised defense program through the year 2005.

(7) In order to ensure that the force structure of the Armed Forces is adequate to meet the challenges to the national security interests of the United States in the 21st century, to assist the Secretary of Defense in conducting the review referred to in paragraph (5), and to assess the appropriate force structure of the Armed Forces through the year 2010 and beyond (if practicable), it is important to provide for the conduct of an independent, non-partisan review of the force structure that is more comprehensive than prior assessments of the force structure, extends beyond the quadrennial defense review, and explores innovative and forward-thinking ways of meeting such challenges.

SEC. 1093. QUADRENNIAL DEFENSE REVIEW.

(a) REQUIREMENT IN 1997.—The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall complete in 1997 a review of the defense program of the United States intended to satisfy the requirements for a Quadrennial Defense Review as identified in the recommendations of the Commission on Roles and Missions of the Armed Forces. The review shall include a comprehensive examination of the defense strat-

egy, force structure, force modernization plans, infrastructure, and other elements of the defense program and policies with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense program through the year 2005.

(b) INVOLVEMENT OF NATIONAL DEFENSE PANEL.—(1) The Secretary shall apprise the National Defense Panel established under section 1084, on an ongoing basis, of the work undertaken in the conduct of the review.

(2) Not later than March 14, 1997, the Chairman of the National Defense Panel shall submit to the Secretary the Panel's assessment of work undertaken in the conduct of the review as of that date and shall include in the assessment the recommendations of the Panel for improvements to the review, including recommendations for additional matters to be covered in the review.

(c) ASSESSMENTS OF REVIEW.—Upon completion of the review, the Chairman of the Joint Chiefs of Staff and the Chairman of the National Defense Panel shall each prepare and submit to the Secretary such chairman's assessment of the review in time for the inclusion of the assessment in its entirety in the report under subsection (d).

(d) REPORT.—Not later than May 15, 1997, the Secretary shall submit to the Committee on Armed Services

of the Senate and the Committee on National Security of the House of Representatives a comprehensive report on the review. The report shall include the following:

(1) The results of the review, including a comprehensive discussion of the defense strategy of the United States and the force structure best suited to implement the strategy.

(2) The threats examined for purposes of the review and the scenarios developed in the examination of such threats.

(3) The assumptions used in the review, including assumptions relating to the cooperation of allies and mission-sharing, levels of acceptable risk, warning times, and intensity and duration of conflict.

(4) The effect on the force structure of preparations for and participation in peace operations and military operations other than war.

(5) The effect on the force structure of the utilization by the Armed Forces of technologies anticipated to be available by the year 2005, including precision guided munitions, stealth, night vision, digitization, and communications, and the changes in doctrine and operational concepts that would result from the utilization of such technologies.

(6) The manpower and sustainment policies required under the defense strategy to support engagement in conflicts lasting more than 120 days.

(7) The anticipated roles and missions of the reserve components in the defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge such roles and missions.

(8) The appropriate ratio of combat forces to support forces (commonly referred to as the ''tooth-to-tail'' ratio) under the defense strategy, including, in particular, the appropriate number and size of headquarter units and Defense Agencies for that purpose.

(9) The air-lift and sea-lift capabilities required to support the defense strategy.

(10) The forward presence, pre-positioning, and other anticipatory deployments necessary under the defense strategy for conflict deterrence and adequate military response to anticipated conflicts.

(11) The extent to which resources must be shifted among two or more theaters under the defense strategy in the event of conflict in such theaters.

(12) The advisability of revisions to the Unified Command Plan as a result of the defense strategy.

SEC. 1094. NATIONAL DEFENSE PANEL.

(a) ESTABLISHMENT.—Not later than December 1, 1996, the Secretary of Defense shall establish a non-partisan, independent panel to be known as the National Defense Panel (in this section referred to as the ''Panel''). The Panel shall have the duties set forth in this section.

(b) MEMBERSHIP.—The Panel shall be composed of a chairman and eight other individuals appointed by the Secretary, in consultation with the Chairman and ranking member of the Committee on Armed Services of the Senate and the Chairman and ranking member of the Committee on National Security of the House of Representatives, from among individuals in the private sector who are recognized experts in matters relating to the national security of the United States.

(c) DUTIES.—The Panel shall—

(1) conduct and submit to the Secretary the assessment of the review under section 1083 that is required by subsection (b)(2) of that section;

(2) conduct and submit to the Secretary the comprehensive assessment of the review that is required by subsection (c) of that section upon completion of the review; and

(3) conduct the assessment of alternative force structures for the Armed Forces required under subsection (d).

(d) ALTERNATIVE FORCE STRUCTURE ASSESSMENT.—(1) The Panel shall submit to the Secretary an independent assessment of a variety of possible force structures of the Armed Forces through the year 2010 and beyond, including the force structure identified in the report on the review under section 1083(d). The purpose of the assessment is to develop proposals for an ''above the line'' force structure of the Armed Forces and to provide the Secretary and Congress recommendations regarding the optimal force structure to meet anticipated threats to the national security of the United States through the time covered by the assessment.

(2) In conducting the assessment, the Panel shall examine a variety of potential threats (including near-term threats and long-term threats) to the national security interests of the United States, including the following:

(A) Conventional threats across a spectrum of conflicts.

(B) The proliferation of weapons of mass destruction and the means of delivering such weapons, and the illicit transfer of technology relating to such weapons.

(C) The vulnerability of United States technology to non-traditional threats, including information warfare.

(D) Domestic and international terrorism.

(E) The emergence of a major challenger having military capabilities similar to those of the United States.

(F) Any other significant threat, or combination of threats, identified by the Panel.

(3) For purposes of the assessment, the Panel shall develop a variety of scenarios requiring a military response by the Armed Forces, including the following:

(A) Scenarios developed in light of the threats examined under paragraph (2).

(B) Scenarios developed in light of a continuum of conflicts ranging from a conflict of lesser magnitude than the conflict described in the Bottom-Up Review to a conflict of greater magnitude than the conflict so described.

(4) As part of the assessment, the Panel shall also—

(A) develop recommendations regarding a variety of force structures for the Armed Forces that permit the forward deployment of sufficient land- and sea-based forces to provide an effective deterrent to conflict and to permit a military response by

the United States to the scenarios developed under paragraph (3);

(B) to the extent practicable, estimate the funding required by fiscal year, in constant fiscal year 1997 dollars, to organize, equip, and support the forces contemplated under the force structures assessed in the assessment; and

(C) comment on each of the matters also to be included by the Secretary in the report required by section 1083(d).

(e) REPORT.—(1) Not later than December 1, 1997, the Panel shall submit to the Secretary a report setting forth the activities, findings and recommendations of the Panel under subsection (d), including any recommendations for legislation that the Panel considers appropriate.

(2) Not later than December 15, 1997, the Secretary shall, after consultation with the Chairman of the Joint Chiefs of Staff, submit to the committees referred to in subsection (b)(1) a copy of the report under paragraph (1), together with the Secretary's comments on the report.

(f) INFORMATION FROM FEDERAL AGENCIES.—The Panel may secure directly from the Department of Defense and any of its components and from any other Federal department and agency such information as the Panel considers necessary to carry out its duties under this sec-

tion. The head of the department or agency concerned shall ensure that information requested by the Panel under this subsection is promptly provided.

(g) PERSONNEL MATTERS.—(1) Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Panel.

(2) The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Panel.

(3)(A) The chairman of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director, and a staff of not more than four additional individuals, if the Panel determines that an executive director and staff are necessary in order for the Panel to perform its duties effectively. The employment of an executive director shall be subject to confirmation by the Panel.

(B) The chairman may fix the compensation of the executive director without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any Federal Government employee may be detailed to the Panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege. The Secretary shall ensure that sufficient personnel are detailed to the Panel to enable the Panel to carry out its duties effectively.

(5) To the maximum extent practicable, the members and employees of the Panel shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a duty of the Panel, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

(h) ADMINISTRATIVE PROVISIONS.—(1) The Panel may use the United States mails and obtain printing and

binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(2) The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

(3) The Panel may accept, use, and dispose of gifts or donations of services or property.

(i) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

(j) TERMINATION.—The Panel shall terminate 30 days after the date on which the Panel submits its report to the Secretary under subsection (e).

SEC. 1095. POSTPONEMENT OF DEADLINES.

In the event that the election of President of the United States in 1996 results in a change in administrations, each deadline set forth in this subtitle shall be postponed by 3 months.

SEC. 1096. DEFINITIONS.

In this subtitle:

(1) The term "'above the line' force structure of the Armed Forces" means a force structure (including numbers, strengths, and composition and major items of equipment) for the Armed Forces at the following unit levels:

(A) In the case of the Army, the division.

(B) In the case of the Navy, the battle group.

(C) In the case of the Air Force, the wing.

(D) In the case of the Marine Corps, the expeditionary force.

(E) In the case of special operations forces of the Army, Navy, or Air Force, the major operating unit.

(F) In the case of the strategic forces, the ballistic missile submarine fleet, the heavy bomber force, and the intercontinental ballistic missile force.

(2) The term "Commission on Roles and Missions of the Armed Forces" means the Commission on Roles and Missions of the Armed Forces established by subtitle E of title IX of the National Defense Authorization Act for Fiscal Year 1994 (Pub-

lic Law 103–160; 107 Stat. 1738; 10 U.S.C. 111 note).

(3) The term ''military operation other than war'' means any operation other than war that requires the utilization of the military capabilities of the Armed Forces, including peace operations, humanitarian assistance operations and activities, counter-terrorism operations and activities, disaster relief activities, and counter-drug operations and activities.

(4) The term ''peace operations'' means military operations in support of diplomatic efforts to reach long-term political settlements of conflicts and includes peacekeeping operations and peace enforcement operations.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Personnel Management, Pay, and Allowances

SEC. 1101. SCOPE OF REQUIREMENT FOR CONVERSION OF MILITARY POSITIONS TO CIVILIAN POSITIONS.

Section 1032(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 429; 10 U.S.C. 129a note) is amended—

(1) by striking out the text of paragraph (1) and inserting in lieu thereof the following: ''By September 30, 1996, the Secretary of Defense shall convert at least 3,000 military positions to civilian positions.'';

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

SEC. 1102. RETENTION OF CIVILIAN EMPLOYEE POSITIONS AT MILITARY TRAINING BASES TRANSFERRED TO NATIONAL GUARD.

(a) MILITARY TRAINING INSTALLATIONS AFFECTED.—This section applies with respect to each military training installation that—

(1) was approved for closure in 1995 under 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);

(2) is scheduled for transfer to National Guard operation and control; and

(3) will continue to be used, after such transfer, to provide training support to active and reserve components of the Armed Forces.

(b) RETENTION OF EMPLOYEE POSITIONS.—In the case of a military training installation described in sub-

section (a), the Secretary of Defense may retain civilian employee positions of the Department of Defense at the installation after transfer to the National Guard of a State in order to facilitate active and reserve component training at the installation. The Secretary, in consultation with the Adjutant General of the National Guard of that State, shall determine the extent to which positions at that installation are to be retained as positions in the Department of Defense.

(c) MAXIMUM NUMBER OF POSITIONS RETAINED.—The maximum number of civilian employee positions retained at an installation under this section shall not exceed 20 percent of the Federal civilian workforce employed at the installation as of September 8, 1995.

(d) REMOVAL OF POSITION.—The decision to retain civilian employee positions at an installation under this section shall cease to apply to a position so retained on the date on which the Secretary certifies to Congress that it is no longer necessary to retain the position in order to ensure that effective support is provided at the installation for active and reserve component training.

SEC. 1103. CLARIFICATION OF LIMITATION ON FURNISHING CLOTHING OR PAYING A UNIFORM ALLOWANCE TO ENLISTED NATIONAL GUARD TECHNICIANS.

Section 418(c) of title 37, United States Code, is amended by striking out ''for which a uniform allowance is paid under section 415 or 416 of this title'' and inserting in lieu thereof ''for which clothing is furnished or a uniform allowance is paid under this section''.

SEC. 1104. TRAVEL EXPENSES AND HEALTH CARE FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE ABROAD.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1599b. Employees abroad: travel expenses; health care

''(a) IN GENERAL.—The Secretary of Defense may provide civilian employees, and members of their families, abroad with benefits that are comparable to certain benefits that are provided by the Secretary of State to members of the Foreign Service and their families abroad as described in subsections (b) and (c). The Secretary may designate the employees and members of families who are eligible to receive the benefits.

"(b) TRAVEL AND RELATED EXPENSES.—The Secretary of Defense may pay travel expenses and related expenses for purposes and in amounts that are comparable to the purposes for which, and the amounts in which, travel and related expenses are paid by the Secretary of State under section 901 of the Foreign Service Act of 1980 (22 U.S.C. 4081).

"(c) HEALTH CARE PROGRAM.—The Secretary of Defense may establish a health care program that is comparable to the health care program established by the Secretary of State under section 904 of that Act (22 U.S.C. 4084).

"(d) ASSISTANCE.—The Secretary of Defense may enter into agreements with the heads of other departments and agencies of the Federal Government in order to facilitate the payment of expenses authorized by subsection (b) and to carry out a health care program authorized by subsection (c).

"(e) ABROAD DEFINED.—In this section, the term 'abroad' means outside—

"(1) the United States; and

"(2) the territories and possessions of the United States.".

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

after the item relating to section 1599a the following new item:

"1599b. Employees abroad: travel expenses; health care.".

SEC. 1105. TRAVEL, TRANSPORTATION, AND RELOCATION ALLOWANCES FOR CERTAIN FORMER NON-APPROPRIATED FUND EMPLOYEES.

(a) IN GENERAL.—(1) Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees

"An employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title who moves, without a break in service of more than 3 days, to a position in the Department of Defense or the Coast Guard, respectively, may be authorized travel, transportation, and relocation expenses and allowances under the same conditions and to the same extent authorized by this subchapter for transferred employees.".

(2) The table of sections at the beginning of chapter 57 of such title is amended by inserting after the item relating to section 5735 the following new item:

"5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees.".

(b) APPLICABILITY.—Section 5736 of title 5, United States Code (as added by subsection (a)(1)), shall apply to moves between positions as described in such section that are effective on or after October 1, 1996.

SEC. 1106. EMPLOYMENT AND SALARY PRACTICES APPLICABLE TO DEPARTMENT OF DEFENSE OVERSEAS TEACHERS.

(a) EXPANSION OF SCOPE OF EDUCATORS COVERED.—Section 2 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901) is amended—

(1) in subparagraph (A) of paragraph (1), by inserting ", or are performed by an individual who carried out certain teaching activities identified in regulations prescribed by the Secretary of Defense" after "Defense,"; and

(2) by striking out subparagraph (C) of paragraph (2) and inserting in lieu thereof the following:

"(C) who is employed in a teaching position described in paragraph (1).".

(b) TRANSFER OF RESPONSIBILITY FOR EMPLOYMENT AND SALARY PRACTICES.—Section 5 of such Act (20 U.S.C. 903) is amended—

(1) in subsection (a)—

(A) by striking out ''secretary of each military department in the Department of Defense'' and inserting in lieu thereof ''Secretary of Defense''; and

(B) by striking out ''his military department'' and inserting in lieu thereof ''the Department of Defense'';

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking out ''secretary of each military department—'' and inserting in lieu thereof ''Secretary of Defense—''; and

(B) in paragraph (1), by striking out ''his military department,'' and inserting in lieu thereof ''the Department of Defense'';

(3) in subsection (c)—

(A) by striking out ''Secretary of each military department'' and inserting in lieu thereof ''Secretary of Defense''; and

(B) by striking out ''his military department'' and inserting in lieu thereof ''the Department of Defense''; and

(4) in subsection (d), by striking out ''Secretary of each military department'' and inserting in lieu thereof ''Secretary of Defense''.

SEC. 1107. EMPLOYMENT AND COMPENSATION OF CIVILIAN FACULTY MEMBERS AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) FACULTIES.—Section 1595(c) of title 10, United States Code, is amended by inserting after paragraph (3) the following new paragraph (4):

"(4) The English Language Center of the Defense Language Institute.

"(5) The Asia-Pacific Center for Security Studies.".

(b) CERTAIN ADMINISTRATORS.—Such section 1595 is amended by adding at the end the following:

"(f) APPLICATION TO DIRECTOR AND DEPUTY DIRECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.".

SEC. 1108. REIMBURSEMENT OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOL BOARD MEMBERS FOR CERTAIN EXPENSES.

Section 2164(d) of title 10, United States Code, is amended by adding at the end the following:

"(7) The Secretary may provide for reimbursement of a school board member for expenses incurred by the member for travel, transportation, program fees, and activity fees that the Secretary determines are reasonable

and necessary for the performance of school board duties by the member.''.

SEC. 1109. EXTENSION OF AUTHORITY FOR CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502(f)(5) of title 5, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 2001''.

SEC. 1110. COMPENSATORY TIME OFF FOR OVERTIME WORK PERFORMED BY WAGE-BOARD EMPLOYEES.

Section 5543 of title 5, United States Code, is amended by adding at the end the following:

''(c) The head of an agency may, on request of an employee, grant the employee compensatory time off from the employee's scheduled tour of duty instead of payment under section 5544 of this title or section 7 of the Fair Labor Standards Act of 1938 for an equal amount of time spent in irregular or occasional overtime work.''.

SEC. 1111. LIQUIDATION OF RESTORED ANNUAL LEAVE THAT REMAINS UNUSED UPON TRANSFER OF EMPLOYEE FROM INSTALLATION BEING CLOSED OR REALIGNED.

(a) LUMP-SUM PAYMENT REQUIRED.—Section 5551 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(c)(1) Annual leave that is restored to an employee of the Department of Defense under section 6304(d) of this title by reason of the operation of paragraph (3) of such section and remains unused upon the transfer of the employee to a position described in paragraph (2) shall be liquidated by payment of a lump-sum for such leave to the employee upon the transfer.

''(2) A position referred to in paragraph (1) is a position in a department or agency of the Federal Government outside the Department of Defense or a Department of Defense position that is not located at a Department of Defense installation being closed or realigned as described in section 6304(d)(3) of this title.''.

(b) APPLICABILITY.—Subsection (c) of section 5551 of title 5, United States Code (as added by subsection (a)), shall apply with respect to transfers described in such subsection (c) that take effect on or after the date of the enactment of this Act.

SEC. 1112. WAIVER OF REQUIREMENT FOR REPAYMENT OF VOLUNTARY SEPARATION INCENTIVE PAY BY FORMER DEPARTMENT OF DEFENSE EMPLOYEES REEMPLOYED BY THE GOVERNMENT WITHOUT PAY.

Section 5597(g) of title 5, United States Code, is amended by adding at the end the following new paragraph:

''(5) If the employment is without compensation, the appointing official may waive the repayment.''.

SEC. 1113. FEDERAL HOLIDAY OBSERVANCE RULES FOR DEPARTMENT OF DEFENSE EMPLOYEES.

(a) HOLIDAYS OCCURRING ON NONWORKDAYS.—Section 6103(b) of title 5, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

''(3) In the case of a full-time employee of the Department of Defense, the following rules apply:

''(A) When a legal public holiday occurs on a Sunday that is not a regular weekly workday for an employee, the employee's next workday is the legal public holiday for the employee.

''(B) When a legal public holiday occurs on a regular weekly nonworkday that is administratively scheduled for an employee instead of

Sunday, the employee's next workday is the legal public holiday for the employee.

"(C) When a legal public holiday occurs on an employee's regular weekly nonworkday immediately following a regular weekly nonworkday that is administratively scheduled for the employee instead of Sunday, the employee's next workday is the legal public holiday for the employee.

"(D) When a legal public holiday occurs on an employee's regular weekly nonworkday that is not a nonworkday referred to in subparagraph (A), (B), or (C), the employee's preceding workday is the legal public holiday for the employee.

"(E) The Secretary concerned (as defined in section 101(a) of title 10) may schedule a legal public holiday for an employee to be on a different day than the one that would otherwise apply for the employee under subparagraph (A), (B), (C), or (D).

"(F) If a legal public holiday for an employee would be different under paragraph (1) or (2) than the day determined under this paragraph, the legal public holiday for the employee

shall be the day that is determined under this paragraph.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 6103(b) of such title, as amended by subsection (a), is further amended—

(1) in paragraph (1), by striking out ''legal public holiday for—'' and all that follows through the period and inserting in lieu thereof ''legal public holiday for employees whose basic workweek is Monday through Friday.''; and

(2) in the matter following paragraph (3), by striking out ''This subsection, except subparagraph (B) of paragraph (1),'' and inserting in lieu thereof ''Paragraphs (1) and (2)''.

SEC. 1114. REVISION OF CERTAIN TRAVEL MANAGEMENT AUTHORITIES.

(a) REPEAL OF REQUIREMENTS RELATING TO FIRE-SAFE ACCOMMODATIONS.—(1) Section 5707 of title 5, United States Code, is amended by striking out subsection (d).

(2) Subsection (b) of section 5 of the Hotel and Motel Fire Safety Act of 1990 (Public Law 101–391; 104 Stat. 751; 5 U.S.C. 5707 note) is repealed.

(b) REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES OF DEPARTMENT OF DEFENSE EM-

PLOYEES AND OTHER CIVILIANS WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.—(1) Section 1589 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to such section.

Subtitle B—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 1121. PILOT PROGRAMS FOR DEFENSE EMPLOYEES CONVERTED TO CONTRACTOR EMPLOYEES DUE TO PRIVATIZATION AT CLOSED MILITARY INSTALLATIONS.

(a) PILOT PROGRAMS AUTHORIZED.—(1) The Secretary of Defense, after consultation with the Secretary of the Navy, the Secretary of the Air Force, and the Director of the Office of Personnel Management, may establish a pilot program under which Federal retirement benefits are provided in accordance with this section to persons who convert from Federal employment in the Department of the Navy or the Department of the Air Force to employment by a Department of Defense contractor in connection with the privatization of the performance of functions at selected military installations being closed under the base closure and realignment process.

(2) The Secretary of Defense shall select the installations to be covered by a pilot program under this section.

(b) ELIGIBLE TRANSFERRED EMPLOYEES.—(1) A person is a transferred employee eligible for benefits under this section if the person is a former employee of the Department of Defense (other than a temporary employee) who—

(A) while employed by the Department of Defense in a function recommended to be privatized as part of the closure and realignment of military installations pursuant to section 2903(e) of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and while covered under the Civil Service Retirement System, separated from Federal service after being notified that the employee would be separated in a reduction-in-force resulting from conversion from performance of a function by Department of Defense employees at that military installation to performance of that function by a defense contractor at that installation or in the vicinity of that installation;

(B) is employed by the defense contractor within 60 days following such separation to perform sub-

stantially the same function performed before the separation;

(C) remains employed by the defense contractor (or a successor defense contractor) or subcontractor of the defense contractor (or successor defense contractor) until attaining early deferred retirement age (unless the employment is sooner involuntarily terminated for reasons other than performance or conduct of the employee);

(D) at the time separated from Federal service, was not eligible for an immediate annuity under the Civil Service Retirement System; and

(E) does not withdraw retirement contributions under section 8342 of title 5, United States Code.

(2) A person who, under paragraph (1), would otherwise be eligible for an early deferred annuity under this section shall not be eligible for such benefits if the person received separation pay or severance pay due to a separation described in subparagraph (A) of that paragraph unless the person repays the full amount of such pay with interest (computed at a rate determined appropriate by the Director of the Office of Personnel Management) to the Department of Defense before attaining early deferred retirement age.

(c) RETIREMENT BENEFITS OF TRANSFERRED EMPLOYEES.—In the case of a transferred employee covered by a pilot program under this section, payment of a deferred annuity for which the transferred employee is eligible under section 8338(a) of title 5, United States Code, shall commence on the first day of the first month that begins after the date on which the transferred employee attains early deferred retirement age, notwithstanding the age requirement under that section.

(d) COMPUTATION OF AVERAGE PAY.—(1)(A) This paragraph applies to a transferred employee who was employed in a position classified under the General Schedule immediately before the employee's covered separation from Federal service.

(B) Subject to subparagraph (C), for purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that rates of basic pay are increased under section 5303 of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(C) The average pay of a transferred employee, as adjusted under subparagraph (B), may not exceed the amount to which an annuity of the transferred employee could be increased under section 8340 of title 5, United States Code, in accordance with the limitation in subsection (g)(1) of such section (relating to maximum pay, final pay, or average pay).

(2)(A) This paragraph applies to a transferred employee who was a prevailing rate employee (as defined under section 5342(2) of title 5, United States Code) immediately before the employee's covered separation from Federal service.

(B) For purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that pay rates for positions that are in the same area as, and are comparable to, the last position the transferred employee held as a prevailing rate employee, are increased under section 5343(a) of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(e) PAYMENT OF UNFUNDED LIABILITY.—(1) The military department concerned shall be liable for that portion of any estimated increase in the unfunded liability of the Civil Service Retirement and Disability Fund established under section 8348 of title 5, United States Code, which is attributable to any benefits payable from such Fund to a transferred employee, and any survivor of a transferred employee, when the increase results from—

(A) an increase in the average pay of the transferred employee under subsection (d) upon which such benefits are computed; and

(B) the commencement of an early deferred annuity in accordance with this section before the attainment of 62 years of age by the transferred employee.

(2) The estimated increase in the unfunded liability for each department referred to in paragraph (1), shall be determined by the Director of the Office of Personnel Management. In making the determination, the Director shall consider any savings to the Fund as a result of the program established under this section. The Secretary of the military department concerned shall pay the amount so determined to the Director in 10 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System,

with the first payment thereof due at the end of the fiscal year in which an increase in average pay under subsection (d) becomes effective.

(f) CONTRACTOR SERVICE NOT CREDITABLE.—Service performed by a transferred employee for a defense contractor after the employee's covered separation from Federal service is not creditable service for purposes of subchapter III of chapter 83 of title 5, United States Code.

(g) RECEIPT OF BENEFITS WHILE EMPLOYED BY A DEFENSE CONTRACTOR.—A transferred employee may commence receipt of an early deferred annuity in accordance with this section while continuing to work for a defense contractor.

(h) LUMP-SUM CREDIT PAYMENT.—If a transferred employee dies before attaining early deferred retirement age, such employee shall be treated as a former employee who dies not retired for purposes of payment of the lump-sum credit under section 8342(d) of title 5, United States Code.

(i) CONTINUED FEDERAL HEALTH BENEFITS COVERAGE.—Notwithstanding section 5905a(e)(1)(A) of title 5, United States Code, the continued coverage of a transferred employee for health benefits under chapter 89 of such title by reason of the application of section 8905a of such title to such employee shall terminate 90 days

after the date of the employee's covered separation from Federal employment. For the purposes of the preceding sentence, a person who, except for subsection (b)(2), would be a transferred employee shall be considered a transferred employee.

(j) REPORT BY GAO.—The Comptroller General of the United States shall conduct a study of each pilot program, if any, established under this section and submit a report on the pilot program to Congress not later than two years after the date on which the program is established. The report shall contain the following:

(1) A review and evaluation of the program, including—

(A) an evaluation of the success of the privatization outcomes of the program;

(B) a comparison and evaluation of such privatization outcomes with the privatization outcomes with respect to facilities at other military installations closed or realigned under the base closure laws;

(C) an evaluation of the impact of the program on the Federal workforce and whether the program results in the maintenance of a skilled workforce for defense contractors at an accept-

able cost to the military department concerned; and

(D) an assessment of the extent to which the pilot program is a cost-effective means of facilitating privatization of the performance of Federal activities.

(2) Recommendations relating to the expansion of the program to other installations and employees.

(3) Any other recommendation relating to the program.

(k) IMPLEMENTING REGULATIONS.—Not later than 30 days after the Secretary of Defense notifies the Director of the Office of Personnel Management of a decision to establish a pilot program under this section, the Director shall prescribe regulations to carry out the provisions of this section with respect to that pilot program. Before prescribing the regulations, the Director shall consult with the Secretary.

(l) DEFINITIONS.—In this section:

(1) The term ''transferred employee'' means a person who, pursuant to subsection (b), is eligible for benefits under this section.

(2) The term ''covered separation from Federal service'' means a separation from Federal service as described under subsection (b)(1)(A).

(3) The term ''Civil Service Retirement System'' means the retirement system under subchapter III of chapter 83 of title 5, United States Code.

(4) The term ''defense contractor'' means any entity that—

(A) contracts with the Department of Defense to perform a function previously performed by Department of Defense employees;

(B) performs that function at the same installation at which such function was previously performed by Department of Defense employees or in the vicinity of that installation; and

(C) is the employer of one or more transferred employees.

(5) The term ''early deferred retirement age'' means the first age at which a transferred employee would have been eligible for immediate retirement under subsection (a) or (b) of section 8336 of title 5, United States Code, if such transferred employee had remained an employee within the meaning of section 8331(1) of such title continuously until attaining such age.

(6) The term ''severance pay'' means severance pay payable under section 5595 of title 5, United States Code.

(7) The term ''separation pay'' means separation pay payable under section 5597 of title 5, United States Code.

(m) EFFECTIVE DATE.—This section shall take effect on August 1, 1996, and shall apply to covered separations from Federal service on or after that date.

SEC. 1122. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS APPLIED TO CIVILIAN PERSONNEL.

(a) SEPARATED CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE.—(1) Subsection (a) of section 1598 of title 10, United States Code, is amended by striking out ''may establish'' and inserting in lieu thereof ''shall establish''.

(2) Subsection (d)(2) of such section is amended by striking out ''five school years'' in subparagraphs (A) and (B) and inserting in lieu thereof ''two school years''.

(b) DISPLACED DEPARTMENT OF DEFENSE CONTRACTOR EMPLOYEES.—Section 2410j(f)(2) of such title is amended by striking out ''five school years'' in subparagraphs (A) and (B) and inserting in lieu thereof ''two school years''.

(c) SAVINGS PROVISION.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1598 or 2410j of

title 10, United States Code, before the date of the enactment of this Act.

Subtitle C—Defense Intelligence Personnel

SEC. 1131. SHORT TITLE.

This subtitle may be cited as the ''Department of Defense Civilian Intelligence Personnel Reform Act of 1996''.

SEC. 1132. CIVILIAN INTELLIGENCE PERSONNEL MANAGEMENT.

Section 1590 of title 10, United States Code, is amended to read as follows:

''§ 1590. Management of civilian intelligence personnel of the Department of Defense

''(a) GENERAL PERSONNEL MANAGEMENT AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of employees—

''(1) establish—

''(A) as positions in the excepted service, such defense intelligence component positions (including Intelligence Senior Level positions) as the Secretary determines necessary to carry out the intelligence functions of the defense intelligence components, but not to exceed in

number the number of the defense intelligence component positions established as of January 1, 1996; and

"(B) such Intelligence Senior Executive Service positions as the Secretary determines necessary to carry out functions referred to in subparagraph (B);

"(2) appoint individuals to such positions (after taking into consideration the availability of preference eligibles for appointment to such positions); and

"(3) fix the compensation of such individuals for service in such positions.

"(b) BASIC PAY.—(1)(A) Subject to subparagraph (B) and paragraph (2), the Secretary of Defense shall fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that subpart which have corresponding levels of duties and responsibilities.

"(B) Except as otherwise provided by law, no rate of basic pay fixed under subparagraph (A) for a position established under subsection (a) may exceed—

"(i) in the case of an Intelligence Senior Executive Service position, the maximum rate provided in section 5382 of title 5;

"(ii) in the case of an Intelligence Senior Level position, the maximum rate provided in section 5382 of title 5; and

"(iii) in the case of any other defense intelligence component position, the maximum rate provided in section 5306(e) of title 5.

"(2) The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions for civilian employees in or under which the Department of Defense may employ individuals described by section 5342(a)(2)(A) of such title.

"(c) ADDITIONAL COMPENSATION, INCENTIVES, AND ALLOWANCES.—(1) Employees in defense intelligence component positions may be paid additional compensation, including benefits, incentives, and allowances, in accordance with this subsection if, and to the extent, authorized in regulations prescribed by the Secretary of Defense.

"(2) Additional compensation under this subsection shall be consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(3)(A) Employees in defense intelligence component positions, if citizens or nationals of the United States, may be paid an allowance while stationed outside the continental United States or in Alaska.

"(B) Subject to subparagraph (C), allowances under subparagraph (A) shall be based on—

"(i) living costs substantially higher than in the District of Columbia;

"(ii) conditions of environment which differ substantially from conditions of environment in the continental United States and warrant an allowance as a recruitment incentive; or

"(iii) both of the factors described in clauses (i) and (ii).

"(C) An allowance under subparagraph (A) may not exceed an allowance authorized to be paid by section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(d) INTELLIGENCE SENIOR EXECUTIVE SERVICE.—(1) The Secretary of Defense may establish an Intelligence Senior Executive Service for defense intelligence component positions established pursuant to subsection (a) that are equivalent to Senior Executive Service positions.

"(2) The Secretary of Defense shall prescribe regulations for the Intelligence Senior Executive Service which

are consistent with the requirements set forth in sections 3131, 3132(a)(2), 3396(c), 3592, 3595(a), 5384, and 6304 of title 5, subsections (a), (b), and (c) of section 7543 of such title (except that any hearing or appeal to which a member of the Intelligence Senior Executive Service is entitled shall be held or decided pursuant to the regulations), and subchapter II of chapter 43 of such title. To the extent that the Secretary determines it practicable to apply to members of, or applicants for, the Intelligence Senior Executive Service other provisions of title 5 that apply to members of, or applicants for, the Senior Executive Service, the Secretary shall also prescribe regulations to implement those sections with respect to the Intelligence Senior Executive Service.

"(e) AWARD OF RANK TO MEMBERS OF THE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—The President, based on the recommendations of the Secretary of Defense, may award a rank referred to in section 4507 of title 5 to members of the Intelligence Senior Executive Service whose positions may be established pursuant to this section. The awarding of such rank shall be made in a manner consistent with the provisions of that section.

"(f) INTELLIGENCE SENIOR LEVEL POSITIONS.—The Secretary of Defense may, in accordance with regulations prescribed by the Secretary, designate as an Intel-

ligence Senior Level position any defense intelligence component position that, as determined by the Secretary—

"(1) is classifiable above grade GS–15 of the General Schedule;

"(2) does not satisfy functional or program management criteria for being designated an Intelligence Senior Executive Service position; and

"(3) has no more than minimal supervisory responsibilities.

"(g) TIME LIMITED APPOINTMENTS.—(1) The Secretary of Defense may, in regulations, authorize appointing officials to make time limited appointments to defense intelligence component positions specified in the regulations.

"(2) The Secretary of Defense shall review each time limited appointment in a defense intelligence component position at the end of the first year of the period of the appointment and determine whether the appointment should be continued for the remainder of the period. The continuation of a time limited appointment after the first year shall be subject to the approval of the Secretary.

"(3) An employee serving in a defense intelligence component position pursuant to a time limited appointment is not eligible for a permanent appointment to an Intelligence Senior Executive Service position (including

a position in which serving) unless selected for the permanent appointment on a competitive basis.

"(4) In this subsection, the term 'time limited appointment' means an appointment (subject to the condition in paragraph (2)) for a period not to exceed two years.

"(h) TERMINATION OF CIVILIAN INTELLIGENCE EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee in a defense intelligence component position if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Rep-

resentatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense and the head of a defense intelligence component (with respect to employees of that component). An action to terminate employment of such an employee by any such official may be appealed to the Secretary of Defense.

"(i) REDUCTIONS AND OTHER ADJUSTMENTS IN FORCE.—(1) The Secretary of Defense, in consultation with the Director of the Office of Personnel Management, shall prescribe regulations for the separation of employees in defense intelligence component positions, including members of the Intelligence Senior Executive Service and employees in Intelligence Senior Level positions, in a reduction in force or other adjustment in force. The regula-

tions shall apply to such a reduction in force or other adjustment in force notwithstanding sections 3501(b) and 3502 of title 5.

"(2) The regulations shall give effect to—

"(A) tenure of employment;

"(B) military preference, subject to sections 3501(a)(3) and 3502(b) of title 5;

"(C) the veteran's preference under section 3502(b) of title 5;

"(D) performance; and

"(E) length of service computed in accordance with the second sentence of section 3502(a) of title 5.

"(2) The regulations relating to removal from the Intelligence Senior Executive Service in a reduction in force or other adjustment in force shall be consistent with section 3595(a) of title 5.

"(3)(A) The regulations shall provide a right of appeal regarding a personnel action under the regulations. The appeal shall be determined within the Department of Defense. An appeal determined at the highest level provided in the regulations shall be final and not subject to review outside the Department of Defense. A personnel action covered by the regulations is not subject to any

other provision of law that provides appellate rights or procedures.

"(B) Notwithstanding subparagraph (A), a preference eligible referred to in section 7511(a)(1)(B) of title 5 may appeal to the Merit Systems Protection Board any personnel action taken under the regulations. Section 7701 of title 5 shall apply to any such appeal.

"(j) APPLICABILITY OF MERIT SYSTEM PRINCIPLES.—Section 2301 of title 5 shall apply to the exercise of authority under this section.

"(k) COLLECTIVE BARGAINING AGREEMENTS.—Nothing in this section may be construed to impair the continued effectiveness of a collective bargaining agreement with respect to an agency or office that is a successor to an agency or office covered by the agreement before the succession.

"(l) NOTIFICATION OF CONGRESS.—At least 60 days before the effective date of regulations prescribed to carry out this section, the Secretary of Defense shall submit the regulations to the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(m) DEFINITIONS.—In this section:

"(1) The term 'defense intelligence component position' means a position of civilian employment as an intelligence officer or employee of a defense intelligence component.

"(2) The term 'defense intelligence component' means each of the following components of the Department of Defense:

"(A) The National Security Agency.

"(B) The Defense Intelligence Agency.

"(C) The Central Imagery Office.

"(D) Any component of a military department that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(E) Any other component of the Department of Defense that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(F) Any successor to a component listed in, or designated pursuant to, this paragraph.

"(3) The term 'Intelligence Senior Level position' means a defense intelligence component position designated as an Intelligence Senior Level position pursuant to subsection (f).

"(4) The term 'excepted service' has the meaning given such term in section 2103 of title 5.

"(5) The term 'preference eligible' has the meaning given such term in section 2108(3) of title 5.

"(6) The term 'Senior Executive Service position' has the meaning given such term in section 3132(a)(2) of title 5.

"(7) The term 'collective bargaining agreement' has the meaning given such term in section 7103(8) of title 5.".

SEC. 1133. REPEALS.

(a) DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—Sections 1601, 1603, and 1604 of title 10, United States Code, are repealed.

(b) NATIONAL SECURITY AGENCY PERSONNEL MANAGEMENT AUTHORITIES.—(1) Sections 2 and 4 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) are repealed.

(2) Section 303 of the Internal Security Act of 1950 (50 U.S.C. 833) is repealed.

SEC. 1134. CLERICAL AMENDMENTS.

(a) AMENDED SECTION HEADING.—The item relating to section 1590 in the table of sections at the begin-

ning of chapter 81 of title 10, United States Code, is amended to read as follows:

"1590. Management of civilian intelligence personnel of the Department of Defense.".

(b) REPEALED SECTIONS.—The table of sections at the beginning of chapter 83 of title 10, United States Code, is amended by striking out the items relating to sections 1601, 1603, and 1604.

TITLE XII—FEDERAL CHARTER FOR THE FLEET RESERVE ASSOCIATION

SEC. 1201. RECOGNITION AND GRANT OF FEDERAL CHARTER.

The Fleet Reserve Association, a nonprofit corporation organized under the laws of the State of Delaware, is recognized as such and granted a Federal charter.

SEC. 1202. POWERS.

The Fleet Reserve Association (in this title referred to as the "association") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 1203. PURPOSES.

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) Upholding and defending the Constitution of the United States.

(2) Aiding and maintaining an adequate naval defense for the United States.

(3) Assisting the recruitment of the best personnel available for the United States Navy, United States Marine Corps, and United States Coast Guard.

(4) Providing for the welfare of the personnel who serve in the United States Navy, United States Marine Corps, and United States Coast Guard.

(5) Continuing to serve loyally the United States Navy, United States Marine Corps, and United States Coast Guard.

(6) Preserving the spirit of shipmanship by providing assistance to shipmates and their families.

(7) Instilling love of the United States and the flag and promoting soundness of mind and body in the youth of the United States.

SEC. 1204. SERVICE OF PROCESS.

With respect to service of process, the association shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 1205. MEMBERSHIP.

Except as provided in section 1208(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

SEC. 1206. BOARD OF DIRECTORS.

Except as provided in section 1208(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1207. OFFICERS.

Except as provided in section 1208(g), the positions of officers of the association and the election of members to such officers shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1208. RESTRICTIONS.

(a) INCOME AND COMPENSATION.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimburse-

ment for actual and necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The association may not issue any shares of stock or declare or pay any dividend.

(d) FEDERAL APPROVAL.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the State of Delaware.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the State in which it is incorporated.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

SEC. 1209. LIABILITY.

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

SEC. 1210. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

SEC. 1211. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled ''An Act to provide for audit of accounts of private corporations estab-

lished under Federal law'', approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end the following:

''(77) Fleet Reserve Association.''.

SEC. 1212. ANNUAL REPORT.

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment made in section 1211. The annual report shall not be printed as a public document.

SEC. 1213. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this title is expressly reserved to Congress.

SEC. 1214. TAX-EXEMPT STATUS.

The association shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986.

SEC. 1215. TERMINATION.

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

SEC. 1216. DEFINITION.

For purposes of this title, the term ''State'' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States Of Micronesia, the Republic of Palau, and any other territory or possession of the United States.

TITLE XIII—DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

SEC. 1301. SHORT TITLE.

This title may be cited as the ''Defense Against Weapons of Mass Destruction Act of 1996''.

SEC. 1302. FINDINGS.

Congress makes the following findings:

(1) Weapons of mass destruction and related materials and technologies are increasingly available from worldwide sources. Technical information relating to such weapons is readily available on the Internet, and raw materials for chemical, biological, and radiological weapons are widely available for legitimate commercial purposes.

(2) The former Soviet Union produced and maintained a vast array of nuclear, biological, and chemical weapons of mass destruction.

(3) Many of the states of the former Soviet Union retain the facilities, materials, and technologies capable of producing additional quantities of weapons of mass destruction.

(4) The disintegration of the former Soviet Union was accompanied by disruptions of command and control systems, deficiencies in accountability for weapons, weapons-related materials and technologies, economic hardships, and significant gaps in border control among the states of the former Soviet Union. The problems of organized crime and corruption in the states of the former Soviet Union increase the potential for proliferation of nuclear, radiological, biological, and chemical weapons and related materials.

(5) The conditions described in paragraph (4) have substantially increased the ability of potentially hostile nations, terrorist groups, and individuals to acquire weapons of mass destruction and related materials and technologies from within the states of the former Soviet Union and from unemployed scientists who worked on those programs.

(6) As a result of such conditions, the capability of potentially hostile nations and terrorist groups to acquire nuclear, radiological, biological, and chemical weapons is greater than any time in history.

(7) The President has identified North Korea, Iraq, Iran, and Libya as hostile states which already possess some weapons of mass destruction and are developing others.

(8) The acquisition or the development and use of weapons of mass destruction is well within the capability of many extremist and terrorist movements, acting independently or as proxies for foreign states.

(9) Foreign states can transfer weapons to or otherwise aid extremist and terrorist movements indirectly and with plausible deniability.

(10) Terrorist groups have already conducted chemical attacks against civilian targets in the United States and Japan, and a radiological attack in Russia.

(11) The potential for the national security of the United States to be threatened by nuclear, radiological, chemical, or biological terrorism must be taken as seriously as the risk of an attack by long-range ballistic missiles carrying nuclear weapons.

(12) There is a significant and growing threat of attack by weapons of mass destruction on targets that are not military targets in the usual sense of the term.

(13) Concomitantly, the threat posed to the citizens of the United States by nuclear, radiological, biological, and chemical weapons delivered by unconventional means is significant and growing.

(14) Mass terror may result from terrorist incidents involving nuclear, radiological, biological, or chemical materials, even if such materials are not configured as military weapons.

(15) Facilities required for production of radiological, biological, and chemical weapons are much smaller and harder to detect than nuclear weapons facilities, and biological, and chemical weapons can be deployed by alternative delivery means that are much harder to detect than long-range ballistic missiles.

(16) Such delivery systems have no assignment of responsibility, unlike ballistic missiles, for which a launch location would be unambiguously known.

(17) Covert or unconventional means of delivery of nuclear, radiological, biological, and chemical weapons, which might be preferable to foreign states

and nonstate organizations, include cargo ships, passenger aircraft, commercial and private vehicles and vessels, and commercial cargo shipments routed through multiple destinations.

(18) Traditional arms control efforts assume large state efforts with detectable manufacturing programs and weapons production programs, but are ineffective in monitoring and controlling smaller, though potentially more dangerous, unconventional proliferation efforts.

(19) Conventional counterproliferation efforts would do little to detect or prevent the rapid development of a capability to suddenly manufacture several hundred chemical or biological weapons with nothing but commercial supplies and equipment.

(20) The United States lacks adequate planning and countermeasures to address the threat of nuclear, radiological, biological, and chemical terrorism.

(21) The Department of Energy has established a Nuclear Emergency Response Team which is available in case of nuclear or radiological emergencies, but no comparable units exist to deal with emergencies involving biological, or chemical weapons or related materials.

(22) State and local emergency response personnel are not adequately prepared or trained for incidents involving nuclear, radiological, biological, or chemical materials.

(23) Exercises of the Federal, State, and local response to nuclear, radiological, biological, or chemical terrorism have revealed serious deficiencies in preparedness and severe problems of coordination.

(24) The development of, and allocation of responsibilities for, effective countermeasures to nuclear, radiological, biological, or chemical terrorism in the United States requires well-coordinated participation of many Federal agencies, and careful planning by the Federal Government and State and local governments.

(25) Training and exercises can significantly improve the preparedness of State and local emergency response personnel for emergencies involving nuclear, radiological, biological, or chemical weapons or related materials.

(26) Sharing of the expertise and capabilities of the Department of Defense, which traditionally has provided assistance to Federal, State, and local officials in neutralizing, dismantling, and disposing of explosive ordnance, as well as radiological, biological,

and chemical materials, can be a vital contribution to the development and deployment of countermeasures against nuclear, biological, and chemical weapons of mass destruction.

(27) The United States lacks effective policy coordination regarding the threat posed by the proliferation of weapons of mass destruction.

SEC. 1303. DEFINITIONS.

In this title:

(1) The term ''weapon of mass destruction'' means any weapon or device that is intended, or has the capability, to cause death or serious bodily injury to a significant number of people through the release, dissemination, or impact of—

(A) toxic or poisonous chemicals or their precursors;

(B) a disease organism; or

(C) radiation or radioactivity.

(2) The term ''independent states of the former Soviet Union'' has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

(3) The term ''highly enriched uranium'' means uranium enriched to 20 percent or more in the isotope U–235.

Subtitle A—Domestic Preparedness

SEC. 1311. EMERGENCY RESPONSE ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—(1) The Secretary of Defense shall carry out a program to provide civilian personnel of Federal, State, and local agencies with training and expert advice regarding emergency responses to a use or threatened use of a weapon of mass destruction or related materials.

(2) The President may designate the head of an agency other than the Department of Defense to assume the responsibility for carrying out the program on or after October 1, 1999, and relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(3) Hereafter in this section, the official responsible for carrying out the program is referred to as the ''lead official''.

(b) COORDINATION.—In carrying out the program, the lead official shall coordinate with each of the following officials who is not serving as the lead official:

(1) The Director of the Federal Emergency Management Agency.

(2) The Secretary of Energy.

(3) The Secretary of Defense.

(4) The heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergency responses described in subsection (a)(1).

(c) ELIGIBLE PARTICIPANTS.—The civilian personnel eligible to receive assistance under the program are civilian personnel of Federal, State, and local agencies who have emergency preparedness responsibilities.

(d) INVOLVEMENT OF OTHER FEDERAL AGENCIES.—(1) The lead official may use personnel and capabilities of Federal agencies outside the agency of the lead official to provide training and expert advice under the program.

(2)(A) Personnel used under paragraph (1) shall be personnel who have special skills relevant to the particular assistance that the personnel are to provide.

(B) Capabilities used under paragraph (1) shall be capabilities that are especially relevant to the particular assistance for which the capabilities are used.

(e) AVAILABLE ASSISTANCE.—Assistance available under this program shall include the following:

(1) Training in the use, operation, and maintenance of equipment for—

(A) detecting a chemical or biological agent or nuclear radiation;

(B) monitoring the presence of such an agent or radiation;

(C) protecting emergency personnel and the public; and

(D) decontamination.

(2) Establishment of a designated telephonic link (commonly referred to as a ''hot line'') to a designated source of relevant data and expert advice for the use of State or local officials responding to emergencies involving a weapon of mass destruction or related materials.

(3) Use of the National Guard and other reserve components for purposes authorized under this section that are specified by the lead official (with the concurrence of the Secretary of Defense if the Secretary is not the lead official).

(4) Loan of appropriate equipment.

(f) LIMITATIONS ON DEPARTMENT OF DEFENSE ASSISTANCE TO LAW ENFORCEMENT AGENCIES.—Assistance provided by the Department of Defense to law enforcement agencies under this section shall be provided under the authority of, and subject to the restrictions provided in, chapter 18 of title 10, United States Code.

(g) ADMINISTRATION OF DEPARTMENT OF DEFENSE ASSISTANCE.—The Secretary of Defense shall designate

an official within the Department of Defense to serve as the executive agent of the Secretary for the coordination of the provision of Department of Defense assistance under this section.

(h) FUNDING.—(1) Of the total amount authorized to be appropriated under section 301, $35,000,000 is available for the program required under this section.

(2) Of the amount available for the program pursuant to paragraph (1), $10,500,000 is available for use by the Secretary of Defense to assist the Surgeon General of the United States in the establishment of metropolitan emergency medical response teams (commonly referred to as ''Metropolitan Medical Strike Force Teams'') to provide medical services that are necessary or potentially necessary by reason of a use or threatened use of a weapon of mass destruction.

(3) The amount available for the program under paragraph (1) is in addition to any other amounts authorized to be appropriated for the program under section 301.

SEC. 1312. NUCLEAR, CHEMICAL, AND BIOLOGICAL EMERGENCY RESPONSE.

(a) DEPARTMENT OF DEFENSE.—The Secretary of Defense shall designate an official within the Department of Defense as the executive agent for—

(1) the coordination of Department of Defense assistance to Federal, State, and local officials in responding to threats involving biological or chemical weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of biological and chemical weapons and related materials and technologies; and

(2) the coordination of Department of Defense assistance to the Department of Energy in carrying out that department's responsibilities under subsection (b).

(b) DEPARTMENT OF ENERGY.—The Secretary of Energy shall designate an official within the Department of Energy as the executive agent for—

(1) the coordination of Department of Energy assistance to Federal, State, and local officials in responding to threats involving nuclear weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of nuclear weapons and related materials and technologies; and

(2) the coordination of Department of Energy assistance to the Department of Defense in carrying out that department's responsibilities under subsection (a).

(c) FUNDING.—(1)(A) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for providing assistance described in subsection (a).

(B) The amount available under subparagraph (A) for providing assistance described in subsection (a) is in addition to any other amounts authorized to be appropriated under section 301 for that purpose.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for providing assistance described in subsection (b).

(B) The amount available under subparagraph (A) for providing assistance is in addition to any other amounts authorized to be appropriated under title XXXI for that purpose.

SEC. 1313. MILITARY ASSISTANCE TO CIVILIAN LAW ENFORCEMENT OFFICIALS IN EMERGENCY SITUATIONS INVOLVING BIOLOGICAL OR CHEMICAL WEAPONS.

(a) ASSISTANCE AUTHORIZED.—(1) The chapter 18 of title 10, United States Code, is amended by adding at the end the following:

"§ 382. Emergency situations involving chemical or biological weapons of mass destruction

"(a) IN GENERAL.—The Secretary of Defense, upon the request of the Attorney General, may provide assistance in support of Department of Justice activities relating to the enforcement of section 175 or 2332c of title 18 during an emergency situation involving a biological or chemical weapon of mass destruction. Department of Defense resources, including personnel of the Department of Defense, may be used to provide such assistance if—

"(1) the Secretary of Defense and the Attorney General jointly determine that an emergency situation exists; and

"(2) the Secretary of Defense determines that the provision of such assistance will not adversely affect the military preparedness of the United States.

"(b) EMERGENCY SITUATIONS COVERED.—As used in this section, the term 'emergency situation involving a biological or chemical weapon of mass destruction' means a circumstance involving a biological or chemical weapon of mass destruction—

"(1) that poses a serious threat to the interests of the United States; and

"(2) in which—

"(A) civilian expertise and capabilities are not readily available to provide the required as-

sistance to counter the threat immediately posed by the weapon involved;

"(B) special capabilities and expertise of the Department of Defense are necessary and critical to counter the threat posed by the weapon involved; and

"(C) enforcement of section 175 or 2332c of title 18 would be seriously impaired if the Department of Defense assistance were not provided.

"(c) FORMS OF ASSISTANCE.—The assistance referred to in subsection (a) includes the operation of equipment (including equipment made available under section 372 of this title) to monitor, contain, disable, or dispose of the weapon involved or elements of the weapon.

"(d) REGULATIONS.—(1) The Secretary of Defense and the Attorney General shall jointly issue regulations concerning the types of assistance that may be provided under this section. Such regulations shall also describe the actions that Department of Defense personnel may take in circumstances incident to the provision of assistance under this section.

"(2)(A) Except as provided in subparagraph (B), the regulations may not authorize the following actions:

"(i) Arrest.

"(ii) Any direct participation in conducting a search for or seizure of evidence related to a violation of section 175 or 2332c of title 18.

"(iii) Any direct participation in the collection of intelligence for law enforcement purposes.

"(B) The regulations may authorize an action described in subparagraph (A) to be taken under the following conditions:

"(i) The action is considered necessary for the immediate protection of human life, and civilian law enforcement officials are not capable of taking the action.

"(ii) The action is otherwise authorized under subsection (c) or under otherwise applicable law.

"(e) REIMBURSEMENTS.—The Secretary of Defense shall require reimbursement as a condition for providing assistance under this section to the extent required under section 377 of this title.

"(f) DELEGATIONS OF AUTHORITY.—(1) Except to the extent otherwise provided by the Secretary of Defense, the Deputy Secretary of Defense may exercise the authority of the Secretary of Defense under this section. The Secretary of Defense may delegate the Secretary's authority under this section only to an Under Secretary of Defense or an Assistant Secretary of Defense and only if the

Under Secretary or Assistant Secretary to whom delegated has been designated by the Secretary to act for, and to exercise the general powers of, the Secretary.

"(2) Except to the extent otherwise provided by the Attorney General, the Deputy Attorney General may exercise the authority of the Attorney General under this section. The Attorney General may delegate that authority only to the Associate Attorney General or an Assistant Attorney General and only if the Associate Attorney General or Assistant Attorney General to whom delegated has been designated by the Attorney General to act for, and to exercise the general powers of, the Attorney General.

"(g) RELATIONSHIP TO OTHER AUTHORITY.—Nothing in this section shall be construed to restrict any executive branch authority regarding use of members of the armed forces or equipment of the Department of Defense that was in effect before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.".

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

"382. Emergency situations involving chemical or biological weapons of mass destruction.".

(b) CONFORMING AMENDMENT TO CONDITION FOR PROVIDING EQUIPMENT AND FACILITIES.—Section 372(b)(1) of title 10, United States Code, is amended by

adding at the end the following: ''The requirement for a determination that an item is not reasonably available from another source does not apply to assistance provided under section 382 of this title pursuant to a request of the Attorney General for the assistance.''.

(c) CONFORMING AMENDMENTS RELATING TO AUTHORITY TO REQUEST ASSISTANCE.—(1)(A) Chapter 10 of title 18, United States Code, is amended by inserting after section 175 the following:

''§ 175a. Requests for military assistance to enforce prohibition in certain emergencies

''The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 175 of this title in an emergency situation involving a biological weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 175 the following:

''175a. Requests for military assistance to enforce prohibition in certain emergencies.''.

(2)(A) The chapter 133B of title 18, United States Code, that relates to terrorism is amended by inserting after section 2332c the following:

"§ 2332d. Requests for military assistance to enforce prohibition in certain emergencies

''The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 2332c of this title during an emergency situation involving a chemical weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2332c the following:

''2332d. Requests for military assistance to enforce prohibition in certain emergencies.''.

(d) CIVILIAN EXPERTISE.—The President shall take reasonable measures to reduce the reliance of civilian law enforcement officials on Department of Defense resources to counter the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States. The measures shall include—

(1) actions to increase civilian law enforcement expertise to counter such a threat; and

(2) actions to improve coordination between civilian law enforcement officials and other civilian sources of expertise, within and outside the Federal Government, to counter such a threat.

(e) REPORTS.—The President shall submit to Congress the following reports:

(1) Not later than 90 days after the date of the enactment of this Act, a report describing the respective policy functions and operational roles of Federal agencies in countering the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States.

(2) Not later than one year after such date, a report describing—

(A) the actions planned to be taken to carry out subsection (d); and

(B) the costs of such actions.

(3) Not later than three years after such date, a report updating the information provided in the reports submitted pursuant to paragraphs (1) and (2), including the measures taken pursuant to subsection (d).

SEC. 1314. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, AND BIOLOGICAL WEAPONS.

(a) EMERGENCIES INVOLVING CHEMICAL OR BIOLOGICAL WEAPONS.—(1) The Secretary of Defense shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving biological weapons and related materials and emergencies involving chemical weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Energy, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(b) EMERGENCIES INVOLVING NUCLEAR AND RADIOLOGICAL WEAPONS.—(1) The Secretary of Energy shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving nuclear and radiological weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Defense, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(c) ANNUAL REVISIONS OF PROGRAMS.—The official responsible for carrying out a program developed under subsection (a) or (b) shall revise the program not later than June 1 in each fiscal year covered by the program. The revisions shall include adjustments that the official determines necessary or appropriate on the basis of the lessons learned from the exercise or exercises carried out under the program in the fiscal year, including lessons learned regarding coordination problems and equipment deficiencies.

(d) OPTION TO TRANSFER RESPONSIBILITY.—(1) The President may designate the head of an agency outside the Department of Defense to assume the responsibility for carrying out the program developed under subsection (a) beginning on or after October 1, 1999, and

relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(2) The President may designate the head of an agency outside the Department of Energy to assume the responsibility for carrying out the program developed under subsection (b) beginning on or after October 1, 1999, and relieve the Secretary of Energy of that responsibility upon the assumption of the responsibility by the designated official.

(e) FUNDING.—(1) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for the development and execution of the programs required by this section, including the participation of State and local agencies in exercises carried out under the programs.

(2) The amount available under paragraph (1) for the development and execution of programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purposes.

Subtitle B—Interdiction of Weapons of Mass Destruction and Related Materials

SEC. 1321. UNITED STATES BORDER SECURITY.

(a) PROCUREMENT OF DETECTION EQUIPMENT.—(1) Of the amount authorized to be appropriated by section 301, $15,000,000 is available for the procurement of—

(A) equipment capable of detecting the movement of weapons of mass destruction and related materials into the United States;

(B) equipment capable of interdicting the movement of weapons of mass destruction and related materials into the United States; and

(C) materials and technologies related to use of equipment described in subparagraph (A) or (B).

(2) The amount available under paragraph (1) for the procurement of items referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purpose.

(b) AVAILABILITY OF EQUIPMENT TO COMMISSIONER OF CUSTOMS.—To the extent authorized under chapter 18 of title 10, United States Code, the Secretary of Defense may make equipment of the Department of Defense described in subsection (a), and related materials and tech-

nologies, available to the Commissioner of Customs for use in detecting and interdicting the movement of weapons of mass destruction into the United States.

SEC. 1322. NONPROLIFERATION AND COUNTER-PROLIFERATION RESEARCH AND DEVELOPMENT.

(a) ACTIVITIES AUTHORIZED.—The Secretary of Defense and the Secretary of Energy are each authorized to carry out research on and development of technical means for detecting the presence, transportation, production, and use of weapons of mass destruction and technologies and materials that are precursors of weapons of mass destruction.

(b) FUNDING.—(1)(A) There is authorized to be appropriated for the Department of Defense for fiscal year 1997, $10,000,000 for research and development carried out by the Secretary of Defense pursuant to subsection (a).

(B) The amount authorized to be appropriated for research and development under subparagraph (A) is in addition any other amounts that are authorized to be appropriated under this Act for such research and development, including funds authorized to be appropriated for research and development relating to nonproliferation of weapons of mass destruction.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $19,000,000 is available for research and development carried out by the Secretary of Energy pursuant to subsection (a).

(B) The amount available under subparagraph (B) is in addition to any other amount authorized to be appropriated under title XXXI for such research and development.

SEC. 1323. INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) is amended—

(1) in subsection (a)(1)(B), by striking out ''importation or exportation of,'' and inserting in lieu thereof ''importation, exportation, or attempted importation or exportation of,''; and

(2) in subsection (b)(3), by striking out ''importation from any country, or the exportation'' and inserting in lieu thereof ''importation or attempted importation from any country, or the exportation or attempted exportation''.

SEC. 1324. CRIMINAL PENALTIES.

It is the sense of Congress that—

(1) the sentencing guidelines prescribed by the United States Sentencing Commission for the of-

fenses of importation, attempted importation, exportation, and attempted exportation of nuclear, biological, and chemical weapons materials constitute inadequate punishment for such offenses; and

(2) Congress urges the United States Sentencing Commission to revise the relevant sentencing guidelines to provide for increased penalties for offenses relating to importation, attempted importation, exportation, and attempted exportation of nuclear, biological, or chemical weapons or related materials or technologies under—

(A) section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410);

(B) sections 38 and 40 the Arms Export Control Act (22 U.S.C. 2778 and 2780);

(C) the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(D) section 309(c) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 2156a(c).

SEC. 1325. INTERNATIONAL BORDER SECURITY.

(a) SECRETARY OF DEFENSE RESPONSIBILITY.—The Secretary of Defense, in consultation and cooperation with the Commissioner of Customs, shall carry out programs for assisting customs officials and border guard officials in the independent states of the former Soviet

Union, the Baltic states, and other countries of Eastern Europe in preventing unauthorized transfer and transportation of nuclear, biological, and chemical weapons and related materials. Training, expert advice, maintenance of equipment, loan of equipment, and audits may be provided under or in connection with the programs.

(b) FUNDING.—(1) Of the total amount authorized to be appropriated by section 301, $15,000,000 is available for carrying out the programs referred to in subsection (a).

(2) The amount available under paragraph (1) for programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such programs.

Subtitle C—Control and Disposition of Weapons of Mass Destruction and Related Materials Threatening the United States

SEC. 1331. PROTECTION AND CONTROL OF MATERIALS CONSTITUTING A THREAT TO THE UNITED STATES.

(a) DEPARTMENT OF ENERGY PROGRAM.—Subject to subsection (c)(1), the Secretary of Energy may, under materials protection, control, and accounting assistance of the Department of Energy, provide assistance for securing

from theft or other unauthorized disposition nuclear materials that are not so secured and are located at any site within the former Soviet Union where effective controls for securing such materials are not in place.

(b) DEPARTMENT OF DEFENSE PROGRAM.—Subject to subsection (c)(2), the Secretary of Defense may provide materials protection, control, and accounting assistance under the Cooperative Threat Reduction Programs of the Department of Defense for securing from theft or other unauthorized disposition, or for destroying, nuclear, radiological, biological, or chemical weapons (or related materials) that are not so secure and are located at any site within the former Soviet Union where effective controls for securing such weapons are not in place.

(c) FUNDING.—(1)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for materials protection, control, and accounting assistance of the Department of Energy for providing assistance under subsection (a).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated under title XXXI for materials protection, control, and accounting assistance of the Department of Energy.

(2)(A) Of the total amount authorized to be appropriated under section 301, $10,000,000 is available for the Cooperative Threat Reduction Programs of the Department of Defense for providing materials protection, control, and accounting assistance under subsection (b).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated by section 301 for materials protection, control, and accounting assistance of the Department of Defense.

SEC. 1332. VERIFICATION OF DISMANTLEMENT AND CONVERSION OF WEAPONS AND MATERIALS.

(a) FUNDING FOR COOPERATIVE ACTIVITIES FOR DEVELOPMENT OF TECHNOLOGIES.—Of the total amount authorized to be appropriated under title XXXI, $10,000,000 is available for continuing and expediting cooperative activities with the Government of Russia to develop and deploy—

(1) technologies for improving verification of nuclear warhead dismantlement;

(2) technologies for converting plutonium from weapons into forms that—

(A) are better suited for long-term storage than are the forms from which converted;

(B) facilitate verification; and

(C) are suitable for nonweapons use; and

(3) technologies that promote openness in Russian production, storage, use, and final and interim disposition of weapon-usable fissible material, including at tritium/isotope production reactors, uranium enrichment plants, chemical separation plants, and fabrication facilities associated with naval and civil research reactors.

(b) WEAPONS-USABLE FISSILE MATERIALS TO BE COVERED BY COOPERATIVE THREAT REDUCTION PROGRAMS ON ELIMINATION OR TRANSPORTATION OF NUCLEAR WEAPONS.—Section 1201(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 469; 22 U.S.C. 5955 note) is amended by inserting ‘‘, fissile material suitable for use in nuclear weapons,’’ after ‘‘other weapons’’.

SEC. 1333. ELIMINATION OF PLUTONIUM PRODUCTION.

(a) REPLACEMENT PROGRAM.—The Secretary of Defense, in consultation with the Secretary of Energy, shall develop a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium by modifying or replacing the reactor cores at Tomsk–7 and Krasnoyarsk–26 with reactor cores that are less suitable for the production of weapons-grade plutonium.

(b) PROGRAM REQUIREMENTS.—(1) The program shall be designed to achieve completion of the modifications or replacements of the reactor cores within three years after the modification or replacement activities under the program are begun.

(2) The plan for the program shall—

(A) specify—

(i) successive steps for the modification or replacement of the reactor cores; and

(ii) clearly defined milestones to be achieved; and

(B) include estimates of the costs of the program.

(c) SUBMISSION OF PROGRAM PLAN TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress—

(1) a plan for the program under subsection (a);

(2) an estimate of the United States funding that is necessary for carrying out the activities under the program for each fiscal year covered by the program; and

(3) a comparison of the benefits of the program with the benefits of other nonproliferation programs.

(d) FUNDING FOR INITIAL PHASE.—(1) Of the total amount authorized to be appropriated by section 301 other than for Cooperative Threat Reduction programs, $16,000,000 is available for the initial phase of the program under subsection (a).

(2) The amount available for the initial phase of the reactor modification or replacement program under paragraph (1) is in addition to amounts authorized to be appropriated for Cooperative Threat Reduction programs under section 301(20).

SEC. 1334. INDUSTRIAL PARTNERSHIP PROGRAMS TO DEMILITARIZE WEAPONS OF MASS DESTRUCTION PRODUCTION FACILITIES.

(a) DEPARTMENT OF ENERGY PROGRAM.—The Secretary of Energy shall expand the Industrial Partnership Program of the Department of Energy to include coverage of all of the independent states of the former Soviet Union.

(b) DEPARTMENT OF DEFENSE PROGRAM.—The Secretary of Defense shall establish a program to support the dismantlement or conversion of the biological and chemical weapons facilities in the independent states of the former Soviet Union to uses for nondefense purposes. The Secretary may carry out such program in conjunction with, or separately from, the organization designated as the Defense Enterprise Fund (formerly designated as the

"Demilitarization Enterprise Fund" under section 1204 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 22 U.S.C. 5953)).

(c) FUNDING FOR DEPARTMENT OF DEFENSE PROGRAM.—(1)(A) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for the program under subsection (b).

(B) The amount available under subparagraph (A) for the industrial partnership program of the Department of Defense established pursuant to subsection (b) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

(2) It is the sense of Congress that the Secretary of Defense should transfer to the Defense Enterprise Fund, $20,000,000 out of the funds appropriated for Cooperative Threat Reduction programs for fiscal years before fiscal year 1997 that remain available for obligation.

SEC. 1335. LAB-TO-LAB PROGRAM TO IMPROVE THE SAFETY AND SECURITY OF NUCLEAR MATERIALS.

(a) PROGRAM EXPANSION AUTHORIZED.—The Secretary of Energy is authorized to expand the Lab-to-Lab program of the Department of Energy to improve the safety and security of nuclear materials in the independent states of the former Soviet Union where the Lab-to-Lab

program is not being carried out on the date of the enactment of this Act.

(b) FUNDING.—(1) Of the total amount authorized to be appropriated under title XXXI, $20,000,000 is available for expanding the Lab-to-Lab program as authorized under subsection (a).

(2) The amount available under paragraph (1) is in addition to any other amount otherwise available for the Lab-to-Lab program.

SEC. 1336. COOPERATIVE ACTIVITIES ON SECURITY OF HIGHLY ENRICHED URANIUM USED FOR PROPULSION OF RUSSIAN SHIPS.

(a) RESPONSIBLE UNITED STATES OFFICIAL.—The Secretary of Energy shall be responsible for carrying out United States cooperative activities with the Government of the Russian Federation on improving the security of highly enriched uranium that is used for propulsion of Russian military and civilian ships.

(b) PLAN REQUIRED.—(1) The Secretary shall develop and periodically update a plan for the cooperative activities referred to in subsection (a).

(2) The Secretary shall coordinate the development and updating of the plan with the Secretary of Defense. The Secretary of Defense shall involve the Joint Chiefs of Staff in the coordination.

(c) FUNDING.—(1) Of the total amount authorized to be appropriated by title XXXI, $6,000,000 is available for materials protection, control, and accounting program of the Department of Energy for the cooperative activities referred to in subsection (a).

(2) The amount available for the Department of Energy for materials protection, control, and accounting program under paragraph (1) is in addition to other amounts authorized to be appropriated by title XXXI for such program.

SEC. 1337. MILITARY-TO-MILITARY RELATIONS.

(a) FUNDING.—Of the total amount authorized to be appropriated under section 301, $2,000,000 is available for expanding military-to-military programs of the United States that focus on countering the threats of proliferation of weapons of mass destruction so as to include the security forces of independent states of the former Soviet Union, particularly states in the Caucasus region and Central Asia.

(b) RELATIONSHIP TO OTHER FUNDING AUTHORITY.—The amount available for expanding military-to-military programs under subsection (a) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

SEC. 1338. TRANSFER AUTHORITY.

(a) SECRETARY OF DEFENSE.—(1) To the extent provided in appropriations Acts, the Secretary of Defense may transfer amounts appropriated pursuant to this subtitle for the Department of Defense for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

(b) SECRETARY OF ENERGY.—(1) To the extent provided in appropriations Acts, the Secretary of Energy may transfer amounts appropriated pursuant to this subtitle for the Department of Energy for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

Subtitle D—Coordination of Policy and Countermeasures Against Proliferation of Weapons of Mass Destruction

SEC. 1341. NATIONAL COORDINATOR ON NONPROLIFERATION.

(a) DESIGNATION OF POSITION.—The President shall designate an individual to serve in the Executive Office of the President as the National Coordinator for Nonproliferation Matters.

(b) DUTIES.—The Coordinator shall have the following responsibilities:

(1) To be the principal adviser to the President on nonproliferation of weapons of mass destruction, including issues related to terrorism, arms control, and international organized crime.

(2) To chair the Committee on Nonproliferation established under section 1342.

(3) To take such actions as are necessary to ensure that there is appropriate emphasis in, cooperation on, and coordination of, nonproliferation research efforts of the United States, including activities of Federal agencies as well as activities of contractors funded by the Federal Government.

(c) RELATIONSHIP TO CERTAIN SENIOR DIRECTORS OF NATIONAL SECURITY COUNCIL.—(1) The senior directors of the National Security Council report to the Coordinator regarding the following matters:

(A) Nonproliferation of weapons of mass destruction and related issues.

(B) Management of crises involving use or threatened use of weapons of mass destruction, and on management of the consequences of the use or threatened use of such a weapon.

(C) Terrorism, arms control, and organized crime issues that relate to the threat of proliferation of weapons of mass destruction.

(2) Nothing in paragraph (1) shall be construed to affect the reporting relationship between a senior director and the Assistant to the President for National Security Affairs or any other supervisor regarding matters other than matters described in paragraph (1).

(d) ALLOCATION OF FUNDS.—Of the total amount authorized to be appropriated under section 201, $2,000,000 is available for carrying out research referred to in subsection (b)(3). Such amount is in addition to any other amounts authorized to be appropriated under section 201 for such purpose.

SEC. 1342. NATIONAL SECURITY COUNCIL COMMITTEE ON NONPROLIFERATION.

(a) ESTABLISHMENT.—The Committee on Nonproliferation (in this section referred to as the ''Committee'') is established as a committee of the National Security Council.

(b) MEMBERSHIP.—(1) The Committee shall be composed of the following:

(A) The Secretary of State.

(B) The Secretary of Defense.

(C) The Director of Central Intelligence.

(D) The Attorney General.

(E) The Secretary of Energy.

(F) The Administrator of the Federal Emergency Management Agency.

(G) The Secretary of the Treasury.

(H) The Secretary of Commerce.

(I) Such other members as the President may designate.

(2) The National Coordinator for Nonproliferation Matters shall chair the Committee on Nonproliferation.

(c) RESPONSIBILITIES.—The Committee has the following responsibilities:

(1) To review and coordinate Federal programs, policies, and directives relating to the proliferation of weapons of mass destruction and related materials

and technologies, including matters relating to terrorism and international organized crime.

(2) To make recommendations to the President regarding the following:

(A) Integrated national policies for countering the threats posed by weapons of mass destruction.

(B) Options for integrating Federal agency budgets for countering such threats.

(C) Means to ensure that the Federal, State, and local governments have adequate capabilities to manage crises involving nuclear, radiological, biological, or chemical weapons or related materials or technologies, and to manage the consequences of a use of such a weapon or related materials or technologies, and that use of those capabilities is coordinated.

(D) Means to ensure appropriate cooperation on, and coordination of, the following:

(i) Preventing the smuggling of weapons of mass destruction and related materials and technologies.

(ii) Promoting domestic and international law enforcement efforts against proliferation-related efforts.

(iii) Countering the involvement of organized crime groups in proliferation-related activities.

(iv) Safeguarding weapons of mass destruction materials and related technologies.

(v) Improving coordination and cooperation among intelligence activities, law enforcement, and the Departments of Defense, State, Commerce, and Energy in support of nonproliferation and counterproliferation efforts.

(vi) Ensuring the continuation of effective export controls over materials and technologies that can contribute to the acquisition of weapons of mass destruction.

(vii) Reducing proliferation of weapons of mass destruction and related materials and technologies.

SEC. 1343. COMPREHENSIVE PREPAREDNESS PROGRAM.

(a) PROGRAM REQUIRED.—The President, acting through the Committee on Nonproliferation established under section 1342, shall develop a comprehensive program for carrying out this title.

(b) CONTENT OF PROGRAM.—The program set forth in the report shall include specific plans as follows:

(1) Plans for countering proliferation of weapons of mass destruction and related materials and technologies.

(2) Plans for training and equipping Federal, State, and local officials for managing a crisis involving a use or threatened use of a weapon of mass destruction, including the consequences of the use of such a weapon.

(3) Plans for providing for regular sharing of information among intelligence, law enforcement, and customs agencies.

(4) Plans for training and equipping law enforcement units, customs services, and border security personnel to counter the smuggling of weapons of mass destruction and related materials and technologies.

(5) Plans for establishing appropriate centers for analyzing seized nuclear, radiological, biological, and chemical weapons, and related materials and technologies.

(6) Plans for establishing in the United States appropriate legal controls and authorities relating to the exporting of nuclear, radiological, biological, and

chemical weapons, and related materials and technologies.

(7) Plans for encouraging and assisting governments of foreign countries to implement and enforce laws that set forth appropriate penalties for offenses regarding the smuggling of weapons of mass destruction and related materials and technologies.

(8) Plans for building the confidence of the United States and Russia in each other's controls over United States and Russian nuclear weapons and fissile materials, including plans for verifying the dismantlement of nuclear weapons.

(9) Plans for reducing United States and Russian stockpiles of excess plutonium, reflecting—

(A) consideration of the desirability and feasibility of a United States-Russian agreement governing fissile material disposition and the specific technologies and approaches to be used for disposition of excess plutonium; and

(B) an assessment of the options for United States cooperation with Russia in the disposition of Russian plutonium.

(10) Plans for studying the merits and costs of establishing a global network of means for detecting and responding to terroristic or other criminal use of

biological agents against people or other forms of life in the United States or any foreign country.

(c) REPORT.—(1) At the same time that the President submits the budget for fiscal year 1998 to Congress pursuant to section 1105(a) of title 31, United States Code, the President shall submit to Congress a report that sets forth the comprehensive program developed under subsection (a).

(2) The report shall include the following:

(A) The specific plans for the program that are required under subsection (b).

(B) Estimates of the funds necessary for carrying out such plans in fiscal year 1998.

(3) The report shall be in an unclassified form. If there is a classified version of the report, the President shall submit the classified version at the same time.

SEC. 1344. TERMINATION.

After September 30, 1999, the President—

(1) is not required to maintain a National Coordinator for Nonproliferation Matters under section 1341; and

(2) may terminate the Committee on Nonproliferation established under section 1342.

Subtitle E—Miscellaneous

SEC. 1351. CONTRACTING POLICY.

It is the sense of Congress that the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State—

(1) in the administration of funds available to such officials in accordance with this title, should (to the extent possible under law) contract directly with suppliers in independent states of the former Soviet Union to facilitate the purchase of goods and services necessary to carry out effectively the programs and authorities provided or referred to in subtitle C; and

(2) to do so should seek means, consistent with law, to utilize innovative contracting approaches to avoid delay and increase the effectiveness of such programs and of the exercise of such authorities.

SEC. 1352. TRANSFERS OF ALLOCATIONS AMONG COOPERATIVE THREAT REDUCTION PROGRAMS.

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

(1) The various Cooperative Threat Reduction programs are being carried out at different rates in the various countries covered by such programs.

(2) It is necessary to authorize transfers of funding allocations among the various programs in order to maximize the effectiveness of United States efforts under such programs.

(b) TRANSFERS AUTHORIZED.—Funds appropriated for the purposes set forth in subsection (a) of section 1202 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 409) may be used for any such purpose without regard to the allocation set forth in that section and without regard to subsection (b) of such section.

SEC. 1353. ADDITIONAL CERTIFICATIONS.

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

(1) the Cooperative Threat Reduction programs and other United States programs that are derived from programs established under the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484; 22 U.S.C. 2901 et seq.) should be expanded by offering assistance under those programs to other independent states of the former Soviet Union in addition to Russia, Ukraine, Kazakstan, and Belarus; and

(2) the President should offer assistance to additional independent states of the former Soviet

Union in each case in which the participation of such states would benefit national security interests of the United States by improving border controls and safeguards over materials and technology associated with weapons of mass destruction.

(b) EXTENSION OF COVERAGE.—Assistance under programs referred to in subsection (a) may, notwithstanding any other provision of law, be extended to include an independent state of the former Soviet Union if the President certifies to Congress that it is in the national interests of the United States to extend the assistance to that state.

SEC. 1354. PURCHASE OF LOW-ENRICHED URANIUM DERIVED FROM RUSSIAN HIGHLY ENRICHED URANIUM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the allies of the United States and other nations should participate in efforts to ensure that stockpiles of weapons-grade nuclear material are reduced.

(b) ACTIONS BY THE SECRETARY OF STATE.—Congress urges the Secretary of State to encourage, in consultation with the Secretary of Energy, other countries to purchase low-enriched uranium that is derived from highly enriched uranium extracted from Russian nuclear weapons.

SEC. 1355. PURCHASE, PACKAGING, AND TRANSPORTATION OF FISSILE MATERIALS AT RISK OF THEFT.

It is the sense of Congress that—

(1) the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State should purchase, package, and transport to secure locations weapons-grade nuclear materials from a stockpile of such materials if such officials determine that—

(A) there is a significant risk of theft of such materials; and

(B) there is no reasonable and economically feasible alternative for securing such materials; and

(2) if it is necessary to do so in order to secure the materials, the materials should be imported into the United States, subject to the laws and regulations that are applicable to the importation of such materials into the United States.

SEC. 1356. REDUCTIONS IN AUTHORIZATION OF APPROPRIATIONS.

(a) NAVY RDT&E.—(1) The total amount authorized to be appropriated under section 201(2) is reduced by $150,000,000.

(2) The reduction in paragraph (1) shall be applied to reduce by $150,000,000 the amount authorized to be

appropriated under section 201(2) for the Distributed Surveillance System.

(b) OPERATIONS AND MAINTENANCE, DEFENSE-WIDE.—The total amount authorized to be appropriated under section 301(5) is reduced by $85,000,000.

TITLE XIV—FEDERAL EMPLOYEE TRAVEL REFORM

SEC. 1401. SHORT TITLE.

This title may be cited as the ''Travel Reform and Savings Act of 1996''.

Subtitle A—Relocation Benefits

SEC. 1411. MODIFICATION OF ALLOWANCE FOR SEEKING PERMANENT RESIDENCE QUARTERS.

Section 5724a of title 5, United States Code, is amended to read as follows:

''§ 5724a. Relocation expenses of employees transferred or reemployed

''(a) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, a per diem allowance or the actual subsistence expenses, or a combination thereof, of the immediate family of the employee for en route travel of the immediate family between the employee's old and new official stations.

"(b)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government between official stations located within the United States—

"(A) the expenses of transportation, and either a per diem allowance or the actual subsistence expenses, or a combination thereof, of the employee and the employee's spouse for travel to seek permanent residence quarters at a new official station; or

"(B) the expenses of transportation, and an amount for subsistence expenses in lieu of a per diem allowance or the actual subsistence expenses or a combination thereof, authorized in subparagraph (A) of this paragraph.

"(2) Expenses authorized under this subsection may be allowed only for one round trip in connection with each change of station of the employee.".

SEC. 1412. MODIFICATION OF TEMPORARY QUARTERS SUBSISTENCE EXPENSES ALLOWANCE.

Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(c)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government—

"(A) actual subsistence expenses of the employee and the employee's immediate family for a pe-

riod of up to 60 days while occupying temporary quarters when the new official station is located within the United States as defined in subsection (d) of this section; or

"(B) an amount for subsistence expenses instead of the actual subsistence expenses authorized in subparagraph (A) of this paragraph.

"(2) The period authorized in paragraph (1) of this subsection for payment of expenses for residence in temporary quarters may be extended up to an additional 60 days if the head of the agency concerned or the designee of such head of the agency determines that there are compelling reasons for the continued occupancy of temporary quarters.

"(3) The regulations implementing paragraph (1)(A) shall prescribe daily rates and amounts for subsistence expenses per individual.".

SEC. 1413. MODIFICATION OF RESIDENCE TRANSACTION EXPENSES ALLOWANCE.

(a) EXPENSES OF SALE.—Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(d)(1) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, expenses of the sale of the residence (or the settlement

of an unexpired lease) of the employee at the old official station and purchase of a residence at the new official station that are required to be paid by the employee, when the old and new official stations are located within the United States.

"(2) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government from a post of duty located outside the United States to an official station within the United States (other than the official station within the United States from which the employee was transferred when assigned to the foreign tour of duty)—

"(A) expenses required to be paid by the employee of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station from which the employee was transferred when the employee was assigned to the post of duty located outside the United States; and

"(B) expenses required to be paid by the employee of the purchase of a residence at the new official station within the United States.

"(3) Reimbursement of expenses under paragraph (2) of this subsection shall not be allowed for any sale (or settlement of an unexpired lease) or purchase transaction that occurs prior to official notification that the employ-

ee's return to the United States would be to an official station other than the official station from which the employee was transferred when assigned to the post of duty outside the United States.

"(4) Reimbursement for brokerage fees on the sale of the residence and other expenses under this subsection may not exceed those customarily charged in the locality where the residence is located.

"(5) Reimbursement may not be made under this subsection for losses incurred by the employee on the sale of the residence.

"(6) This subsection applies regardless of whether title to the residence or the unexpired lease is—

"(A) in the name of the employee alone;

"(B) in the joint names of the employee and a member of the employee's immediate family; or

"(C) in the name of a member of the employee's immediate family alone.

"(7)(A) In connection with the sale of the residence at the old official station, reimbursement under this subsection shall not exceed 10 percent of the sale price.

"(B) In connection with the purchase of a residence at the new official station, reimbursement under this subsection shall not exceed 5 percent of the purchase price.

"(8) For purposes of this subsection, the term 'United States' means the several States of the United States, the District of Columbia, the territories and possessions of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979).".

(b) RELOCATION SERVICES.—Section 5724c of title 5, United State Code, is amended to read as follows:

"§ 5724c. Relocation services

"Under regulations prescribed under section 5737, each agency may enter into contracts to provide relocation services to agencies and employees for the purpose of carrying out this subchapter. An agency may pay a fee for such services. Such services include arranging for the purchase of a transferred employee's residence.".

SEC. 1414. AUTHORITY TO PAY FOR PROPERTY MANAGEMENT SERVICES.

Section 5724a of title 5, United States Code, is further amended—

(1) in subsection (d) (as added by section 1413 of this title)—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

''(8) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, expenses of property management services when the agency determines that such transfer is advantageous and cost-effective to the Government, instead of expenses under paragraph (2) or (3) of this subsection, for sale of the employee's residence.''; and

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

''(e) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, the expenses of property management services when the employee transfers to a post of duty outside the United States as defined in subsection (d) of this section. Such payment shall terminate upon return of the employee to an official station within the United States as defined in subsection (d) of this section.''.

SEC. 1415. AUTHORITY TO TRANSPORT A PRIVATELY OWNED MOTOR VEHICLE WITHIN THE CONTINENTAL UNITED STATES.

(a) IN GENERAL.—Section 5727 of title 5, United States Code, is amended—

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

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

''(c) Under regulations prescribed under section 5737, the privately owned motor vehicle or vehicles of an employee, including a new appointee or a student trainee for whom travel and transportation expenses are authorized under section 5723, may be transported at Government expense to a new official station of the employee when the agency determines that such transport is advantageous and cost-effective to the Government.''; and

(3) in subsection (e) (as so redesignated), by striking ''subsection (b) of this section'' and by inserting ''subsection (b) or (c) of this section''.

(b) AVAILABILITY OF APPROPRIATIONS.—(1) Section 5722(a) of title 5, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (1);

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

(C) by adding at the end the following:

''(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c).''.

(2) Section 5723(a) of title 5, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by inserting ''and'' after the semicolon at the end of paragraph (2); and

(C) by adding at the end the following:

''(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c);''.

SEC. 1416. AUTHORITY TO PAY LIMITED RELOCATION ALLOWANCES TO AN EMPLOYEE WHO IS PERFORMING AN EXTENDED ASSIGNMENT.

(a) IN GENERAL.—Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

''§ 5736. Relocation expenses of an employee who is performing an extended assignment

''(a) Under regulations prescribed under section 5737, an agency may pay to or on behalf of an employee assigned from the employee's official station to a duty sta-

tion for a period of no less than 6 months and no greater than 30 months, the following expenses in lieu of payment of expenses authorized under subchapter I of this chapter:

"(1) Travel expenses to and from the assignment location in accordance with section 5724.

"(2) Transportation expenses of the immediate family and household goods and personal effects to and from the assignment location in accordance with section 5724.

"(3) A per diem allowance for the employee's immediate family to and from the assignment location in accordance with section 5724a(a).

"(4) Travel and transportation expenses of the employee and spouse to seek residence quarters at the assignment location in accordance with section 5724a(b).

"(5) Subsistence expenses of the employee and the employee's immediate family while occupying temporary quarters upon commencement and termination of the assignment in accordance with section 5724a(c).

"(6) An amount, in accordance with section 5724a(g), to be used by the employee for miscellaneous expenses.

"(7) The expenses of transporting a privately owned motor vehicle or vehicles to the assignment location in accordance with section 5727.

"(8) An allowance as authorized under section 5724b of this title for Federal, State, and local income taxes incurred on reimbursement of expenses paid under this section or on services provided in kind under this section.

"(9) Expenses of nontemporary storage of household goods and personal effects as defined in section 5726(a). The weight of the household goods and personal effects stored under this subsection, together with the weight of property transported under section 5724(a), may not exceed the total maximum weight which could be transported in accordance with section 5724(a).

"(10) Expenses of property management services.

"(b) An agency shall not make payment under this section to or on behalf of the employee for expenses incurred after termination of the temporary assignment.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5735 the following new item:

"5736. Relocation expenses of an employee who is performing an extended assignment.".

SEC. 1417. AUTHORITY TO PAY A HOME MARKETING INCENTIVE.

(a) IN GENERAL.—Subchapter IV of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5756. Home marketing incentive payment

"(a) Under such regulations as the Administrator of General Services may prescribe, an agency may pay to an employee who transfers in the interest of the Government an amount, not to exceed a maximum payment amount established by the Administrator in consultation with the Director of the Office of Management and Budget, to encourage the employee to aggressively market the employee's residence at the old official station when—

"(1) the residence is entered into a program established under a contract in accordance with section 5724c of this chapter, to arrange for the purchase of the residence;

"(2) the employee finds a buyer who completes the purchase of the residence through the program; and

"(3) the sale of the residence to the individual results in a reduced cost to the Government.

"(b) For fiscal years 1997 and 1998, the Administrator shall establish a maximum payment amount of 5 percent of the sales price of the residence.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting at the end the following:

"5756. Home marketing incentive payment.".

SEC. 1418. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—(1) Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsections:

"(g)(1) Subject to paragraph (2), an employee who is reimbursed under subsections (a) through (f) of this section or section 5724(a) of this title is entitled to an amount for miscellaneous expenses—

"(A) not to exceed 2 weeks' basic pay, if such employee has an immediate family; or

"(B) not to exceed 1 week's basic pay, if such employee does not have an immediate family.

"(2) Amounts paid under paragraph (1) may not exceed amounts determined at the maximum rate payable for a position at GS–13 of the General Schedule.

"(h) A former employee separated by reason of reduction in force or transfer of function who within 1 year after the separation is reemployed by a nontemporary ap-

pointment at a different geographical location from that where the separation occurred, may be allowed and paid the expenses authorized by sections 5724, 5725, 5726(b), and 5727 of this title, and may receive the benefits authorized by subsections (a) through (g) of this section, in the same manner as though such employee had been transferred in the interest of the Government without a break in service to the location of reemployment from the location where separated.

''(i) Payments for subsistence expenses, including amounts in lieu of per diem or actual subsistence expenses or a combination thereof, authorized under this section shall not exceed the maximum payment allowed under regulations which implement section 5702 of this title.

''(j) Subsections (a), (b), and (c) shall be implemented under regulations issued under section 5737.''.

(2) Section 3375 of title 5, United States Code, is amended—

(A) in subsection (a)(3), by striking ''section 5724a(a)(1) of this title'' and inserting ''section 5724a(a) of this title'';

(B) in subsection (a)(4), by striking ''section 5724a(a)(3) of this title'' and inserting ''section 5724a(c) of this title''; and

(C) in subsection (a)(5), by striking ''section 5724a(b) of this title'' and inserting ''section 5724a(g) of this title''.

(3) Section 5724(e) of title 5, United States Code, is amended by striking ''section 5724a(a), (b) of this title'' and inserting ''section 5724a(a) through (g) of this title''.

(b) MISCELLANEOUS.—(1) Section 707 of title 38, United States Code, is amended—

(A) in subsection (a)(6), by striking ''Section 5724a(a)(3)'' and inserting ''Section 5724a(c)''; and

(B) in subsection (a)(7), by striking ''Section 5724a(a)(4)'' and inserting ''section 5724a(d)''.

(2) Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended—

(A) in subsection (g)(2)(A), by striking ''5724a(a)(1)'' and inserting ''5724a(a)''; and

(B) in subsection (g)(2)(A), by striking ''5724a(a)(3)'' and inserting ''5724a(c)''.

(3) Section 925 of the Public Health Service Act (42 U.S.C. 299c–4) is amended—

(A) in subsection (f)(2)(A), by striking ''5724a(a)(1)'' and inserting ''5724a(a)''; and

(B) in subsection (f)(2)(A), by striking ''5724a(a)(3)'' and inserting ''5724a(c)''.

Subtitle B—Miscellaneous Provisions

SEC. 1431. REPEAL OF THE LONG-DISTANCE TELEPHONE CALL CERTIFICATION REQUIREMENT.

Section 1348 of title 31, United States Code, is amended—

(1) by striking the last sentence of subsection (a)(2);

(2) by striking subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 1432. TRANSFER OF AUTHORITY TO ISSUE REGULATIONS.

(a) IN GENERAL.—Subchapter II of chapter 57 of title 5, United States Code, is further amended by adding at the end the following new section:

"§ 5737. Regulations

''(a)(1) Except as specifically provided in this subchapter, the Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.

''(2) Notwithstanding any limitation of this subchapter, in promulgating regulations under paragraph (1) of this subsection, the Administrator of General Services shall include a provision authorizing the head of an agency

or his designee to waive any limitation of this subchapter or in any implementing regulation for any employee relocating to or from a remote or isolated location who would otherwise suffer hardship.

''(b) The Administrator of General Services shall prescribe regulations necessary for the implementation of section 5724b of this subchapter in consultation with the Secretary of the Treasury.

''(c) The Secretary of Defense shall prescribe regulations necessary for the implementation of section 5735 of this subchapter.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is further amended by inserting after the item relating to section 5736 the following new item:

''5737. Regulations.''.

(c) CONFORMING AMENDMENTS.—(1) Section 5722 of title 5, United States Code, is amended by striking ''Under such regulations as the President may prescribe'', and inserting ''Under regulations prescribed under section 5737 of this title''.

(2) Section 5723 of title 5, United States Code, is amended by striking ''Under such regulations as the President may prescribe'', and inserting ''Under regulations prescribed under section 5737 of this title''.

(3) Section 5724 of title 5, United States Code, is amended—

(A) in subsections (a) through (c), by striking ''Under such regulations as the President may prescribe'' each place it appears and inserting ''Under regulations prescribed under section 5737 of this title'';

(B) in subsections (c) and (e), by striking ''under regulations prescribed by the President'' and inserting ''under regulations prescribed under section 5737 of this title''; and

(C) in subsection (f), by striking ''under the regulations of the President'' and inserting ''under regulations prescribed under section 5737 of this title''.

(4) Section 5724b of title 5, United States Code, is amended by striking ''Under such regulations as the President may prescribe'' and inserting ''Under regulations prescribed under section 5737 of this title''.

(5) Section 5726 of title 5, United States Code, is amended—

(A) in subsection (a), by striking ''as the President may by regulation authorize'' and inserting ''as authorized under regulations prescribed under section 5737 of this title''; and

(B) in subsections (b) and (c), by striking ''Under such regulations as the President may prescribe'' each place it appears and inserting ''under regulations prescribed under section 5737 of this title''.

(6) Section 5727(b) of title 5, United States Code, is amended by striking ''Under such regulations as the President may prescribe'' and inserting ''Under regulations prescribed under section 5737 of this title''.

(7) Section 5728 of title 5, United States Code, is amended in subsections (a), (b), and (c)(1), by striking ''Under such regulations as the President may prescribe'' each place it appears and inserting ''Under regulations prescribed under section 5737 of this title''.

(8) Section 5729 of title 5, United States Code, is amended in subsections (a) and (b), by striking ''Under such regulations as the President may prescribe'' each place it appears and inserting ''Under regulations prescribed under section 5737 of this title''.

(9) Section 5731 of title 5, United States Code, is amended by striking ''in accordance with regulations prescribed by the President'' and inserting ''in accordance with regulations prescribed under section 5737 of this title''.

SEC. 1433. REPORT ON ASSESSMENT OF COST SAVINGS.

No later than 1 year after the effective date of the final regulations issued under section 1434(b), the General Accounting Office shall submit a report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives on an assessment of the cost savings to Federal travel administration resulting from statutory and regulatory changes under this Act.

SEC. 1434. EFFECTIVE DATE; ISSUANCE OF REGULATIONS.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

(b) REGULATIONS.—The Administrator of General Services shall issue final regulations implementing the amendments made by this title by not later than the expiration of the period referred to in subsection (a).

Passed the Senate July 10, 1996.

Attest:

Secretary.

104th CONGRESS
2d Session

S. 1762

AN ACT

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

S 1762 ES——2

S 1762 ES——3

S 1762 ES——4

S 1762 ES——5

S 1762 ES——6

S 1762 ES——7

S 1762 ES——8

S 1762 ES——9

S 1762 ES——10

S 1762 ES——11

S 1762 ES——12

S 1762 ES——13

S 1762 ES——14

S 1762 ES——15

S 1762 ES——16

S 1762 ES——17

S 1762 ES——18

S 1762 ES——19

S 1762 ES——20

S 1762 ES——21

S 1762 ES——22

S 1762 ES——23

S 1762 ES——24

S 1762 ES——25

S 1762 ES——26

S 1762 ES——27

S 1762 ES——28

S 1762 ES——29

S 1762 ES——30

S 1762 ES——31

S 1762 ES——32

S 1762 ES——33

S 1762 ES——34

S 1762 ES——35

S 1762 ES——36

S 1762 ES——37

S 1762 ES——38

S 1762 ES——39

S 1762 ES——40