Calendar No. 106

105TH CONGRESS
1ST SESSION

H. R. 1119

AN ACT

To authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

JULY 7, 1997

Received; read twice and placed on the calendar

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U.S. GOVERNMENT
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IN THE SENATE OF THE UNITED STATES

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AN ACT

To authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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 ''National Defense Authorization Act for Fiscal Year 1998''.

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

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Sec. 102. Navy and Marine Corps.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

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

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Army as follows:

(1) For aircraft, $1,535,264,000.

(2) For missiles, $1,176,516,000.

(3) For weapons and tracked combat vehicles, $1,519,527,000.

(4) For ammunition, $1,093,802,000.

(5) For other procurement, $2,640,277,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Navy as follows:

(1) For aircraft, $6,172,950,000.

(2) For weapons, including missiles and torpedoes, $1,214,687,000.

(3) For shipbuilding and conversion, $7,654,977,000.

(4) For other procurement, $3,073,432,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Marine Corps in the amount of $442,807,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for the Navy and the Marine Corps in the amount of $470,355,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Air Force as follows:

(1) For aircraft, $6,770,900,000.

(2) For missiles, $2,389,183,000.

(3) For ammunition, $436,984,000.

(4) For other procurement, $6,574,096,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1998 for Defense-wide procurement in the amount of $1,836,989,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1998 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, $102,700,000.

(2) For the Air National Guard, $117,775,000.

(3) For the Army Reserve, $90,400,000.

(4) For the Naval Reserve, $118,000,000.

(5) For the Air Force Reserve, $167,630,000.

(6) For the Marine Corps Reserve, $98,600,000.

(7) For the Coast Guard Reserve, $5,250,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Inspector General of the Department of Defense in the amount of $1,800,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1998 the amount of $610,700,000 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 PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 1998 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 $279,068,000.

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the Department of Defense for carrying out the Defense Export Loan Guarantee Program in the total amount of $1,231,000.

Subtitle B—Other Matters

SEC. 121. LIMITATION ON OBLIGATION OF FUNDS FOR THE SEAWOLF SUBMARINE PROGRAM.

(a) LIMITATION.—The Secretary of the Navy may not obligate more than 50 percent of the funds appropriated for fiscal year 1998 for Shipbuilding and Conversion for the Navy that are specified as being available for the Seawolf submarine program until the Secretary certifies to the congressional defense committees that the Secretary will include in the future-years defense program accompanying the fiscal year 1999 budget for the Department of Defense not less than 50 percent of the amount necessary to fully fund incorporation into each of the first four vessels in the New Attack Submarine program the technology insertion opportunities specified in subsection (b).

(b) TECHNOLOGY INSERTION OPPORTUNITIES.—The technology insertion opportunities referred to in subsection (a) are those technology insertion opportunities available for the first four vessels in the New Attack Submarine program that were presented by the Assistant Secretary of the Navy (Research, Development, and Acquisition) in testimony before the Procurement Subcommittee of the Committee on National Security of the House of Representatives on March 18, 1997.

SEC. 122. REPORT ON ANNUAL BUDGET SUBMISSION REGARDING THE RESERVE COMPONENTS.

(a) IN GENERAL.—Chapter 1013 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10544. Budget information

''(a) REPORT.—The Secretary of Defense shall submit to the congressional committees specified in subsection (d), at the same time that the President submits the budget for a fiscal year under section 1105(a) of title 31, United States Code, a report on amounts requested in that budget for the reserve components.

''(b) CONTENT.—The report shall include the following:

''(1) A description of the anticipated effect that the amounts requested (if approved by Congress) will have to enhance the capabilities of each of the reserve components.

''(2) A listing, with respect to each such component, of each of the following:

''(A) The amount requested for each major weapon system for which funds are requested in the budget for that component.

''(B) The amount requested for each item of equipment (other than a major weapon sys-

tem) for which funds are requested in the budget for that component.

"(c) INCLUSION OF INFORMATION IN NEXT FYDP.—The Secretary of Defense shall specifically display in the each future-years defense program (or program revision) submitted to Congress under section 221 of this title the amounts programmed for procurement of equipment for each of the reserve components.

"(d) CONGRESSIONAL COMMITTEES SPECIFIED.—The congressional committees referred to in subsection (a) are the following:

"(1) The Committee on Armed Services and the Committee on Appropriations of the Senate.

"(2) The Committee on National Security and the Committee on Appropriations of the House of Representatives.

"(e) EXCLUSION OF COAST GUARD RESERVE.—In this section, the term 'reserve components' does not include the Coast Guard Reserve.".

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

"10544. Budget information.".

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 1998 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,752,913,000.

(2) For the Navy, $7,946,996,000.

(3) For the Air Force, $14,659,736,000.

(4) For Defense-wide activities, $9,914,080,000, of which—

(A) $279,683,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $23,384,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 1998.—Of the amounts authorized to be appropriated by section 201, $4,131,871,000 shall be available for basic research and applied research projects.

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

SEC. 203. DUAL-USE TECHNOLOGY PROGRAM.

(a) FUNDING REQUIREMENT.—Of the amounts appropriated pursuant to the authorizations in section 201 for the Department of Defense for science and technology programs for each of fiscal years 1998 through 2001, at least the following percentages of such amounts shall be available in the applicable fiscal year only for dual-use projects of the Department of Defense:

(1) For fiscal year 1998, 5 percent.

(2) For fiscal year 1999, 7 percent.

(3) For fiscal year 2000, 10 percent.

(4) For fiscal year 2001, 15 percent.

(b) SENIOR OFFICIAL FOR DUAL-USE PROGRAM.—The person responsible for developing policy relating to, and ensuring effective implementation of, the dual-use technology program of the Department of Defense is the senior official designated by the Secretary of Defense under section 203(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2451).

(c) LIMITATION ON OBLIGATIONS.—(1) Except as provided in paragraph (2), funds made available pursuant to subsection (a) may not be obligated until the senior official referred to in subsection (b) approves the obligation.

(2) Paragraph (1) does not apply with respect to funds made available pursuant to subsection (a) to the Defense Advanced Research Projects Agency.

(3) Funds made available pursuant to subsection (a) may be used for a dual-use project only if the contract, cooperative agreement, or other transaction by which the project is carried out is entered into through the use of competitive procedures.

(d) TRANSFER AUTHORITY.—In addition to the transfer authority provided in section 1001, the Secretary of Defense may transfer funds made available pursuant to subsection (a) for a dual-use project from a military department or defense agency to another military department or defense agency to ensure efficient implementation of the dual-use technology program. The Secretary may delegate the authority provided in the preceding sentence to the senior official referred to in subsection (b).

(e) FEDERAL COST SHARE.—(1) The share contributed by the Secretary of a military department or the head of a defense agency for the cost of a dual-use project during fiscal years 1998, 1999, 2000, and 2001 may not be

greater than 50 percent of the cost of the project for that fiscal year.

(2) In calculating the share of the costs of a dual-use program contributed by a military department or a non-Government entity, the Secretaries of the military departments may not consider in-kind contributions.

(f) DEFINITIONS.—In this section, the terms ''dual-use technology program'', ''dual-use project'', and ''science and technology program'' have the meanings provided by section 203(h) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2452).

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. MANUFACTURING TECHNOLOGY PROGRAM.

Section 2525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) FUNDING REQUIREMENT.—(1) Subject to paragraph (2), the Secretary of Defense shall make available each fiscal year for the Manufacturing Technology Program the greater of the following amounts:

''(A) 0.25 percent of the amount available for the fiscal year concerned for the demonstration and

validation, engineering and manufacturing development, operational systems development, and procurement programs of the military departments and Defense Agencies.

"(B) The amount authorized to be appropriated by law for the fiscal year concerned for projects of the military departments and Defense Agencies under the Manufacturing Technology Program.

"(2) Paragraph (1) applies to fiscal years 1998, 1999, and 2000.

"(f) TRANSFER AUTHORITY.—The Secretary of Defense may transfer funds made available pursuant to subsection (e) from a military department or Defense Agency to another military department or Defense Agency to ensure efficient implementation of the Manufacturing Technology Program. The Secretary may delegate the authority provided in the preceding sentence to the Under Secretary of Defense for Acquisition and Technology. Authority to transfer funds under this subsection is in addition to any other authority provided by law to transfer funds (whether enacted before, on, or after the date of the enactment of this section) and is not subject to any dollar limitation or notification requirement contained in any other such authority to transfer funds.

"(g) REPORT.—(1) At the same time the President submits to Congress the budget for fiscal year 1999 pursuant to section 1105(a) of title 31, the Secretary of Defense shall submit to Congress a report that—

"(A) specifies the plans of the Secretary for expenditures under the program during fiscal years 1998, 1999, and 2000; and

"(B) assesses the effectiveness of the program.

"(2) The Secretary shall submit an updated version of such report at the same time the President submits the budget for each fiscal year after fiscal year 1999 during which the program is in effect shall include—

"(A) an assessment of whether the funding of the program, as provided pursuant to the funding requirement of subsection (e), is sufficient; and

"(B) any recommendations considered appropriate by the Secretary for changes in, or an extension of, the funding requirement of subsection (e).".

SEC. 212. REPORT ON STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM.

(a) REPORT.—Not later than February 28, 1998, the Secretary of Defense shall submit to Congress a report containing, for each project or activity of the Strategic Environmental Research and Development Program—

(1) an explanation of why the project or activity is not duplicative of environmentally related research, development, and demonstration activities of other departments and agencies of the Federal Government, of State and local governments, or of other organizations engaged in such activities; and

(2) an explanation of why the project or activity is uniquely related to and necessary for the mission of the Department of Defense.

(b) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Not more than 50 percent of the funds appropriated for the Strategic Environmental Research and Development Program pursuant to the authorization of appropriations in section 201(4) may be expended until the Secretary of Defense submits the report required under this section.

SEC. 213. TACTICAL UNMANNED AERIAL VEHICLES.

(a) PROHIBITION ON FUNDING FOR OUTRIDER ACTD PROGRAM.—No funds authorized to be appropriated under section 201 may be obligated for the Outrider Advanced Concept Technology Demonstration (ACTD) program.

(b) FUNDING REQUIREMENTS.—Of the funds authorized to be appropriated for tactical unmanned aerial vehicles (TUAV) under section 201—

(1) $10,000,000 shall be available to carry out a competition for an unmanned aerial vehicle capable of vertical takeoff and landing; and

(2) $11,500,000 shall be available to provide a Predator Unmanned Aerial Vehicle system equipped with synthetic aperture radar and associated equipment to facilitate the development of a common Tactical Control System for unmanned aerial vehicles.

SEC. 214. REVISIONS TO MEMBERSHIP OF AND APPOINTMENT AUTHORITY FOR NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.

(a) MEMBERSHIP REVISIONS.—Section 7902(b) of title 10, United States Code, is amended—

(1) by striking out paragraph (11); and

(2) in paragraph (17), by striking out ''One member'' and inserting in lieu thereof ''Not more than four members''.

(b) APPOINTMENT AUTHORITY REVISIONS.—Section 7902 of such title is amended—

(1) in paragraphs (14), (15), (16), and (17) of subsection (b), by striking out ''chairman'' each place it appears and inserting in lieu thereof ''President''; and

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

"(j) DELEGATION OF APPOINTMENT AUTHORITY.—The President may delegate the authority to make appointments under subsection (b) to the head of a department, without authority to redelegate.".

(c) CONFORMING AMENDMENTS.—(1) Section 7902 of such title is further amended—

(A) in subsection (b), by redesignating paragraphs (12), (13), (14), (15), (16), and (17) as paragraphs (11), (12), (13), (14), (15), and (16), respectively; and

(B) in subsection (d), by striking out "(14), (15), (16), or (17)" and inserting in lieu thereof "(13), (14), (15), or (16)".

(2) Section 282 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2473) is amended by striking out subsection (c).

SEC. 215. MAINTENANCE AND REPAIR OF REAL PROPERTY AT AIR FORCE INSTALLATIONS.

(a) IN GENERAL.—Chapter 949 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9782. Maintenance and repair of real property

"(a) ALLOCATION OF FUNDS.—The Secretary of the Air Force shall allocate funds authorized to be appropriated by a provision described in subsection (c) and a

provision described in subsection (d) for maintenance and repair of real property at military installations of the Department of the Air Force without regard to whether the installation is supported with funds authorized by a provision described in subsection (c) or (d).

"(b) MIXING OF FUNDS PROHIBITED ON INDIVIDUAL PROJECTS.—The Secretary of the Air Force may not combine funds authorized to be appropriated by a provision described in subsection (c) and funds authorized to be appropriated by a provision described in subsection (d) for an individual project for maintenance and repair of real property at a military installation of the Department of the Air Force.

"(c) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for research, development, test, and evaluation.

"(d) OPERATION AND MAINTENANCE FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for operation and maintenance.".

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

"9782. Maintenance and repair of real property.".

SEC. 216. EXPANSION OF ELIGIBILITY FOR DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; U.S.C. 2358 note) is amended by adding at the end of subsection (d) the following new paragraph:

"(3) In this section, the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.".

SEC. 217. BIOASSAY TESTING OF VETERANS EXPOSED TO IONIZING RADIATION DURING MILITARY SERVICE.

Of the amount provided in section 201(4), $300,000 shall be available for the Nuclear Test Personnel Review Program conducted by the Defense Special Weapons Agency.

SEC. 218. COMANCHE PROGRAM.

The Congress supports the Army in its Comanche program technology transfer and acquisition efforts, which—

(1) offer potential RAH–66 Air Vehicle and T800 engine cost, schedule, and technical risk reduction; and

(2) include cooperative efforts with other Government agencies such as the National Guard (UH–1H engine technology insertion), the Defense Advanced Research Projects Agency, and other research and development programs of the military departments.

SEC. 219. LAND ATTACK STANDARD MISSILE.

Of the amount provided in section 201(2) for research, development, test, and evaluation for the Navy—

(1) the amount available for program element 63795N for the Land Attack Technology program is increased by $10,000,000, to be available for flight test demonstration and risk reduction activities for the Land Attack Standard Missile;

(2) the amount available for program element 62317N (Air Systems and Weapons Advance Technology) is reduced by $5,000,000; and

(3) the amount available for program element 63508N (Ship Hull Mechanical and Electrical Technology) is reduced by $5,000,000.

SEC. 220. REPORT ON OPERATIONAL FIELD ASSESSMENTS PROGRAM.

(a) FINDING.—Congress recognizes the potential value that the Department of Defense Operational Field Assessments program, which is managed by the Director of Operational Test and Evaluation, provides to the commanders of the Unified Combatant Commands with respect to assessment of the effectiveness of near-term operational concepts and critical operational issues in quick-response operational tests and evaluations.

(b) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the Operational Field Assessments program.

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

(1) A review of the Operational Field Assessments program which describes the goals and objectives of the program, assessments by the program conducted as of the date of the submission of the report, and the results of those assessments.

(2) A description of the current management and support structure of the program within the Department of Defense, including a description of how program responsibilities are assigned within the Office of the Secretary of Defense and a description of the roles of the Joint Staff, the commanders of the Unified Combatant Commands, and the military departments.

(3) A description of future plans for the program and funding requirements for those plans.

(4) Recommendations regarding additional statutory authority that may be required for the program.

Subtitle C—Ballistic Missile Defense Programs

SEC. 231. BUDGETARY TREATMENT OF AMOUNTS REQUESTED FOR PROCUREMENT FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) REQUIREMENT FOR INCLUSION IN BUDGET OF BMDO.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 222 the following new section:

"§ 224. Ballistic missile defense programs: amounts for procurement

"(a) REQUIREMENT.—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for procurement for the National Missile Defense program or for any system that is part of the core theater missile defense program shall be set forth under the account of the Department of Defense for Defense-wide procurement and, within that account, under the subaccount (or other budget activity level) for the Ballistic Missile Defense Organization.

"(b) CORE THEATER BALLISTIC MISSILE DEFENSE PROGRAM.—For purposes of this section, the core theater missile defense program consists of the systems specified in section 234 of the Ballistic Missile Defense Act of 1995 (10 U.S.C. 2431 note).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 222 the following new item:

"224. Ballistic missile defense programs: amounts for procurement.".

SEC. 232. COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAM.

(a) REQUIREMENT FOR NEW PROGRAM ELEMENT.—The Secretary of Defense shall establish a program element for the Ballistic Missile Defense Organization, to be

referred to as the ''Cooperative Ballistic Missile Defense Program'', to support technical and analytical cooperative efforts between the United States and other nations that contribute to United States ballistic missile defense capabilities. All international cooperative ballistic missile defense programs of the Department of Defense shall be budgeted and administered through that program element.

(b) RELATIONSHIP TO OTHER PROGRAM ELEMENTS.—The program element established pursuant to subsection (a) is in addition to the program elements for activities of the Ballistic Missile Defense Organization required under section 251 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 233; 10 U.S.C. 221 note).

SEC. 233. DEPLOYMENT DATES FOR CORE THEATER MISSILE DEFENSE PROGRAMS.

(a) CHANGE IN DEPLOYMENT DATES.—Section 234(a) of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 110 Stat. 229; 10 U.S.C. 2431 note) is amended—

(1) in the matter preceding paragraph (1), by striking out '', to be carried out so as to achieve the specified capabilities'';

(2) in paragraph (1), by striking out '', with a first unit equipped (FUE) during fiscal year 1998'';

(3) in paragraph (2), by striking out ''Navy Lower Tier (Area) system'' and all that follows through ''fiscal year 1999'' and inserting in lieu thereof ''Navy Area Defense system'';

(4) in paragraph (3)—

(A) by striking out ''with a'' and inserting in lieu thereof ''to be carried out so as to achieve a''; and

(B) by striking out ''fiscal year 1998'' and ''fiscal year 2000'' and inserting in lieu thereof ''fiscal year 2000'' and ''fiscal year 2004'', respectively; and

(5) in paragraph (4), by striking out ''Navy Upper Tier (Theater Wide) system, with'' and inserting in lieu thereof ''Navy Theater Wide system, to be carried out so as to achieve''.

(b) CONFORMING AMENDMENTS FOR PROGRAM ELEMENT NAME CHANGES.—Section 251(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 233; 10 U.S.C. 221 note) is amended—

(1) in paragraph (2), by striking out ''Navy Lower Tier (Area) system'' and inserting in lieu thereof ''Navy Area Defense system''; and

(2) in paragraph (4), by striking out ''Navy Upper Tier (Theater Wide) system'' and inserting in lieu thereof ''Navy Theater Wide system''.

SEC. 234. ANNUAL REPORT ON THREAT POSED TO THE UNITED STATES BY WEAPONS OF MASS DESTRUCTION, BALLISTIC MISSILES, AND CRUISE MISSILES.

(a) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress by January 30 of each year a report on the threats posed to the United States and allies of the United States—

(1) by weapons of mass destruction, ballistic missiles, and cruise missiles; and

(2) by the proliferation of weapons of mass destruction, ballistic missiles, and cruise missiles.

(b) CONSULTATION.—Each report submitted under subsection (a) shall be prepared in consultation with the Director of Central Intelligence.

(c) MATTERS TO BE INCLUDED.—Each report submitted under subsection (a) shall include the following:

(1) Identification of each foreign country and non-State organization that possesses weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles

with respect to each such foreign country and non-State organization.

(2) A description of the means by which any foreign country and non-State organization that has achieved capability with respect to weapons of mass destruction, ballistic missiles, or cruise missiles has achieved that capability, including a description of the international network of foreign countries and private entities that provide assistance to foreign countries and non-State organizations in achieving that capability.

(3) An examination of the doctrines that guide the use of weapons of mass destruction in each foreign country that possesses such weapons.

(4) An examination of the existence and implementation of the control mechanisms that exist with respect to nuclear weapons in each foreign country that possesses such weapons.

(5) Identification of each foreign country and non-State organization that seeks to acquire or develop (indigenously or with foreign assistance) weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles with respect to each such foreign country and non-State organization.

(6) An assessment of various possible timelines for the achievement by foreign countries and non-State organizations of capability with respect to weapons of mass destruction, ballistic missiles, and cruise missiles, taking into account the probability of whether the Russian Federation and the People's Republic of China will comply with the Missile Technology Control Regime, the potential availability of assistance from foreign technical specialists, and the potential for independent sales by foreign private entities without authorization from their national Governments.

(7) For each foreign country or non-State organization that has not achieved the capability to target the United States or its territories with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(8) For each foreign country or non-State organization that has not achieved the capability to target members of the United States Armed Forces deployed abroad with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of

the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(d) CLASSIFICATION.—Each report under subsection (a) shall be submitted in classified and unclassified form.

SEC. 235. DIRECTOR OF BALLISTIC MISSILE DEFENSE ORGANIZATION.

(a) IN GENERAL.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 203. Director of Ballistic Missile Defense Organization

''(a) GRADE.—The position of Director of the Ballistic Missile Defense Organization—

''(1) may only be held by an officer of the armed forces on the active-duty list; and

''(2) shall be designated under section 601 of this title as a position of importance and responsibility to carry the grade of general or admiral or lieutenant general or vice admiral.

''(b) LINE OF AUTHORITY TO SECRETARY OF DEFENSE.—The Director of the Ballistic Missile Defense Organization reports directly to the Secretary of Defense and (if so directed by the Secretary) the Deputy Secretary of

Defense, without intervening review or approval by any other officer of the Department of Defense, with respect to all matters pertaining to the management of ballistic missile defense programs for which the Director has responsibility (including matters pertaining to the status of those programs and the budgets for those programs).''.

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

''203. Director of Ballistic Missile Defense Organization.''.

SEC. 236. TACTICAL HIGH ENERGY LASER PROGRAM.

(a) TRANSFER OF PROGRAM.—The Secretary of Defense shall transfer the Tactical High Energy Laser program from the Secretary of the Army to the Director of the Ballistic Missile Defense Organization, to be carried out under the Cooperative Ballistic Missile Defense Program established pursuant to section 232(a).

(b) AUTHORIZATION.—Of the amount authorized to be appropriated in section 201, $38,200,000 is authorized for the Tactical High Energy Laser 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 1998 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, $17,185,034,000.

(2) For the Navy, $21,372,699,000.

(3) For the Marine Corps, $2,381,245,000.

(4) For the Air Force, $18,745,985,000.

(5) For Defense-wide activities, $10,030,057,000.

(6) For the Army Reserve, $1,202,891,000.

(7) For the Naval Reserve, $849,711,000.

(8) For the Marine Corps Reserve, $110,366,000.

(9) For the Air Force Reserve, $1,629,120,000.

(10) For the Army National Guard, $2,266,432,000.

(11) For the Air National Guard, $2,985,969,000.

(12) For the Defense Inspector General, $136,580,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,952,000.

(14) For Environmental Restoration, Army, $377,337,000.

(15) For Environmental Restoration, Navy, $277,500,000.

(16) For Environmental Restoration, Air Force, $378,900,000.

(17) For Environmental Restoration, Defense-wide, $27,900,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $202,300,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $50,000,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $661,671,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $10,000,000.

(22) For Medical Programs, Defense, $9,975,382,000.

(23) For Cooperative Threat Reduction programs, $284,700,000.

(24) For Overseas Contingency Operations Transfer Fund, $1,467,500,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $971,952,000.

(2) For the National Defense Sealift Fund, $1,181,626,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1998 from the Armed Forces Retirement Home Trust Fund the sum of $79,977,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

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 1998 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. REFURBISHMENT AND INSTALLATION OF AIR SEARCH RADAR.

Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $6,000,000 shall be available only for the refurbishment and installation of the AN/SPS-48E air search radar for the Ship Self Defense System at the Integrated Ship Defense Systems Engineering Center, Naval Surface Warfare Center, Wallops Islands, Virginia.

SEC. 306. REFURBISHMENT OF M1–A1 TANKS.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $35,000,000 shall be available only for refurbishment of M1–A1 tanks at the Anniston Army Depot under the AIM-XXI program if the Secretary of Defense determines that the cost effectiveness of the pilot AIM-XXI program is validated through user trials conducted at the National Training Center, Fort Irwin, California.

SEC. 307. PROCUREMENT AND ELECTRONIC COMMERCE TECHNICAL ASSISTANCE PROGRAM.

(a) AUTHORIZATION.—Subject to subsection (c), of the amount authorized to be appropriated under section 301(5), $15,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) PROHIBITION.—Subject to subsection (c), the Secretary of Defense may not obligate or expend any funds available for research, development, test, and evaluation to establish or operate a resource center or program to provide technical assistance relating to electronic commerce.

(c) LIMITATION.—Subsections (a) and (b) apply only in the event of the consolidation of the procurement technical assistance program and the electronic commerce resource program as a single technical assistance program

funded with amounts available for operation and maintenance.

Subtitle B—Military Readiness Issues

SEC. 311. EXPANSION OF SCOPE OF QUARTERLY READINESS REPORTS.

(a) EXPANDED REPORTS REQUIRED.—Section 482 of title 10, United States Code, is amended to read as follows:

"§ 482. Quarterly readiness reports

"(a) QUARTERLY REPORTS REQUIRED.—Not later than 30 days after the end of each calendar-year quarter, 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 military readiness. The report for a quarter shall contain the information required by subsections (b) (d), and (e).

"(b) READINESS PROBLEMS AND REMEDIAL ACTIONS.—Each report shall specifically describe—

"(1) readiness problems or deficiencies identified using the assessments considered under subsection (c);

"(2) planned remedial actions; and

"(3) the key indicators and other relevant information related to the identified problem or deficiency.

"(c) CONSIDERATION OF READINESS ASSESSMENTS.—The information required under subsection (b) to be included in the report for a quarter shall be based on readiness assessments that are provided during that quarter—

"(1) to any council, committee, or other body of the Department of Defense—

"(A) that has responsibility for readiness oversight; and

"(B) whose membership includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

"(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

"(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

"(d) COMPREHENSIVE READINESS INDICATORS.—Each report shall also include information regarding each military department (and an evaluation of such informa-

tion) with respect to each of the following readiness indicators:

"(1) PERSONNEL STRENGTH.—

"(A) Individual personnel status.

"(B) Historical and projected personnel trends.

"(2) PERSONNEL TURBULENCE.—

"(A) Recruit quality.

"(B) Borrowed manpower.

"(C) Personnel stability.

"(3) OTHER PERSONNEL MATTERS.—

"(A) Personnel morale.

"(B) Medical and dental readiness.

"(C) Recruit shortfalls.

"(4) TRAINING.—

"(A) Training unit readiness and proficiency.

"(B) Operations tempo.

"(C) Training funding.

"(D) Training commitments and deployments.

"(5) LOGISTICS—EQUIPMENT FILL.—

"(A) Deployed equipment.

"(B) Equipment availability.

"(C) Equipment that is not mission capable.

"(D) Age of equipment.

"(E) Condition of nonpacing items.

"(6) LOGISTICS—EQUIPMENT MAINTENANCE.—

"(A) Maintenance backlog.

"(7) LOGISTICS—SUPPLY.—

"(A) Availability of ordnance and spares.

"(e) UNIT READINESS INDICATORS.—Each report shall also include information regarding the readiness of each unit of the armed forces at the battalion, squadron, or an equivalent level (or a higher level) that received a readiness rating of C–3 (or below) for any month of the calendar-year quarter covered by the report. With respect to each such unit, the report shall separately provide the following information:

"(1) The unit designation and level of organization.

"(2) The overall readiness rating for the unit for the quarter and each month of the quarter.

"(3) The resource area or areas (personnel, equipment and supplies on hand, equipment condition, or training) that adversely affected the unit's readiness rating for the quarter.

"(4) If the unit received a readiness rating below C–1 in personnel for the quarter, the primary reason for the lower rating, by reason code and definition.

"(5) If the unit received a readiness rating below C–1 in equipment and supplies on hand for the quarter, the primary reason for the lower rating, by reason code and definition.

"(6) If the unit received a readiness rating below C–1 in equipment condition for the quarter, the primary reason for the lower rating, by reason code and definition.

"(7) If the unit received a readiness rating below C–1 in training for the quarter, the primary reason for the lower rating, by reason code and definition.

"(f) CLASSIFICATION OF REPORTS.—A report under this section shall be submitted in unclassified form. To the extent the Secretary of Defense determines necessary, the report may also be submitted in classified form.".

(b) IMPLEMENTATION PLAN TO EXAMINE READINESS INDICATORS.—Not later than January 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan—

(1) specifying the manner in which the Secretary will implement the additional reporting requirement of subsection (d) of section 482 of title 10, United States Code, as added by this section; and

(2) specifying the criteria proposed to be used to evaluate the readiness indicators identified in such subsection (d).

(c) LIMITATION PENDING RECEIPT OF IMPLEMENTATION PLAN.—Of the amount available for fiscal year 1998 for operation and support activities of the Office of the Secretary of Defense, 10 percent may not be obligated until after the date on which the implementation plan required by subsection (b) is submitted.

(d) FIRST REPORT; TRANSITION.—The first report required under section 482 of title 10, United States Code, as amended by subsection (a), shall be submitted not later than October 31, 1997. Until the report required for the third quarter of 1998 is submitted, the Secretary of Defense may omit the information required by subsection (d) of such section if the Secretary determines that it is impracticable to comply with such subsection with regard to the preceding reports.

SEC. 312. LIMITATION ON REALLOCATION OF FUNDS WITHIN OPERATION AND MAINTENANCE APPROPRIATIONS.

(a) LIMITATION.—Whenever the Secretary of Defense proposes to reallocate funds within an O&M budget activity in a manner described in subsection (b), the reallocation may be made only—

(1) after the Secretary submits to the congressional defense committees notice of the proposed reallocation; and

(2) if the procedures generally applicable to transfers of funds between appropriations of the Department of Defense have been followed with respect to such reallocation.

(b) COVERED REALLOCATIONS.—Subsection (a) applies in the case of any reallocation of funds from a subactivity of an O&M budget activity to another subactivity within the same O&M budget activity or to another O&M budget activity within the same operation and maintenance appropriation if the amount to be reallocated, when added to any previous amounts reallocated from that subactivity for that fiscal year, is in excess of $10,000,000.

(c) O&M BUDGET ACTIVITY DEFINED.—For purposes of this section, the term ''O&M budget activity'' means a budget activity within an operation and mainte-

nance appropriation of the Department of Defense for a fiscal year.

(d) COVERED FISCAL YEARS.—This section applies with respect to funds appropriated for fiscal years 1998, 1999, and 2000.

SEC. 313. OPERATION OF PREPOSITIONED FLEET, NATIONAL TRAINING CENTER, FORT IRWIN, CALIFORNIA.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $60,200,000 shall be available only to pay costs associated with the operation of the prepositioned fleet of equipment during training rotations at the National Training Center, Fort Irwin, California.

SEC. 314. PROHIBITION OF IMPLEMENTATION OF TIERED READINESS SYSTEM.

(a) PROHIBITION.—The Secretary of a military department may not implement, or be required to implement, a readiness system for units of the Armed Forces under the jurisdiction of that Secretary under which a military unit would be categorized into one of several categories (or ''tiers'') according to the likelihood that the unit will be required to respond to a military conflict and the time in which the unit will be required to respond, if that system would have the effect of changing the meth-

ods used as of October 1, 1996, by the Armed Forces under the jurisdiction of that Secretary for determining the priorities for allocating to such military units funding, personnel, equipment, equipment maintenance, and training resources, and the associated levels of readiness of those units that result from those priorities.

(b) REPORT TO CONGRESS REQUESTING WAIVER.—If the Secretary of Defense determines that implementation, for one or more of the Armed Forces, of a tiered readiness system that is otherwise prohibited by subsection (a) would be in the national security interests of the United States, 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 report setting forth that determination of the Secretary, together with the rationale for that determination, and a request for the enactment of legislation to allow implementation of such a system.

SEC. 315. REPORTS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

(a) ANNUAL AND QUARTERLY REPORTS REQUIRED.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 483. Reports on transfers from high-priority readiness appropriations

"(a) ANNUAL REPORTS.—Not later than the date on which the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report on transfers during the preceding fiscal year from funds available for each covered budget activity.

"(b) QUARTERLY REPORTS.—Not later than 30 days after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the congressional committees specified in subsection (a) a report on transfers, during that fiscal year quarter, from funds available for each covered budget activity.

"(c) MATTERS TO BE INCLUDED.—In each report under subsection (a) or (b), the Secretary of Defense shall include for each covered budget activity the following:

"(1) A statement, for the period covered by the report, of—

"(A) the total amount of transfers into funds available for that activity;

"(B) the total amount of transfers from funds available for that activity; and

"(C) the net amount of transfers into, or out of, funds available for that activity.

"(2) A detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

"(d) COVERED BUDGET ACTIVITY DEFINED.—In this section, the term 'covered budget activity' means each of the following:

"(1) The budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Army, appropriation that are designated as follows:

"(A) All subactivities under the category of Land Forces.

"(B) Land Forces Depot Maintenance.

"(C) Base Support.

"(D) Maintenance of Real Property.

"(2) The Air Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

"(A) Mission and Other Flight Operations.

"(B) Fleet Air Training.

"(C) Aircraft Depot Maintenance.

"(D) Base Support.

"(E) Maintenance of Real Property.

"(3) The Ship Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

"(A) Mission and Other Ship Operations.

"(B) Ship Operational Support and Training.

"(C) Ship Depot Maintenance.

"(D) Base Support.

"(E) Maintenance of Real Property.

"(4) The Expeditionary Forces budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Marine Corps, appropriation that are designated as follows:

"(A) Operational Forces.

"(B) Depot Maintenance.

"(C) Base Support.

"(D) Maintenance of Real Property.

"(5) The Air Operations and Combat Related Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activ-

ity of the annual Operation and Maintenance, Air Force, appropriation that are designated as follows:

"(A) Primary Combat Forces.

"(B) Primary Combat Weapons.

"(C) Air Operations Training.

"(D) Depot Maintenance.

"(E) Base Support.

"(F) Maintenance of Real Property.

"(6) The Mobility Operations budget activity group (known as a 'subactivity') within the Mobilization budget activity of the annual Operation and Maintenance, Air Force, appropriation that is designated as Airlift Operations.

"(e) TERMINATION.—The requirements specified in subsections (a) and (b) shall terminate upon the submission of the annual report under subsection (a) covering fiscal year 2000.".

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

"483. Reports on transfers from high-priority readiness appropriations.".

SEC. 316. REPORT ON CHAIRMAN, JOINT CHIEFS OF STAFF EXERCISE PROGRAM AND PARTNERSHIP FOR PEACE PROGRAM.

(a) REPORT.—Not later than February 16, 1998, 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 the military exercises conducted by the Department of Defense during fiscal years 1995, 1996, and 1997 and the military exercises planned to be conducted during fiscal years 1998, 1999, and 2000, under the training exercises program known as the ''CJCS Exercise Program'' and under the training exercises program known as the Partnership for Peace program.

(b) INFORMATION ON EXERCISES CONDUCTED OR TO BE CONDUCTED.—The report under subsection (a) shall include the following information for each such exercise, which shall be set forth by fiscal year and shown within fiscal year by the sponsoring command:

(1) Name of the exercise.

(2) Type, description, duration, and objectives of the exercise

(3) Command sponsoring the exercise.

(4) Participating units, including the number of personnel participating in each unit.

(5) For each participating unit, the percentage of the tasks on that unit's specification of tasks knows as a Mission Essential Task List (or comparable specification, in the case of any of the Armed Forces that do not maintain a Mission Es-

sential Task List designation) scheduled to be performed as part of the exercise.

(6) The cost of the exercise to the Chairman of the Joint Chiefs of Staff and the cost to each of the Armed Forces participating in the exercise, with a description of the categories of activities for which those costs are incurred in each such case.

(7) The priority of the exercise in relation to all other exercises planned by the sponsoring command to be conducted during that fiscal year.

(8) In the case of an exercise conducted under the Partnership for Peace program, the country with which each the exercise was conducted.

(c) ASSESSMENT.—The report shall include—

(1) an assessment of the ability of each of the Armed Forces to meet requirements of the CJCS Exercise Program and the Partnership for Peace program with available assets;

(2) an assessment of the training value of each exercise covered in the report to each unit participating in the exercise, including for each such unit an assessment of the value of the percentage under subsection (b)(5) as an indicator of the training value of the exercise for that unit; and

(3) options to minimize the negative effects on operational and personnel tempo resulting from the CJCS Exercise Program and the Partnership for Peace program.

(d) FUNDING LIMITATION PENDING RECEIPT OF REPORT.—Of the funds available for fiscal year 1998 for the conduct of the CJSC Exercise Program, not more than 50 percent may be expended before the report under subsection (a) is submitted.

SEC. 317. QUARTERLY REPORTS ON EXECUTION OF OPERATION AND MAINTENANCE APPROPRIATIONS.

(a) REPORT REQUIRED.—Chapter 23 of title 10, United States Code, is amended by inserting after section 483, as added by section 315, the following new section:

"§ 484. Quarterly reports on execution of operation and maintenance appropriations

''(a) REPORT REQUIRED.—Not later than 60 days after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report containing budget execution data for each budget activity group (known as a 'subactivity') within the annual operation and maintenance appropriations for the period

covered by the report. A report shall cover all preceding quarters of the fiscal year involved.

"(b) MANNER OF PRESENTING DATA.—The budget execution data required under subsection (a) shall be displayed for the fiscal year involved in the same manner used in the operation and maintenance tables contained in the budget justification document entitled 'O–1 Exhibit' submitted to Congress in support of the budget of the Department of Defense, as included in the budget of the President submitted under section 1105 of title 31.

"(c) REQUIRED INFORMATION.—The following information shall be provided for each budget activity group:

"(1) Amounts authorized to be appropriated.

"(2) Amounts appropriated.

"(3) Direct obligations.

"(4) Total obligational authority.

"(5) Amounts related to unbudgeted contingency operations.

"(6) Direct obligations related to unbudgeted contingency operations.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 483, as added by section 315, the following new item:

"484. Quarterly reports on execution of operation and maintenance appropriations.".

Subtitle C—Civilian Personnel

SEC. 321. PAY PRACTICES WHEN OVERSEAS TEACHERS TRANSFER TO GENERAL SCHEDULE POSITIONS.

Section 5334(d) of title 5, United States Code, is amended by striking out ''is deemed increased by 20 percent'' and inserting in lieu thereof ''shall be increased by such amount as may be authorized, if any, under regulations issued by the Secretary of Defense, but not to exceed 20 percent,''.

SEC. 322. USE OF APPROVED FIRE-SAFE ACCOMMODATIONS BY GOVERNMENT EMPLOYEES ON OFFICIAL BUSINESS.

(a) PERCENTAGE USE REQUIREMENT.—Section 5707a of title 5, United States Code, is amended—

(1) by redesignating subsections (a) through (d) as subsections (b) through (e), respectively; and

(2) by inserting after the section heading the following new subsection:

''(a)(1) For the purpose of making payments under this chapter for lodging expenses incurred in a State, each agency shall ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency for a fiscal year are booked in approved places of public accommodation.

"(2) Each agency shall establish explicit procedures to satisfy the percentage requirement of paragraph (1).".

(b) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

"(f) For purposes of this section:

"(1) The term 'agency' does not include the government of the District of Columbia.

"(2) The term 'approved places of public accommodation' means hotels, motels, and other places of public accommodation that are listed by the Federal Emergency Management Agency as meeting the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2225).

"(3) The term 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.".

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (b), as redesignated by subsection (a)(1)—

(A) by striking out ''places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''approved places of public accommodation''; and

(B) by striking out ''as defined in section 4 of the Federal Fire Prevention and Control Act of 1974'';

(2) in subsection (c), as redesignated by subsection (a)(1), by striking out ''does not meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''is not an approved place of public accommodation''; and

(3) in subsection (e), as redesignated by subsection (a)(1)—

(A) by striking out ''encourage'' and inserting in lieu thereof ''facilitate the ability of''; and

(B) by striking out ''places of public accommodation that meet the requirements of the fire prevention and control guidelines described

in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''approved places of public accommodation''.

(d) REPORT ON IMPLEMENTATION.—Not later than March 31, 1998, the Administrator of General Services, after consultation with the agencies covered by section 5707a of title 5, United States Code, shall submit to Congress a report describing the procedures established by each agency to satisfy the percentage requirement imposed by subsection (a) of such section, as amended by this section.

SEC. 323. VETERANS' PREFERENCE STATUS FOR CERTAIN VETERANS WHO SERVED ON ACTIVE DUTY DURING THE PERSIAN GULF WAR.

(a) DEFINITION OF VETERAN FOR PURPOSES OF PREFERENCE ELIGIBLE STATUS.—Section 2108 of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''or'' at the end of subparagraph (A);

(B) by inserting ''or'' at the end of subparagraph (B); and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) served on active duty as defined by section 101(21) of title 38 in the armed forces during the period beginning on August 2, 1990, and ending on January 2, 1992;"; and

(2) in paragraph (3)(B), by inserting "or (C)" after "paragraph (1)(B)".

(b) ADDITIONAL POINTS.—Section 3309(2) of such title is amended by striking "2108(3)(A)" and inserting "2108(3)(A)–(B)".

(c) TECHNICAL AMENDMENTS.—Section 2108(1)(B) of such title is further amended—

(1) by striking "the date of enactment of the Veterans' Education and Employment Assistance Act of 1976," and inserting "October 15, 1976,"; and

(2) by striking "511(d) of title 10" and inserting "12103(d) of title 10".

Subtitle D—Depot-Level Activities

SEC. 331. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684) is amended by striking out "September 30,

1997'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 332. EXCLUSION OF CERTAIN LARGE MAINTENANCE AND REPAIR PROJECTS FROM PERCENTAGE LIMITATION ON CONTRACTING FOR DEPOT-LEVEL MAINTENANCE.

Section 2466 of title 10, United States Code, is amended by inserting after subsection (a) the following new subsection:

''(b) TREATMENT OF CERTAIN LARGE PROJECTS.—If a maintenance or repair project concerning an aircraft carrier or submarine that is contracted for performance by non-Federal Government personnel and that accounts for five percent or more of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload, the project and the funds necessary for the project shall not be considered when applying the percentage limitation specified in subsection (a) to that military department or Defense Agency.''.

SEC. 333. RESTRICTIONS ON CONTRACTS FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR AT CERTAIN FACILITIES.

(a) DEPOT-LEVEL MAINTENANCE AND REPAIR DEFINED.—(1) Chapter 146 of title 10, United States Code,

is amended by inserting before section 2461 the following new section:

"§ 2460. Definition of depot-level maintenance and repair

"(a) IN GENERAL.—In this chapter, the term 'depot-level maintenance and repair' means material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair. The term includes all aspects of software maintenance and such portions of interim contractor support, contractor logistics support, or any similar contractor support for the performance of services that are described in the preceding sentence.

"(b) EXCEPTION.—The term does not include the procurement of a major weapon system modification or upgrade, except where the changes to the system are primarily for safety reasons, to correct a deficiency, or to improve program performance.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2461 the following new item:

"2460. Definition of depot-level maintenance and repair.".

(b) RESTRICTION ON CERTAIN CONTRACTS.—Section 2469 of title 10, United States Code, is amended—

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

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

''(d) RESTRICTION ON CONTRACTS AT CERTAIN FACILITIES.—

''(1) RESTRICTION.—The Secretary of Defense may not enter into any contract for the performance of depot-level maintenance and repair of weapon systems or other military equipment of the Department of Defense, or for the performance of management functions related to depot-level maintenance and repair of such systems or equipment, at any military installation where a depot-level maintenance and repair facility was approved in 1995 for closure 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). In the preceding sentence, the term 'military installation' includes a former military installation closed under the Act that was a military installation when it was approved for closure under the Act.

''(2) EXCEPTION.—Paragraph (1) shall not apply with respect to an installation or former in-

stallation described in such paragraph if the Secretary of Defense certifies to Congress, not later than 45 days before entering into a contract for depot-level maintenance and repair at the installation or former installation, that—

"(A) not less than 80 percent of the capacity at each of the depot-level maintenance and repair activities of the military department concerned is being utilized on an ongoing basis to perform industrial operations in support of the depot-level maintenance and repair of weapon systems and other military equipment of the Department of Defense;

"(B) the Secretary has determined, on the basis of a detailed analysis (which the Secretary shall submit to Congress with the certification), that the total amount of the costs of the proposed contract to the Government, both recurring and nonrecurring and including any costs associated with planning for and executing the proposed contract, would be less than the costs that would otherwise be incurred if the depot-level maintenance and repair to be performed under the contract were performed using equip-

ment and facilities of the Department of Defense;

"(C) all of the information upon which the Secretary determined that the total costs to the Government would be less under the contract is available for examination; and

"(D) none of the depot-level maintenance and repair to be performed under the contract was considered, before July 1, 1995, to be a core logistics capability of the military department concerned pursuant to section 2464 of this title.

"(3) CAPACITY OF DEPOT-LEVEL ACTIVITIES.—For purposes of paragraph (2)(A), the capacity of depot-level maintenance and repair activities shall be considered to be the same as the maximum potential capacity identified by the Defense Base Closure and Realignment Commission for purposes of the selection in 1995 of military installations for closure or realignment under the Defense Base Closure and Realignment Act of 1990, without regard, after 1995, to any limitation on the maximum number of Federal employees (expressed as full time equivalent employees or otherwise), Federal employment levels,

or the actual availability of equipment to support depot-level maintenance and repair.

"(4) GAO REVIEW.—At the same time that the Secretary submits the certification and analysis to Congress under paragraph (2), the Secretary shall submit a copy of the certification and analysis to the Comptroller General. The Comptroller General shall review the analysis and the information referred to in subparagraph (C) of paragraph (2) and, not later than 30 days after Congress receives the certification, submit to Congress a report containing a statement regarding whether the Comptroller General concurs with the determination of the Secretary included in the certification pursuant to subparagraph (B) of that paragraph.

"(5) APPLICATION.—This subsection shall apply with respect to any contract described in paragraph (1) that is entered into, or proposed to be entered into, after January 1, 1997.".

SEC. 334. CORE LOGISTICS FUNCTIONS OF DEPARTMENT OF DEFENSE.

Section 2464(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "a logistics capability (including personnel, equipment, and

facilities)'' and inserting in lieu thereof ''a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government-operated equipment and facilities)'';

(2) in paragraph (2), by striking out ''the logistics'' and inserting in lieu thereof ''the core logistics''; and

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

''(3) Those core logistics activities identified under paragraphs (1) and (2) shall include the capability, facilities, and equipment to maintain and repair all types of weapon systems and other military equipment that are identified by the Secretary, in consultation with the Joint Chiefs of Staff, as necessary to enable the armed forces to fulfill the national military strategy, including the capability and capacity to maintain and repair any new mission-essential weapon system or materiel within four years after the system or materiel achieves initial operational capability.

''(4) The Secretary of Defense shall require the performance of core logistics activities identified under paragraphs (1), (2), and (3) at Government-owned, Government-operated facilities of the Department of Defense (in-

cluding Government-owned, Government-operated facilities of a military department) and shall assign such facilities sufficient workload to ensure cost efficiency and technical proficiency in peacetime while preserving the surge capacity and reconstitution capabilities necessary to meet the military contingencies provided for in the national military strategy.''.

SEC. 335. CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE.

(a) DESIGNATION AND PURPOSE.—(1) Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships

''(a) DESIGNATION.—(1) The Secretary of Defense shall designate each depot-level activity of the military departments and the Defense Agencies (other than facilities approved for closure or major realignment 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)) as a Center of Industrial and Technical Excellence in the recognized core competencies of the activity.

''(2) The Secretary shall establish a policy to encourage the Secretary of each military department and the

head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their depot-level activities in connection with their core competency requirements, so as to serve as recognized leaders in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 2500(1) of this title).

''(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to form public-private partnerships for the performance of depot-level maintenance and repair and shall encourage the use of such partnerships to maximize the utilization of the capacity at such Centers.

''(c) ADDITIONAL WORK.—The policy required under subsection (a) shall include measures to enable a private sector entity that enters into a partnership arrangement under subsection (b) or leases excess equipment and facilities at a Center of Industrial and Technical Excellence pursuant to section 2471 of this title to perform additional work at the Center, subject to the limitations outlined in subsection (b) of such section, outside of the types of work normally assigned to the Center.''.

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

"2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships.".

(b) REPORTING REQUIREMENT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the policies established by the Secretary pursuant to section 2474 of title 10, United States Code, to implement the requirements of such section. The report shall include—

(1) the details of any public-private partnerships entered into as of that date under subsection (b) of such section;

(2) the details of any leases entered into as of that date under section 2471 of such title with authorized entities for dual-use (military and non-military) purposes; and

(3) the effect that the partnerships and leases had on capacity utilization, depot rate structures, and readiness.

SEC. 336. PERSONNEL REDUCTIONS, ARMY DEPOTS PARTICIPATING IN ARMY WORKLOAD AND PERFORMANCE SYSTEM.

The Secretary of the Army may not carry out a reduction in force of civilian employees at the five Army depots participating in the demonstration and testing of the Army Workload and Performance System until after the

date on which the Secretary submits to Congress a report certifying that—

(1) the Army Workload and Performance System is fully operational; and

(2) the manpower audits being performed by the Comptroller General, the Army Audit Agency, and the Inspector General of the Army as of the date of the enactment of this Act have been completed.

Subtitle E—Environmental Provisions

SEC. 341. REVISION OF MEMBERSHIP TERMS FOR STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM SCIENTIFIC ADVISORY BOARD.

Section 2904(b) of title 10, United States Code, is amended in paragraph (4) by striking out ''three'' and inserting in lieu thereof ''not less than two and not more than four''.

SEC. 342. AMENDMENTS TO AUTHORITY TO ENTER INTO AGREEMENTS WITH OTHER AGENCIES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY CERTIFICATION.

(a) AUTHORITY TO ENTER INTO AGREEMENTS WITH INDIAN TRIBES.—Section 327 of the National Defense

Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2483) is amended—

(1) in subsection (a), by inserting ", or with an Indian tribe," after "with an agency of a State or local government";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection:

"(e) DEFINITION.—In this section, the term 'Indian tribe' has the meaning given that term by section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).".

(b) ELIMINATION OF CERTAIN LIMITATION ON AUTHORITY.—Subsection (b)(1) of such section is amended by striking out "in carrying out its environmental restoration activities".

SEC. 343. AUTHORIZATION TO PAY NEGOTIATED SETTLEMENT FOR ENVIRONMENTAL CLEANUP AT FORMER DEPARTMENT OF DEFENSE SITES IN CANADA.

(a) AUTHORIZATION.—To the extent provided in appropriations Acts, the Secretary of Defense may pay an amount to the Government of Canada of not more than

$100,000,000 (in fiscal year 1996 constant dollars), for purposes of implementing the October 1996 negotiated settlement between the United States and Canada relating to environmental cleanup at various sites in Canada that were formerly used by the Department of Defense.

(b) METHOD OF PAYMENT.—The amount authorized by subsection (a) shall be paid in 10 annual payments, with the first payment made in fiscal year 1998.

(c) FISCAL YEAR 1998 PAYMENT.—The payment under this section for fiscal year 1998 shall be made from amounts appropriated pursuant to section 301(5).

SEC. 344. MODIFICATIONS OF AUTHORITY TO STORE AND DISPOSE OF NONDEFENSE TOXIC AND HAZARDOUS MATERIALS.

(a) AUTHORITY TO STORE MATERIALS OWNED BY MEMBERS OF THE ARMED FORCES.—Section 2692(a) of title 10, United States Code, is amended—

(1) by inserting ''either'' before ''by the Department''; and

(2) by inserting before the period at the end the following: ''or by a member of the armed forces (or a dependent of the member) assigned to or provided military housing on the installation''.

(b) ADDITIONAL EXCEPTION TO LIMITATION ON STORAGE AND DISPOSAL.—Section 2692(b) of such title is amended—

(1) by redesignating paragraphs (1) through (9) as paragraphs (2) through (10), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

"(1) the storage, treatment, or disposal of materials that will be or have been used in connection with an activity of the Department of Defense or in connection with a service to be performed on an installation of the Department for the benefit of the Department;".

(c) MODIFICATION TO EXCEPTION RELATING TO STORAGE OR DISPOSAL OF EXPLOSIVES TO ASSIST LAW ENFORCEMENT AGENCIES.—Section 2692(b) of such title is amended in paragraph (3) (as redesignated by subsection (b))—

(1) by striking out "Federal law enforcement" and inserting in lieu thereof "Federal, State, or local law enforcement"; and

(2) by striking out "Federal agency" and inserting in lieu thereof "Federal, State, or local agency".

(d) MODIFICATION TO EXCEPTION RELATING TO STORAGE OF MATERIAL IN CONNECTION WITH USE OF A DEFENSE FACILITY.—Section 2692(b) of such title is amended in paragraph (9) (as redesignated by subsection (b))—

(1) by striking out ''by a private person in connection with the authorized and compatible use by that person of an industrial-type'' and inserting in lieu thereof ''in connection with the authorized use of a''; and

(2) by striking out ''; and'' at the end and inserting in lieu thereof the following: ''including the use of such a facility for testing materiel and training personnel;''.

(e) MODIFICATION TO EXCEPTION RELATING TO TREATMENT AND DISPOSAL OF MATERIAL IN CONNECTION WITH USE OF A DEFENSE FACILITY.—Section 2692(b) of such title is amended in paragraph (10) (as redesignated by subsection (b))—

(1) by striking out ''by a private person in connection with the authorized and compatible commercial use by that person of an industrial-type'' and inserting in lieu thereof ''in connection with the authorized use of a'';

(2) by striking out ''with that person'' and inserting in lieu thereof ''or agreement with the prospective user'';

(3) by striking out ''for that person's'' in subparagraph (B) and inserting in lieu thereof ''for the prospective user's''; and

(4) by striking out the period at the end and inserting in lieu thereof ''; and''.

(f) ADDITIONAL EXCEPTION RELATING TO SPACE LAUNCH FACILITIES.—Section 2692(b) of such title is further amended by adding at the end the following new paragraph:

''(11) the storage of any material that is not owned by the Department of Defense if the Secretary of the military department concerned determines that the material is required or generated in connection with the use of a space launch facility located on an installation of the Department of Defense or on other land controlled by the United States.''.

(g) TECHNICAL AMENDMENTS.—(1) Section 2692(a)(1) of such title is amended by striking out ''storage'' and inserting in lieu thereof ''storage, treatment,''.

(2) The heading for section 2692 of such title is amended to read as follows:

"§ 2692. Storage, treatment, and disposal of non-defense toxic and hazardous materials".

(3) The item relating to section 2692 in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials.".

SEC. 345. REVISION OF REPORT REQUIREMENT FOR NAVY PROGRAM TO MONITOR ECOLOGICAL EFFECTS OF ORGANOTIN.

Section 333(e) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2486) is amended—

(1) by striking out "June 1" and inserting in lieu thereof "October 30";

(2) by striking out paragraphs (1) and (2);

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

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

"(3) A description of the present and future use, if any, of antifouling paints containing organotin on naval vessels.".

SEC. 346. PARTNERSHIPS FOR INVESTMENT IN INNOVATIVE ENVIRONMENTAL TECHNOLOGIES.

(a) AUTHORITY.—Subject to subsection (b), the Secretary of Defense may enter into a partnership with one or more private sector entities to demonstrate and validate innovative environmental technologies.

(b) LIMITATIONS.—The Secretary of Defense may enter into a partnership with respect to an environmental technology under subsection (a)—

(1) subject to such terms and conditions as the Secretary considers appropriate and in the national interest; and

(2) only if the Secretary determines that the technology has clear potential to be of significant value to the Department of Defense in carrying out its environmental activities.

(c) FUNDING.—Under a partnership entered into under subsection (a), the Secretary may provide funds to the partner or partners from appropriations available to the Department of Defense for environmental activities, for a period of up to five years.

(d) REPORT.—In the annual report required under section 2706(a) of title 10, United States Code, the Secretary of Defense shall include the following information with respect to partnerships entered into under this section:

(1) The number of such partnerships.

(2) A description of the nature of the technology involved in each such partnership.

(3) A list of all partners in such partnerships.

(e) COORDINATION.—The Secretary of Defense shall ensure that the Department of Defense coordinates with the Administrator of the Environmental Protection Agency in any verification sponsored by the Department of technologies demonstrated and validated by a partnership entered into under this section.

(f) TERMINATION OF AUTHORITY.—The authority to enter into agreements under subsection (a) shall terminate three years after the date of the enactment of this Act.

SEC. 347. PILOT PROGRAM TO TEST AN ALTERNATIVE TECHNOLOGY FOR ELIMINATING SOLID AND LIQUID WASTE EMISSIONS DURING SHIP OPERATIONS.

(a) DETERMINATION BY SECRETARY OF THE NAVY.—(1) The Secretary of the Navy shall make a determination whether the alternative technology described in paragraph (2) has the clear potential for significant benefit to the Navy.

(2) The technology referred to in paragraph (1) is an alternative technology designed to thermally treat on shipboard all kinds of liquid and solid wastes generated

on an operating ship by means of a plasma arc melter system that is compact, stationary, and uses a high alumina refractory hearth.

(b) PILOT PROGRAM.—If the determination made under subsection (a)(1) is in the affirmative, the Secretary shall establish a pilot program to test the alternative technology. In conducting the test, the Secretary shall seek to demonstrate whether the technology is valid, cost-effective, and in compliance with environmental laws and regulations.

(c) FUNDING.—From funds appropriated pursuant to the authorization in section 301(2), the Secretary of the Navy may use not more than $4,000,000 to carry out the pilot program.

(d) REPORT.—(1) If the determination made under subsection (a)(1) is in the affirmative, upon completion of the test conducted under the pilot program 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 report setting forth in detail the results of the test. The report shall include recommendations on whether the alternative technology merits implementation on naval vessels and such other recommendations as the Secretary considers appropriate.

(2) If the determination made under subsection (a)(1) is in the negative, the Secretary shall submit to the committees referred to in paragraph (1) a report containing the analysis and data used by the Secretary in making the determination and such other recommendations as the Secretary considers appropriate.

Subtitle F—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 361. REORGANIZATION OF LAWS REGARDING COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) DESCRIPTION OF CHAPTER.—(1) The heading of chapter 147 of title 10, United States Code, is amended to read as follows:

"CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 147 and inserting in lieu thereof the following new item:

"147. Commissaries and Exchanges and Other Morale, Welfare, and Recreation Activities ..... 2481".

(b) TRANSFER AND REDESIGNATION OF UNRELATED PROVISIONS.—(1) Section 2481 of title 10, United States Code, is transferred to chapter 159 of such title, inserted after section 2685, and redesignated as section 2686.

(2) Sections 2483 and 2490 of such title are transferred to the end of subchapter III of chapter 169 of such title and redesignated as sections 2867 and 2868, respectively.

(3) Section 2491 of such title is redesignated as section 2500.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 147 of title 10, United States Code, is amended by striking out the items relating to sections 2481, 2483, and 2490.

(2) The table of sections at the beginning of chapter 159 of such title is amended by inserting after the item relating to section 2685 the following new item:

"2686. Utilities and services: sale; expansion and extension of systems and facilities.".

(3) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by adding at the end the following new items:

"2867. Sale of electricity from alternate energy and cogeneration production facilities.
"2868. Utility services: furnishing for certain buildings.".

(4) The table of sections at the beginning of subchapter I of chapter 148 of such title is amended by strik-

ing out the item relating to section 2491 and inserting in lieu thereof the following new item:

"2500. Definitions.".

(d) CONFORMING AMENDMENTS.—(1) Section 2534(d) of title 10, United States Code, is amended by striking out "section 2491(1)" both places it appears and inserting in lieu thereof "section 2500(1)".

(2) Section 2865(b)(2) of such title is amended by striking out "section 2483(b)(2)" and inserting in lieu thereof "section 2867(b)(2)".

SEC. 362. MERCHANDISE AND PRICING REQUIREMENTS FOR COMMISSARY STORES.

(a) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Subsection (b) of section 2486 of title 10, United States Code, is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following: "(b) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Merchandise sold in, at, or by commissary stores may include items only in the following categories:"; and

(2) by striking out paragraph (11) and inserting in lieu thereof the following new paragraph:

"(11) Subject to the congressional notification requirements of subsection (f), such other merchan-

dise categories as the Secretary of Defense may prescribe.''.

(b) ALTERATION OF UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—Subsection (c) of such section is amended—

(1) by inserting ''UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—'' after ''(c)'';

(2) by striking out ''in commissary stores.'' and inserting in lieu thereof ''in, at, or by commissary stores.''; and

(3) by adding at the end the following new sentence: ''The uniform percentage in effect on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 may not be changed except by a law enacted after such date.''.

(c) ESTABLISHMENT OF SALES PRICE.—Subsection (d) of such section is amended to read as follows:

''(d) SALES PRICE ESTABLISHMENT.—The Secretary of Defense shall establish the sales price of each item of merchandise sold in, at, or by commissary stores at the level that will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title).''.

(d) CONGRESSIONAL NOTIFICATION; SPECIAL RULES.—Such section is further amended by adding at the end the following new subsections:

"(f) CONGRESSIONAL NOTIFICATION.—(1) Any change in the pricing policies for merchandise sold in, at, or by commissary stores, and any addition of a merchandise category under subsection (a)(11), shall not take effect until the Secretary of Defense submits written notice of the proposed change or addition to Congress and a period of 90 days of continuous session of Congress expires following the date on which notice was received.

"(2) For purposes of this subsection, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment or recess of more than three days to a day certain are excluded in a computation of such 90-day period.

"(g) SPECIAL RULE FOR CERTAIN MERCHANDISE.—(1) Notwithstanding the general requirement that merchandise sold in, at, or by commissary stores be commissary store inventory, the Secretary of Defense may authorize the sale of items in the merchandise categories specified in paragraph (2) as noncommissary store inventory. Subsections (c) and (d) shall not apply to the pricing of such items of merchandise.

"(2) The merchandise categories referred to in paragraph (1) are as follows:

"(A) Magazines and other periodicals.

"(B) Tobacco products.".

(e) CLERICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "IN GENERAL.—" after "(a)"; and

(2) in subsection (e)—

(A) by inserting "SPECIAL RULE FOR BRAND-NAME COMMERCIAL ITEMS.—" after "(e)"; and

(B) by striking out "in commissary stores" both places it appears and inserting in lieu thereof "in, at, or by commissary stores".

(f) EFFECT OF AMENDMENT.—(1) In the case of merchandise categories authorized, before the date of the enactment of this Act, for sale in, at, or by commissary stores pursuant to regulations prescribed under subsection (b)(11) of section 2486 of title 10, United States Code, as in effect before such date, the Secretary of Defense may continue to authorize the sale of such merchandise categories in, at, or by commissary stores after such date notwithstanding the amendment made by subsection (a)(2). However, the sale in commissary store of such merchan-

dise categories shall be subject to the other requirements of such section 2486.

(2) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report specifying the commissary merchandise categories covered by paragraph (1).

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

Section 2486(e) of title 10, United States Code, as amended by section 362(e)(2), is further amended by adding at the end the following new sentence: ''In determining whether a brand name commercial item is regularly sold outside of commissary stores, the Secretary shall consider only sales of the item on a regional or national basis by commercial grocery or other retail operations consisting of multiple stores.''.

SEC. 364. TRANSFER OF JURISDICTION OVER EXCHANGE, COMMISSARY, AND MORALE, WELFARE, AND RECREATION ACTIVITIES TO UNDER SECRETARY OF DEFENSE (COMPTROLLER).

(a) COMPTROLLER JURISDICTION.—Section 135(c) of title 10, United States Code, is amended—

(1) by striking out ''and'' at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting "; and"; and

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

"(6) in the areas of exchange, commissary, and nonappropriated fund instrumentalities regarding morale, welfare, and recreation activities.".

(b) CONFORMING AMENDMENT.—Section 136(b) of title 10, United States Code, is amended by striking out "exchange, commissary, and nonappropriated fund activities,".

SEC. 365. PUBLIC AND PRIVATE PARTNERSHIPS TO BENEFIT MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) PARTNERSHIPS AUTHORIZED.—Chapter 147 of title 10, United States Code, as amended by section 361, is further amended by inserting before section 2482 the following new section:

"§ 2481. Morale, welfare, and recreation activities: leases and other contracts to benefit

"(a) LEASES AND OTHER CONTRACTS AUTHORIZED.—The Secretary of Defense may authorize a nonappropriated fund instrumentality to enter into leases, licensing agreements, concession agreements, and other contracts with private persons and State or local govern-

ments involving real property (and related personal property) under the control of the nonappropriated fund instrumentality in order to facilitate the provision of facilities, goods, or services to authorized patrons of the nonappropriated fund instrumentality.

"(b) CONDITIONS.—A nonappropriated fund instrumentality may enter into an authorized lease or other contract under subsection (a) only if the nonappropriated fund instrumentality determines, in consultation with the Secretary of Defense, that—

"(1) the use of the property subject to the lease or contract will provide appropriate space, or contribute to the provision of goods and services, for a morale, welfare, or recreation activity of the nonappropriated fund instrumentality;

"(2) the lease or contract will not be inconsistent with and will not adversely affect the mission of the Department or the nonappropriated fund instrumentality; and

"(3) the lease or contract will enhance the use of the property subject to the lease or contract.

"(c) ACCESS TO RESULTING FACILITIES, GOODS, OR SERVICES.—The use of a lease or contract under subsection (a) to provide facilities, goods, or services shall not be construed to permit the use of the resulting facilities,

goods, or services by persons who are not authorized patrons of the nonappropriated fund instrumentality that is a party to the lease or contract.

"(d) LEASE AND CONTRACT TERMS.—Subsection (b) of section 2667 of this title shall apply to a lease or contract under subsection (a), except that references to the Secretary concerned shall be deemed to mean the nonappropriated fund instrumentality that is a party to the lease or contract.

"(e) MONEY RENTALS.—Money rentals received pursuant to a lease or contract under subsection (a) shall be treated in the same manner as other receipts of the nonappropriated fund instrumentality that is a party to the lease or contract, except that use of the rentals shall be restricted to the installation at which the property covered by the lease or contract is located.

"(f) DEFINITION.—In this section, the term 'nonappropriated fund instrumentality' means the Army and Air Force Exchange Service, Navy Exchange Service Command, Marine Corps exchanges, or any other instrumentality of the United States under the jurisdiction of the armed forces which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces.".

(b) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 147 of such title, as amended by section 361, is further amended by inserting before the item relating to section 2482 the following new item:

"2481. Morale, welfare, and recreation activities: leases and other contracts to benefit.".

SEC. 366. TREATMENT OF CERTAIN AMOUNTS RECEIVED BY DEFENSE COMMISSARY AGENCY.

Section 2482 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) TREATMENT OF CERTAIN RECEIPTS.—(1) The Defense Commissary Agency shall deposit amounts received from the sources specified in paragraph (2) into the same account in which the proceeds from the adjustment of, or surcharge on, commissary store prices authorized by subsection (a) of section 2685 of this title are deposited. In such amounts as provided in appropriations Acts, the amounts deposited under this paragraph shall be available for the purposes described in subsection (b) of such section.

"(2) Paragraph (1) shall apply with respect to amounts received by the Defense Commissary Agency from—

"(A) the sale of items for recycling;

"(B) the disposal of excess property;

"(C) license fees, royalties, incentive allowances, and management and other fees; and

"(D) a nonappropriated fund instrumentality of the United States.".

SEC. 367. AUTHORIZED USE OF APPROPRIATED FUNDS FOR RELOCATION OF NAVY EXCHANGE SERVICE COMMAND.

The Navy Exchange Service Command is not required to reimburse the United States for appropriated funds allotted to the Navy Exchange Service Command during fiscal years 1994, 1995, and 1996 to cover costs incurred by the Navy Exchange Service Command to relocate to Virginia Beach, Virginia, and to lease headquarters space in Virginia Beach.

Subtitle G—Other Matters

SEC. 371. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 1998.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available for providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $5,000,000 shall be available for making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 1998, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1998 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1998 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under paragraphs (1) and (2) of subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

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

(2) The term ''educational agencies payments'' means payments authorized under section 386(d) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(3) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(e) TECHNICAL CORRECTION RELATING TO ORIGINAL ASSISTANCE AUTHORITY.—Section 386(c)(1) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note) is amended—

(1) by striking out ''section 8003(a)'' and inserting in lieu thereof ''section 8003(a)(1)''; and

(2) by striking out ''(20 U.S.C. 7703(a))'' and inserting in lieu thereof ''(20 U.S.C. 7703(a)(1))''.

SEC. 372. CONTINUATION OF OPERATION MONGOOSE.

Section 135 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) The Under Secretary of Defense (Comptroller) shall be responsible for investigating evidence of fraud, waste, and abuse uncovered as a result of the Department of Defense program (known as Operation Mongoose) established to identify and prevent fraud, waste, and abuse within the Department of Defense, particularly fraud, waste, and abuse regarding finance and accounting matters. The program shall continue through fiscal year 2003.''.

SEC. 373. INCLUSION OF AIR FORCE DEPOT MAINTENANCE AS OPERATION AND MAINTENANCE BUDGET ACTIVITY GROUP.

For fiscal year 1999 and each fiscal year thereafter, Air Force depot-level maintenance of materiel shall be displayed as one or more budget activity groups (known as ''subactivities'') within the authorization request for Operation and Maintenance, Air Force, in the proposed budget for that fiscal year submitted to Congress pursuant to section 1105 of title 31, United States Code.

SEC. 374. PROGRAMS TO COMMEMORATE 50TH ANNIVERSARY OF MARSHALL PLAN AND KOREAN CONFLICT.

(a) COMMEMORATIVE PROGRAMS.—(1) The Secretary of Defense may conduct a program to commemorate the 50th anniversary of the Marshall Plan that provided for the reconstruction of the economies of Western Europe following World War II.

(2) The Secretary may conduct a program to commemorate the 50th anniversary of the Korean conflict.

(3) In conducting such commemorative programs, the Secretary may coordinate, support, and facilitate other programs and activities of the Federal Government, State and local governments, and other persons in commemoration of the Marshall Plan or the Korean conflict.

(b) MARSHALL PLAN COMMEMORATIVE ACTIVITIES.—The commemorative programs authorized by subsection (a)(1) may include activities and ceremonies—

(1) to honor George C. Marshall, who developed the Marshall Plan, for a lifetime of service to the United States as a commissioned officer of the Army (including service during World War II as Chief of Staff of the Army with the rank of General of the Army) and as Secretary of Defense and Secretary of State at the beginning of the Cold War; and

(2) to provide the people of the United States with a clear understanding and appreciation of the significance of Marshall Plan.

(c) KOREAN CONFLICT COMMEMORATIVE ACTIVITIES.—The commemorative programs authorized by subsection (a)(2) may include activities and ceremonies—

(1) to provide the people of the United States with a clear understanding and appreciation of the lessons and history of the Korean conflict;

(2) to thank and honor veterans of the Korean conflict and their families;

(3) to pay tribute to the sacrifices and contributions made on the home front by the people of the United States during the Korean conflict;

(4) to highlight advances in technology, science, and medicine related to military research conducted during the Korean conflict;

(5) to recognize the contributions and sacrifices made by the allies of the United States in the Korean conflict; and

(6) to highlight the role of the Armed Forces of the United States, then and now, in maintaining world peace through strength.

(d) NAMES AND SYMBOLS.—The Secretary of Defense shall have the sole and exclusive right to use the

names "The Department of Defense 50th Anniversary of the Marshall Plan", "50th Anniversary of the Marshall Plan", and "The Korean Conflict Commemoration", and such seal, emblems, and badges incorporating such names as the Secretary may lawfully adopt. Nothing in this section may be construed to supersede rights that are established or vested before the date of the enactment of this Act.

(e) COMMEMORATIVE ACCOUNT.—(1) There is established in the Treasury an account to be known as the "Department of Defense 50th Anniversary of the Marshall Plan and Korean Conflict Commemoration Account", which shall be administered by the Secretary of Defense as a single account. There shall be deposited into the account all proceeds derived from the Secretary's use of the exclusive rights described in subsection (d). The Secretary may use funds in the account only for the purpose of conducting the commemorative programs authorized by subsection (a).

(2) Not later than 60 days after completion of all activities and ceremonies conducted as part of the commemorative programs, the Secretary shall submit to Congress a report containing an accounting of all the funds deposited into and expended from the account or otherwise expended under this section, and of any funds remaining

in the account. Unobligated funds remaining in the account on that date shall be held in the account until transferred by law.

(f) ACCEPTANCE OF VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, United States Code, the Secretary of Defense may accept from any person voluntary services to be provided in furtherance of the commemorative programs authorized by subsection (a).

(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, United States Code, relating to compensation for work-related injuries. The person shall also be considered a special governmental employee for purposes of standards of conduct and sections 202, 203, 205, 207, 208, and 209 of title 18, United states Code. A person who is not otherwise employed by the Federal Government shall not be considered to be a Federal employee for any other purpose by reason of the provision of voluntary services under this subsection.

(3) The Secretary may provide for reimbursement of incidental expenses incurred by a person providing voluntary services under this subsection. The Secretary shall determine which expenses are eligible for reimbursement under this paragraph.

SEC. 375. PROHIBITION ON USE OF SPECIAL OPERATIONS COMMAND BUDGET FOR BASE OPERATION SUPPORT.

Section 167(f) of title 10, United States Code, is amended.—

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

(2) by inserting ''(1)'' before ''In addition''; and

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

''(2) Funds provided for the special operations command as part of the budget for the special operations command under paragraph (1) may not be used to cover base operation support expenses incurred at a military installation.''.

SEC. 376. CONTINUATION AND EXPANSION OF DEMONSTRATION PROGRAM TO IDENTIFY OVERPAYMENTS MADE TO VENDORS.

(a) SCOPE OF PROGRAM.—Section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 268; 10 U.S.C. 2461 note) is amended—

(1) in subsection (a), by striking out the second sentence; and

(2) in subsection (b)(1), by striking out ''of the Defense Logistics Agency that relate to (at least)

fiscal years 1993, 1994, and 1995'' and inserting in lieu thereof ''relating to fiscal years after fiscal year 1993 of the working-capital funds and industrial, commercial, and support type activities managed through the Defense Business Operations Fund, except the Defense Logistics Agency to the extent such records have already been audited''.

(b) COLLECTION METHOD; CONTRACTOR PAYMENTS.—Such section is further amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

''(d) COLLECTION METHOD.—In the case of an overpayment to a vendor identified under the demonstration program, the Secretary shall require the use of the procedures specified in section 32.611 of the Federal Acquisition Regulation, regarding a setoff against existing invoices for payment to the vendor, as the first method by which the Department shall seek to recover the amount of the overpayment (and any applicable interest and penalties) from the vendor.

''(e) FEES FOR CONTRACTOR.—The Secretary shall pay to the contractor under the contract entered into under the demonstration program an amount not to exceed 25 percent of the total amount recovered by the Department (through the collection of overpayments and the

use of setoffs) solely on the basis of information obtained as a result of the audits performed by the contractor under the program. When an overpayment is recovered through the use of a setoff, amounts for the required payment to the contractor shall be derived from funds available to the working-capital fund or industrial, commercial, or support type activity for which the overpayment is recovered.''.

SEC. 377. APPLICABILITY OF FEDERAL PRINTING REQUIREMENTS TO DEFENSE AUTOMATED PRINTING SERVICE.

(a) Subchapter I of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 195. Defense Automated Printing Service: applicability of Federal printing requirements

''The Defense Automated Printing Service shall comply fully with the requirements of chapter 5 of title 44 relating to the production and procurement of printing, binding, and blank-book work.''.

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

''195. Defense Automated Printing Service: applicability of Federal printing requirements.''.

SEC. 378. BASE OPERATIONS SUPPORT FOR MILITARY INSTALLATIONS ON GUAM.

(a) CONTRACTOR USE OF NONIMMIGRANT ALIENS.—Each contract for base operations support to be performed on Guam shall contain a condition that work under the contract may not be performed by any alien who is issued a visa or otherwise provided nonimmigrant status under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(b) APPLICATION OF SECTION.—This section shall apply to contracts entered into, amended, or otherwise modified on or after the date of the enactment of this Act.

TITLE IV—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, 1998, as follows:

(1) The Army, 495,000.

(2) The Navy, 395,000.

(3) The Marine Corps, 174,000.

(4) The Air Force, 381,000.

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, 1998, as follows:

(1) The Army National Guard of the United States, 366,516.

(2) The Army Reserve, 208,000.

(3) The Naval Reserve, 94,294.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 107,377.

(6) The Air Force Reserve, 73,431.

(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 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, 1998, 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, 22,310.

(2) The Army Reserve, 11,500.

(3) The Naval Reserve, 16,136.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,616.

(6) The Air Force Reserve, 748.

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

(a) AUTHORIZATION FOR FISCAL YEAR 1998.—The minimum number of military technicians (dual status) as of the last day of fiscal year 1998 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 5,503.

(2) For the Army National Guard of the United States, 23,125.

(3) For the Air Force Reserve, 9,802.

(4) For the Air National Guard of the United States, 22,853.

(b) REQUESTS FOR FUTURE FISCAL YEARS.—Section 115(g) of title 10, United States Code, is amended by adding at the end the following new sentence: ''In each budget submitted by the President to Congress under section 1105 of title 31, the end strength requested for military technicians (dual status) for each reserve component of the Army and Air Force shall be specifically set forth.''.

SEC. 414. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO SERVE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table in section 12011(a) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	673	140
Lieutenant Colonel or Commander	1,524	520	672	90
Colonel or Navy Captain	437	188	274	30".

(b) SENIOR ENLISTED MEMBERS.—The table in section 12012(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	627	202	371	20
E–8	2,585	429	900	94".

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 1998 a total of $69,539,862,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1998.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. LIMITATION ON NUMBER OF GENERAL AND FLAG OFFICERS WHO MAY SERVE IN POSITIONS OUTSIDE THEIR OWN SERVICE.

(a) IN GENERAL.—Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service

"(a) LIMITATION.—An officer described in subsection (b) may not be appointed, assigned, or detailed for a period in excess of 90 days to a position external to that officer's armed force if, immediately following such appointment, assignment, or detail, the number of officers described in subsection (b) serving in positions external to such officers' armed force for a period in excess of 90 days would be in excess of 24.5 percent of the total number of such officers.

"(b) COVERED OFFICERS.—The officers covered by subsection (a), and to be counted for the purposes of the limitation in that subsection, are the following:

"(1) Any general or flag officer counted for purposes of section 526(a) of this title.

"(2) Any general or flag officer serving in a joint duty assignment position designated by the Chairman of the Joint Chiefs of Staff under section 526(b) of this title.

"(3) Any colonel or Navy captain counted for purposes of section 777(d)(1) of this title.

"(c) EXTERNAL POSITIONS.—For purposes of this section, the following positions shall be considered to be external to an officer's armed force:

"(1) Any position (including a position in joint education) that is a joint duty assignment for purposes of chapter 38 of this title.

"(2) Any position in the Office of the Secretary of Defense, a Defense Agency, or a Department of Defense Field Activity.

"(3) Any position in the Joint Chiefs of Staff, the Joint Staff, or the headquarters of a combatant command (as defined in chapter 6 of this title).

"(4) Any position in the National Guard Bureau.

"(5) Any position outside the Department of Defense, including any position in the headquarters of the North Atlantic Treaty Organization or any

other international military command, any combined or multinational command, or military mission.

"(d) ASSIGNMENTS, ETC. FOR PERIODS IN EXCESS OF 90 DAYS.—For purposes of this section, the appointment, assignment, or detail of an officer to a position shall be considered to be for a period in excess of 90 days unless the appointment, assignment, or detail specifies that it is made a period of 90 days or less.

"(e) WAIVER DURING PERIOD OF WAR OR NATIONAL EMERGENCY.—The President may suspend the operation of this section during any period of war or of national emergency declared by Congress or the President.".

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

"721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service.".

SEC. 502. EXCLUSION OF CERTAIN RETIRED OFFICERS FROM LIMITATION ON PERIOD OF RECALL TO ACTIVE DUTY.

Effective October 1, 1997, section 688(e) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "A member"; and

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

"(2) Paragraph (1) shall not apply to the following officers:

"(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of active duty to which ordered.

"(C) An officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

SEC. 503. CLARIFICATION OF OFFICERS ELIGIBLE FOR CONSIDERATION BY SELECTION BOARDS.

(a) OFFICERS ON THE ACTIVE-DUTY LIST.—Section 619(d) of title 10, United States Code, is amended—

(1) by striking out "grade—" in the matter preceding paragraph (1) and inserting in lieu thereof "grade any of the following officers:";

(2) in paragraph (1)—

(A) by striking out "an officer" and inserting in lieu thereof "An officer"; and

(B) by striking out "; or" at the end and inserting in lieu thereof a period; and

(3) by redesignating paragraph (2) as paragraph (3) and in that paragraph striking out ''an officer'' and inserting in lieu thereof ''An officer''; and

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

''(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under that section, in the case of such a report that has not yet been approved by the President.''.

(b) OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.—Section 14301(c) of such title is amended—

(1) by striking out ''grade—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''grade any of the following officers:'';

(2) by striking out ''an officer'' in each of paragraphs (1), (2), and (3) and inserting in lieu thereof ''An officer'';

(3) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period;

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

(5) by redesignating paragraphs (2) and (3), as so amended, as paragraphs (3) and (4), respectively, and in each such paragraph striking out ''the next

higher grade'' and inserting in lieu thereof ''that grade''; and

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

''(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under a provision referred to in paragraph (1), in the case of such a report that has not yet been approved by the President.''.

(c) CLARIFYING AMENDMENTS.—Paragraphs (3) and (4) of section 14301(c) of such title, as redesignated and amended by subsection (b), are each amended by inserting before the period at the end the following: '', if that nomination is pending before the Senate''.

SEC. 504. AUTHORITY TO DEFER MANDATORY RETIREMENT FOR AGE OF OFFICERS SERVING AS CHAPLAINS.

(a) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHAPLAINS PROVIDING DIRECT SUPPORT TO UNITS OR INSTALLATIONS.—Subsection (c) of section 1251 of title 10, United States Code, is amended—

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

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

"(2) The Secretary concerned may defer the retirement under subsection (a) of an officer who is appointed or designated as a chaplain if during the period of the deferment the officer will be performing duties consisting primarily of providing direct support as a chaplain to units or installations.".

(b) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHIEF AND DEPUTY CHIEF OF CHAPLAINS.—Such section is further amended by adding at the end the following new subsection:

"(d) The Secretary concerned may defer the retirement under subsection (a) of an officer who is the Chief of Chaplains or Deputy Chief of Chaplains of that officer's armed force. Such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.".

(c) QUALIFICATION FOR SERVICE AS NAVY CHIEF OF CHAPLAINS OR DEPUTY CHIEF OF CHAPLAINS.—(1) Section 5142(b) of such title is amended by striking out ", who are not on the retired list,".

(2) Section 5142a of such title is amended by striking out ", who is not on the retired list,".

Subtitle B—Reserve Component Matters

SEC. 511. INDIVIDUAL READY RESERVE ACTIVATION AUTHORITY.

(a) IRR MEMBERS SUBJECT TO ORDER TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.—Section 10144 of title 10, United States Code, is amended—

(1) by inserting ''(a)'' before ''Within the Ready Reserve''; and

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

''(b)(1) Within the Individual Ready Reserve of each reserve component there is a category of members, as designated by the Secretary concerned, who are subject to being ordered to active duty involuntarily in accordance with section 12304 of this title. A member may not be placed in that mobilization category unless—

''(A) the member volunteers for that category; and

''(B) the member is selected for that category by the Secretary concerned, based upon the needs of the service and the grade and military skills of that member.

"(2) A member of the Individual Ready Reserve may not be carried in such mobilization category of members after the end of the 24-month period beginning on the date of the separation of the member from active service.

"(3) The Secretary shall designate the grades and military skills or specialities of members to be eligible for placement in such mobilization category.

"(4) A member in such mobilization category shall be eligible for benefits (other than pay and training) as are normally available to members of the Selected Reserve, as determined by the Secretary of Defense.".

(b) CRITERIA FOR ORDERING TO ACTIVE DUTY.—Subsection (a) of section 12304 of title 10, United States Code, is amended by inserting after "of this title)," the following: "or any member in the Individual Ready Reserve mobilization category and designated as essential under regulations prescribed by the Secretary concerned,".

(c) MAXIMUM NUMBER.—Subsection (c) of such section is amended—

(1) by inserting "and the Individual Ready Reserve" after "Selected Reserve"; and

(2) by inserting ", of whom not more than 30,000 may be members of the Individual Ready Reserve" before the period at the end.

(d) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (f), by inserting ''or Individual Ready Reserve'' after ''Selected Reserve'';

(2) in subsection (g), by inserting '', or member of the Individual Ready Reserve,'' after ''to serve as a unit''; and

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

''(i) For purposes of this section, the term 'Individual Ready Reserve mobilization category' means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.''.

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

''§ 12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency''.

(2) The item relating to section 12304 in the table of sections at the beginning of chapter 1209 of such title is amended to read as follows:

''12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency.''.

SEC. 512. TERMINATION OF MOBILIZATION INCOME INSURANCE PROGRAM.

(a) IN GENERAL.—Chapter 1214 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12533. Termination of program

''(a) IN GENERAL.—The Secretary shall terminate the insurance program in accordance with this section.

''(b) TERMINATION OF NEW ENROLLMENTS.—The Secretary may not enroll a member of the Ready Reserve for coverage under the insurance program after the date of the enactment of this section.

''(c) TERMINATION OF COVERAGE.—(1) The enrollment under the insurance program of insured members other than insured members described in paragraph (2) is terminated as of the date of the enactment of this section. The enrollment of an insured member described in paragraph (2) is terminated as of the date of the termination of the period of covered service of that member described in that paragraph.

''(2) An insured member described in this paragraph is an insured member who on the date of the enactment of this section is serving on covered service for a period of service, or has been issued an order directing the performance of covered service, that satisfies or would satisfy the entitlement-to-benefits provisions of this chapter.

"(d) TERMINATION OF PAYMENT OF BENEFITS.—The Secretary may not make any benefit payment under the insurance program after the date of the enactment of this section other than to an insured member who on that date (1) is serving on an order to covered service, (2) has been issued an order directing performance of covered service, or (3) has served on covered service before that date for which benefits under the program have not been paid to the member.

"(e) TERMINATION OF INSURANCE FUND.—The Secretary shall close the Fund not later than 60 days after the date on which the last benefit payment from the Fund is made. Any amount remaining in the Fund when closed shall be covered into the Treasury as miscellaneous receipts.".

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

"12533. Termination of program.".

SEC. 513. CORRECTION OF INEQUITIES IN MEDICAL AND DENTAL CARE AND DEATH AND DISABILITY BENEFITS FOR RESERVE MEMBERS WHO INCUR OR AGGRAVATE AN ILLNESS IN THE LINE OF DUTY.

(a) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a)(2) of title 10, United States Code, is amended—

(1) by striking out ''or'' at the end of subparagraph (A);

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

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

''(C) who incurs or aggravates an injury or illness in the line of duty while serving on active duty for a period of 30 days or less and whose orders are subsequently modified to extend the period of active duty to a period of more than 30 days.''.

(b) MEDICAL AND DENTAL CARE.—Section 1074a(a)(3) of such title is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' after ''in the line of duty''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT.—Section 1204(2)(C) of such title is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' after ''aggravated''.

(d) ELIGIBILITY FOR DISABILITY SEPARATION.—Section 1206 of such title is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5) respectively; and

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

''(2) the disability was incurred in the line of duty as 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 immediately before the commencement of inactive-duty training, or 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 reason-

able commuting distance of the member's residence;''.

(e) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of such title is amended by inserting ''remaining overnight immediately before the commencement of inactive-duty training, or'' after ''(D)''.

(f) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' in subsections (g)(1)(D) and (h)(1)(D) after ''in line of duty''.

(g) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of such title is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' after ''in line of duty''.

SEC. 514. TIME-IN-GRADE REQUIREMENTS FOR RESERVE COMMISSIONED OFFICERS RETIRED DURING FORCE DRAWDOWN PERIOD.

(a) AUTHORITY COMPARABLE TO ACTIVE-DUTY LIST OFFICERS.—Subsection (d)(3) of section 1370 of title 10, United States Code, is amended by adding at the end the following new subparagraph:

''(F) The Secretary of Defense may authorize the Secretary of a military department to reduce the three-

year period specified in subparagraph (A) to a period of not less than two years in the case of retirements effective during the period beginning on the date of the enactment of this subparagraph and ending on September 30, 1999. The number of officers in an armed force in a grade for whom a reduction is made during any fiscal year in the period of service-in-grade otherwise required under this paragraph may not exceed the number equal to two percent of the authorized reserve active status strength for that fiscal year for officers of that armed force in that grade.''.

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

(1) in subsection (a)(2)(A), by inserting ''of'' after ''reduce such period to a period''; and

(2) in subsection (d)(1), by striking out ''chapter 1225'' and inserting in lieu thereof ''chapter 1223''.

SEC. 515. AUTHORITY TO PERMIT NON-UNIT ASSIGNED OFFICERS TO BE CONSIDERED BY VACANCY PROMOTION BOARD TO GENERAL OFFICER GRADES.

(a) CONVENING OF SELECTION BOARDS.—Section 14101(a)(2) of title 10, United States Code, is amended by striking out ''(except in the case of a board convened

to consider officers as provided in section 14301(e) of this title).''.

(b) ELIGIBILITY FOR CONSIDERATION OF CERTAIN ARMY OFFICERS.—Section 14301 of such title is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(c) GENERAL OFFICER PROMOTIONS.—Section 14308 of such title is amended—

(1) in subsection (e)(2), by inserting ''a grade below colonel in'' after ''(2) an officer in''; and

(2) in subsection (g)—

(A) by inserting ''or the Air Force'' in the first sentence after ''of the Army'' the first place it appears;

(B) by striking out ''in that grade'' in the first sentence and all that follows through ''Secretary of the Army'' and inserting in lieu thereof ''in the Army Reserve or the Air Force Reserve, as the case may be, in that grade''; and

(C) by striking out the second sentence.

(d) VACANCY PROMOTIONS.—Section 14315(b)(1) of such title is amended by striking out ''the duties'' in clause (A) and all that follows through ''as a unit,'' and inserting

in lieu thereof ''duties of a general officer of the next higher reserve grade in the Army Reserve,''.

SEC. 516. GRADE REQUIREMENT FOR OFFICERS ELIGIBLE TO SERVE ON INVOLUNTARY SEPARATION BOARDS.

Section 14906(a)(2) of title 10, United States Code, is amended by striking out ''a grade above lieutenant colonel or commander'' and inserting in lieu thereof ''the grade of lieutenant colonel or commander or a higher grade''.

SEC. 517. LIMITATION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) LIMITATION.—The Secretary of the Air Force may not use members of the Air Force Reserve who are AGR personnel for the performance of force protection, base security, or security police functions at an Air Force facility in the United States until six months after the date on which the Secretary submits to Congress a report on such use of AGR personnel.

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

(1) A statement of the planned scope, including each planned location, of such use of AGR personnel

during the year in which the report is submitted and each of the five subsequent years.

(2) A detailed rationale for, and evaluation of, the cost effectiveness of the use of AGR personnel to perform such functions at Air Force facilities in the United States compared to the use of Department of Defense civilian personnel or contractor personnel for the performance of these functions at those facilities.

(3) A plan, including a cost estimate, for the reemployment, conversion to AGR status, or retirement of civilian employees and military technicians who are displaced by the use of Air Force Reserve AGR personnel to perform those functions.

(c) AGR PERSONNEL DEFINED.—For the purposes of this section, the term ''AGR personnel'' means members of the Air Force Reserve who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training the Air Force Reserve.

Subtitle C—Military Technicians

SEC. 521. AUTHORITY TO RETAIN ON THE RESERVE ACTIVE-STATUS LIST UNTIL AGE 60 MILITARY TECHNICIANS IN THE GRADE OF BRIGADIER GENERAL.

(a) RETENTION.—Section 14702(a) of title 10, United States Code, is amended—

(1) by striking out ''section 14506 or 14507'' and inserting in lieu thereof ''section 14506, 14507, or 14508''; and

(2) by striking out ''or colonel'' and inserting in lieu thereof ''colonel, or brigadier general''.

(b) TECHNICAL AMENDMENT.—Section 14508(c) of such title is amended by striking out ''not later than the date on which the officer becomes 60 years of age'' and inserting in lieu thereof ''not later than the last day of the month in which the officer becomes 60 years of age''.

SEC. 522. MILITARY TECHNICIANS (DUAL STATUS).

(a) DEFINITION.—Subsection (a) of section 10216 of title 10, United States Code, is amended to read as follows:

''(a) IN GENERAL.—(1) For purposes of this section and any other provision of law, a military technician (dual status) is a Federal civilian employee who—

"(A) is employed under section 3101 of title 5 or section 709 of title 32;

"(B) is required as a condition of that employment to maintain membership in the Selected Reserve; and

"(C) is assigned to a position as a technician in the administration and training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces.

"(2) Military technicians (dual status) shall be authorized and accounted for as a separate category of civilian employees.".

(b) UNIT MEMBERSHIP AND DUAL-STATUS REQUIREMENT.—Subsection (d) of such section is amended to read as follows:

"(d) UNIT MEMBERSHIP REQUIREMENT.—(1) Unless specifically exempted by law, each individual who is hired as a military technician (dual status) after December 1, 1995, shall be required as a condition of that employment to maintain membership in—

"(A) the unit of the Selected Reserve by which the individual is employed as a military technician; or

"(B) a unit of the Selected Reserve that the individual is employed as a military technician to support.

"(2) Paragraph (1) does not apply to a military technician (dual status) who is employed by the Army Reserve in an area other than Army Reserve troop program units.

"(e) DUAL-STATUS REQUIREMENT.—(1) Funds appropriated for the Department of Defense may not (except as provided in paragraph (2)) be used for compensation as a military technician of any individual hired as a military technician after February 10, 1996, who is no longer a member of the Selected Reserve.

"(2) The Secretary concerned may pay compensation described in paragraph (1) to an individual described in that paragraph who is no longer a member of the Selected Reserve for a period not to exceed six months following the individual's loss of membership in the Selected Reserve if the Secretary determines such loss of membership was not due to the failure of that individual to meet military standards.".

(c) NATIONAL GUARD DUAL-STATUS REQUIREMENT.—Section 709(b) of title 32, United States Code, is amended by striking out "Except as prescribed by the Secretary concerned, a technician" and inserting in lieu thereof "A technician".

(d) PLAN FOR CLARIFICATION OF STATUTORY AUTHORITY OF MILITARY TECHNICIANS.—(1) The Secretary of Defense shall submit to Congress, as part of the budget justification materials submitted in support of the budget for the Department of Defense for fiscal year 1999, a legislative proposal to provide statutory authority and clarification under title 5, United States Code—

(A) for the hiring, management, promotion, separation, and retirement of military technicians who are employed in support of units of the Army Reserve or Air Force Reserve; and

(B) for the transition to the competitive service of an individual who is hired as military technician in support of a unit of the Army Reserve or Air Force Reserve and who (as determined by the Secretary concerned) fails to maintain membership in the Selected Reserve through no fault of the individual.

(2) The legislative proposal under paragraph (1) shall be developed in consultation with the Director of the Office of Personnel Management.

(e) CONFORMING REPEAL.—Section 8106 of Public Law 104–61 (109 Stat. 654; 10 U.S.C. 10101 note) is repealed.

(f) CROSS-REFERENCE CORRECTIONS.—Section 10216(c)(1) of title 10, United States Code, is amended by striking out ''subsection (a)(1)'' in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof ''subsection (b)(1)''.

(g) CONFORMING AMENDMENTS TO SECTION 10216.—Section 10216 of title 10, United States Code, is further amended as follows:

(1) The heading of subsection (b) is amended by inserting ''(DUAL STATUS)'' after ''MILITARY TECHNICIANS''.

(2) Subsection (b)(1) is amended—

(A) by inserting ''(dual status)'' after ''for military technicians'';

(B) by striking out ''dual status military technicians'' and inserting in lieu thereof ''military technicians (dual status)'';

(C) by inserting ''(dual status)'' after ''military technicians'' in subparagraph (C).

(3) Subsection (b)(2) is amended by inserting ''(dual status)'' after ''military technicians'' both places it appears.

(4) Subsection (b)(3) is amended by inserting ''(dual status)'' after ''Military technician''.

(5) Subsection (c) is amended—

(A) in the matter preceding paragraph (1)(A), by inserting ''(dual status)'' after ''military technicians'';

(B) in paragraph (1), by striking out ''dual status technicians'' in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof ''military technicians (dual status)'';

(C) in paragraph (2)(A), by inserting ''(dual status)'' after ''military technician''; and

(D) in paragraph (2)(B), by striking out ''delineate—'' and all that follows through ''or other reasons'' in clause (ii) and inserting in lieu thereof ''delineate the specific force structure reductions''.

(h) CLERICAL AMENDMENTS.—(1) The heading of section 10216 of such title is amended to read as follows:

''§ 10216. Military technicians (dual status)''.

(2) The item relating to such section in the table of sections at the beginning of chapter 1007 of such title is amended to read as follows:

''10216. Military technicians (dual status).''.

(i) OTHER CONFORMING AMENDMENTS.—(1) Section 115(g) of such title is amended by inserting ''(dual status)'' in the first sentence after ''military technicians'' and in the second sentence after ''military technician''.

(2) Section 115a(h) of such title is amended—

(A) by inserting ''(displayed in the aggregate and separately for military technicians (dual status) and non-dual status military technicians)'' in the matter preceding paragraph (1) after ''of the following''; and

(B) by striking out paragraph (3).

SEC. 523. NON-DUAL STATUS MILITARY TECHNICIANS.

(a) IN GENERAL.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 10217. Non-dual status military technicians

''(a) DEFINITION.—For the purposes of this section and any other provision of law, a non-dual status military technician is a civilian employee of the Department of Defense who—

''(1) was hired as a military technician before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under any of the authorities specified in subsection (d); and

''(2) as of the date of the enactment of that Act is not a member of the Selected Reserve or after such date ceases to be a member of the Selected Reserve.

''(b) FISCAL YEAR 1998 LIMITATION.—As of September 30 1998, the number of civilian employees of a

military department who are non-dual status military technicians may not exceed the following:

"(1) For the Army Reserve, 1,200.

"(2) For the Army National Guard of the United States, 2,260.

"(3) For the Air Force Reserve, 0.

"(4) For the Air National Guard of the United States, 395.

"(c) REDUCTIONS FOR FUTURE YEARS.—For each of the 10 fiscal years beginning with fiscal year 1999, the Secretary of the military department concerned shall reduce the number of non-dual status military technicians under the jurisdiction of that Secretary, as of the end of that fiscal year, from the authorized number for the preceding fiscal year by not less—

"(1) 120, for the Army Reserve;

"(2) 226, for the Army National Guard of the United States; and

"(3) 39, for the Air National Guard of the United States.

"(d) EMPLOYMENT AUTHORITIES.—The authorities referred to in subsection (a) are the following:

"(1) Section 10216 of this title.

"(2) Section 709 of title 32.

"(3) The requirements referred to in section 8401 of title 5.

"(4) Section 8016 of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 654), and any comparable provision provided on an annual basis in the Department of Defense Appropriations Acts for fiscal years 1984 through 1995.

"(5) Any memorandum of agreement between the Department of Defense and the Office of Personnel Management providing for the hiring of military technicians.".

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

"10217. Non-dual status military technicians.".

(b) PLAN FOR NON-DUAL STATUS TECHNICIANS.—Not later than March 31, 1998, the Secretary of Defense shall submit to Congress a report setting forth recommendations of the Secretary (including proposals for such legislative changes as may be necessary to implement the recommendations of the Secretary) for eliminating non-dual status military technician positions. In developing the plan, the Secretary shall consider (among other alternatives) the feasibility and cost of each of the following:

(1) Elimination or consolidation of functions and positions.

(2) Contracting for performance by contractor personnel of functions currently performed by personnel in those positions.

(3) Conversion of those technicians and positions, in the case of technicians of the Army National Guard of the United States or the Air National Guard of the United States, to State employment and positions or competitive service employment positions under title 5, United States Code.

(4) Conversion of those technicians or positions to employment and positions in the competitive service under title 5, United States Code, in the case of technicians of the Army Reserve.

(5) Use of incentives to facilitate the reductions required under subsection (c) of section 10217 of title 10, United States Code, as added by subsection (a).

SEC. 524. REPORT ON FEASIBILITY AND DESIRABILITY OF CONVERSION OF AGR PERSONNEL TO MILITARY TECHNICIANS (DUAL-STATUS).

(a) REPORT REQUIRED.—Not later than January 1, 1998, the Secretary of Defense shall submit to Congress a report on the feasibility and desirability of conversion

of AGR personnel to military technicians (dual-status). The report shall—

(1) identify advantages and disadvantages of such a conversion;

(2) identify possible savings if such a conversion were to be carried out; and

(3) set forth the recommendation of the Secretary as to whether such a conversion should be made.

(b) AGR PERSONNEL DEFINED.—For purposes of subsection (a), the term ''AGR personnel'' means members of the Army or Air Force reserve components who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training their respective reserve components.

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

SEC. 531. REFORM OF MILITARY RECRUITING SYSTEMS.

(a) IN GENERAL.—The Secretary of Defense shall carry out reforms in the recruiting systems of the Army, Navy, Air Force, and Marine Corps in order to improve the quality of new recruits and to reduce attrition among recruits.

(b) SPECIFIC REFORMS.—As part of the reforms in military recruiting systems to be undertaken under subsection (a), the Secretary shall take the following steps:

(1) Improve the system of separation codes used for recruits who are separated during recruit training by (A) revising and updating those codes to allow more accurate and useful data collection about those separations, and (B) prescribing regulations to ensure that those codes are interpreted in a uniform manner by the military services.

(2) Develop a reliable database for (A) analyzing service-wide data on reasons for attrition of new recruits, and (B) undertaking service-wide measures to control and manage such attrition.

(3) Require that the Secretary of each military department (A) adopt or strengthen incentives for recruiters to thoroughly prescreen potential candidates for recruitment, and (B) link incentives for recruiters, in part, to the ability of a recruiter to screen out unqualified candidates before enlistment.

(4) Require that the Secretary of each military department include as a measurement of recruiter performance the percentage of persons enlisted by a recruiter who complete initial combat training or basic training.

(5) Assess trends in the number and use of waivers over the 1991–1997 period that were issued to permit applicants to enlist with medical or other conditions that would otherwise be disqualifying.

(6) Require the Secretary of each military department to implement policies and procedures (A) to ensure the prompt separation of recruits who are unable to successfully complete basic training, and (B) to remove those recruits from the training environment while separation proceedings are pending.

(c) REPORT.—The Secretary shall submit to Congress a report of the trends assessed under subsection (b)(5). The information on those trends provided in the report shall be shown by armed force and by category of waiver. The report shall include recommendations of the Secretary for changing, revising, or limiting the use of waivers referred to in that subsection and shall be submitted not later than March 31, 1998.

SEC. 532. IMPROVEMENTS IN MEDICAL PRESCREENING OF APPLICANTS FOR MILITARY SERVICE.

(a) IN GENERAL.—The Secretary of Defense shall improve the medical prescreening of applicants for entrance into the Army, Navy, Air Force, or Marine Corps.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Require that each applicant for service in the Army, Navy, Air Force, or Marine Corps (A) provide to the Secretary the name of the applicant's medical insurer and the names of past medical providers, and (B) sign a release allowing the Secretary to request and obtain medical records of the applicant.

(2) Require that the forms and procedures for medical prescreening of applicants that are used by recruiters and by Military Entrance Processing Commands be revised so as to ensure that medical questions are specific, unambiguous, and tied directly to the types of medical separations most common for recruits during basic training and follow-on training.

(3) Add medical screening tests to the examinations of recruits carried out by Military Entrance Processing Station, provide more thorough medical examinations to selected groups of applicants, or both, to the extent that the Secretary determines that to do so could be cost effective in reducing attrition at basic training.

(4) Assign the responsibility for evaluating medical conditions of a recruit that are missed during accession processing to an agency or contractor

other than the Military Entrance Processing Command which carried out the accession processing of that recruit (such command being the organization responsible for accession medical exams).

(5) Require that the Secretary of each military department test an applicant for entrance into the Armed Forces for use of illegal drugs at the Military Entrance Processing Station which carries out the accession processing of that recruit (in addition to any subsequent drug testing that may be required).

SEC. 533. IMPROVEMENTS IN PHYSICAL FITNESS OF RECRUITS.

(a) IN GENERAL.—The Secretary of Defense shall take steps to improve the physical fitness of recruits before they enter basic training.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Direct the Secretary of each military department to implement programs under which new recruits who are in the Delayed Entry Program are encouraged to participate in physical fitness activities before reporting to basic training.

(2) Develop a range of incentives for new recruits to participate in physical fitness programs, as well as for those recruits who improve their level of

fitness while in the Delayed Entry Program, which may include the use of monetary or other incentives, access to Department of Defense military fitness facilities, and access to military medical facilities in the case of a recruit who is injured while participating in physical activities with recruiters or other military personnel.

(3) Evaluate whether partnerships between recruiters and reserve components, or other innovative arrangements, could provide a pool of qualified personnel to assist in the conduct of physical training programs for new recruits in the Delayed Entry Program.

Subtitle E—Military Education and Training

SEC. 541. INDEPENDENT PANEL TO REVIEW MILITARY BASIC TRAINING.

(a) ESTABLISHMENT.—There is hereby established a panel to review the basic training programs of the Army, Navy, Air Force, and Marine Corps and to make recommendations on improvements to those programs.

(b) COMPOSITION.—(1) The panel shall be composed of seven members, appointed as follows:

(A) Three members shall be appointed jointly by the chairman and ranking minority party member

of the Committee on National Security of the House of Representatives.

(B) Three members shall be appointed jointly by the chairman and ranking minority party member of the Committee on Armed Services of the Senate.

(C) One member shall be appointed by the Secretary of Defense.

(2) The members of the panel shall choose one of the members to chair the panel.

(c) QUALIFICATIONS.—Members of the panel shall be appointed from among private United States citizens with knowledge and expertise in one or more of the following:

(1) Training of military personnel.

(2) Social and cultural matters affecting entrance into the Armed Forces and affecting military service, military training, and military readiness, such knowledge and expertise to have been gained through recognized research, policy making and practical experience, as demonstrated by retired military personnel, representatives from educational organizations, and leaders from civilian industry and other Government agencies.

(3) Factors that define appropriate military job qualifications, including physical, mental, and educational factors.

(4) Combat or other theater of war operations.

(d) PANEL FUNCTIONS RELATING TO BASIC TRAINING PROGRAMS GENERALLY.—The panel shall review the course objectives, structure, and length of the basic training programs of the Army, Navy, Air Force, and Marine Corps. As part of that review, the panel shall (with respect to each of those services) take the following measures:

(1) Determine the current end-state objectives established for graduates of basic training, particularly in regard to—

(A) physical conditioning;

(B) technical and physical skills proficiency;

(C) knowledge;

(D) military socialization, including the inculcation of service values and attitudes; and

(E) basic combat operational requirements.

(2) Assess whether those current end-state objectives, and basic training itself, should be modified (in structure, length, focus, program of instruction, training methods or otherwise) based, in part, on the following:

(A) An assessment of the perspectives of operational units on the quality and qualifications of the initial entry training graduates

being assigned to those units, considering in particular whether the basic training system produces graduates who arrive in operational units with an appropriate level of skills, physical conditioning, and degree of military socialization to meet unit requirements and needs.

(B) An assessment of the demographics, backgrounds, attitudes, experience, and physical fitness of new recruits entering basic training, considering in particular the question of whether, given the entry level demographics, education, and background of new recruits, the basic training systems and objectives are most efficiently and effectively structured and conducted to produce graduates who meet service needs.

(C) An assessment of the perspectives of personnel who conduct basic training with regard to measures required to improve basic training.

(e) PANEL FUNCTIONS RELATING TO GENDER-INTEGRATED AND GENDER-SEGREGATED BASIC TRAINING.—The panel shall review the basic training policies of each of the Army, Navy, Air Force, and Marine Corps with regard to gender-integrated and gender-segregated basic

training. As part of that review, the panel shall (with respect to each of those services) take the following measures:

(1) Determine the historical rationales for the establishment and disestablishment of gender-integrated or gender-segregated basic training.

(2) Examine the current rationales for the use of gender-integrated or gender-segregated basic training and, as part of such examination, evaluate whether at the time any of the services made a decision to integrate, or to segregate, basic training by gender, the Secretary of the military department concerned had substantive reason to believe, or has since developed data to support, any of the following:

(A) That gender-integrated basic training, or gender-segregated basic training, improves the readiness or performance of operational units

(B) That the entry level of new recruits with regard to physical condition, attitudes, and values is so different from that required and expected in the military services in general, and in operational units in particular, that an intense period of focused training is required, free

from the additional challenges of training males and females together.

(C) That a significant percentage of women entering basic training experienced sexual abuse or assault before entering military service and that gender-segregated basic training (with same-sex drill instructors) provides the best opportunity for such women to have positive military female role models as mentors and to enter gender-integrated operational forces from a position of confidence, strength, and knowledge.

(3) Assess whether the concept of ''training as you will fight'' is a valid rationale for gender-integrated basic training or whether the training requirements and objectives for basic training are sufficiently different from those of operational unit so that such concept, when balanced against other factors relating to basic training, might not be a sufficient rationale for gender-integrated basic training.

(4) Assess the degree to which different standards have been established, or if not established are in fact being implemented, for males and females in basic training for matters such as physical fitness, physical performance (such as confidence and obsta-

cle courses), military skills (such as marksmanship and hand-grenade qualifications), and nonphysical tasks required of individuals and, to the degree that differing standards exist or are in fact being implemented, assess the effect of the use of those differing standards.

(5) Assess the degree to which performance standards in basic training are based on military readiness.

(6) Review Department of Defense and military department efforts to objectively measure or evaluate the effectiveness of gender-integrated basic training, as compared to gender-segregated basic training, particularly with regard to the adequacy and scope of the efforts and with regard to the relevancy of findings to operational unit requirements.

(7) Compare the pattern of attrition in gender-integrated basic training units with the pattern of attrition in gender-segregated basic training units and assess the relevancy of the findings of such comparison.

(8) Compare the level of readiness and morale of gender-integrated basic training units with the level of readiness and morale of gender-segregated

units and assess the relevancy of the findings of such comparison.

(f) RECOMMENDATIONS.—The panel shall prepare—

(1) an evaluation of gender-integrated and gender-segregated basic training programs, based upon the review under subsection (e); and

(2) recommendations for such changes to the current system of basic training as the panel considers warranted.

(g) REPORTS.—(1) Not later than six months after the members of the panel are appointed, the panel shall submit an interim report on its findings and conclusions to the Secretary of Defense.

(2) Not later than one year after establishment of the panel, the panel shall submit a final report to the Secretary of Defense. The final report shall include recommendations for legislative and administrative changes to basic training programs to improve the readiness and performance of initial entry training graduates and to reduce attrition, both during training and in the first term of enlistment.

(h) SUBMISSION OF REPORTS TO CONGRESS.—Not later than one month after receipt of the panel's interim report and one month after receipt of the panel's final report, the Secretary of Defense shall submit the report to

Congress together with the views of the Secretary regarding the report and the matter covered in the report.

(i) PAY AND EXPENSES OF MEMBERS.—(1) Each member of the panel who is not an employee of the Government shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the 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.

(j) ADMINISTRATIVE SUPPORT.—(1) Upon the request of the chairman of the panel, the Secretary of Defense may detail to the panel, on a nonreimbursable basis, personnel of the Department of Defense to assist the panel in carrying out its duties.

(2) The Secretary of Defense shall furnish to the panel such administrative and support services as may be requested by the chairman of the panel.

(k) FUNDING.—The Secretary of Defense shall, upon the request of the panel, make available to the panel such amounts as the panel may require to carry out its duties under this title.

(l) TERMINATION OF THE PANEL.—The panel shall terminate 60 days after the date on which it submits its final report under subsection (g).

(m) SUBSEQUENT CONSIDERATION BY CONGRESS.—After submission of the final report of the panel to Congress, the Congress shall, based upon the results of the study (and such other matters as Congress considers appropriate), consider whether to require by law that the Secretaries of the military departments conduct basic training on a gender-segregated basis.

SEC. 542. REFORM OF ARMY DRILL SERGEANT SELECTION AND TRAINING PROCESS.

(a) IN GENERAL.—The Secretary of the Army shall reform the process for selection and training of drill sergeants for the Army.

(b) MEASURES TO BE TAKEN.—As part of such reform, the Secretary shall undertake the following measures (unless, in the case of any such measure, the Secretary determines that that measure would not result in improved effectiveness and efficiency in the drill sergeant selection and training process):

(1) Review the overall process used by the Department of the Army for selection of drill sergeants to determine—

(A) if that process is providing drill sergeant candidates in sufficient quantity and quality to meet the needs of the training system; and

(B) whether duty as a drill sergeant is a career-enhancing assignment (or is seen by potential drill sergeant candidates as a career-enhancing assignment) and what steps could be taken to ensure that such duty is in fact a career-enhancing assignment.

(2) Incorporate into the selection process for all drill sergeants the views and recommendations of the officers and senior noncommissioned officers in the chain of command of each candidate for selection (particularly those of senior noncommissioned officers) regarding the candidate's suitability and qualifications to be a drill sergeant.

(3) Establish a requirement for psychological screening for each drill sergeant candidate.

(4) Reform the psychological screening process for drill sergeant candidates to improve the quality, depth, and rigor of that screening process.

(5) Revise the evaluation system for drill sergeants in training to provide for a so-called ''whole person'' assessment that gives insight into the qualifications and suitability of a drill sergeant candidate beyond the candidate's ability to accomplish required performance tasks.

(6) Revise the Army military personnel records system so that, under specified conditions and circumstances, a drill sergeant trainee who fails to complete the training to be a drill sergeant and is denied graduation will not have the fact of that failure recorded in those records. The conditions and circumstances under which the authority provided in the preceding sentence may be shall be prescribed by the Secretary in regulations.

(7) Provide each drill sergeant in training with the opportunity, before or during that training, to work with new recruits in initial entry training and to be evaluated on that opportunity.

(c) REPORT.—Not later than March 31, 1998, the Secretary shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report of the reforms adopted pursuant to this section or, in the case of any measure specified in any of paragraphs (1) through (7)

of subsection (b) that was not adopted, the rationale why that measure was not adopted.

SEC. 543. REQUIREMENT FOR CANDIDATES FOR ADMISSION TO UNITED STATES NAVAL ACADEMY TO TAKE OATH OF ALLEGIANCE.

(a) REQUIREMENT.—Section 6958 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) To be admitted to the Naval Academy, an appointee must take and subscribe to an oath prescribed by the Secretary of the Navy. If a candidate for admission refuses to take and subscribe to the prescribed oath, the candidate's appointment is terminated.''.

(b) EXCEPTION FOR MIDSHIPMEN FROM FOREIGN COUNTRIES.—Section 6957 of such title is amended by adding at the end the following new subsection:

''(d) A person receiving instruction under this section is not subject to section 6958(d) of this title.''.

SEC. 544. REIMBURSEMENT OF EXPENSES INCURRED FOR INSTRUCTION AT SERVICE ACADEMIES OF PERSONS FROM FOREIGN COUNTRIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4344(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following:

"; except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.".

(b) NAVAL ACADEMY.—Section 6957(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: "; except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a midshipman appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Naval Academy under this section at any one time.".

(c) AIR FORCE ACADEMY.—Section 9344(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: ", except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.".

SEC. 545. UNITED STATES NAVAL POSTGRADUATE SCHOOL.

(a) AUTHORITY TO ADMIT ENLISTED MEMBERS AS STUDENTS.—Section 7045 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''(a)''; and

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

''(2) The Secretary may permit an enlisted member of the armed forces who is assigned to the Naval Postgraduate School or to a nearby command to receive instruction at the Naval Postgraduate School. Admission of enlisted members for instruction under this paragraph shall be on a space-available basis.'';

(2) in subsection (b)—

(A) by striking out ''the students'' and inserting in lieu thereof ''officers''; and

(B) by adding at the end the following new sentence: ''In the case of an enlisted member permitted to receive instruction at the Postgraduate School, the Secretary of the Navy shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).''; and

(3) in subsection (c)—

(A) by striking out ''officers'' both places it appears and inserting in lieu thereof ''members''; and

(B) by striking out ''the same regulations'' and inserting in lieu thereof ''regulations, as determined appropriate by the Secretary of the Navy,''.

(b) EXPANSION OF AUTHORITY TO ADMIT CIVILIANS AS STUDENTS.—Section 7047 of such title is amended to read as follows:

''§ 7047. Civilian students at institutions of higher education: admission

''(a) ADMISSION ON TUITION-FREE, EXCHANGE BASIS.—(1) The Secretary of the Navy may enter into an agreement with an accredited institution of higher education (or a consortium of such institutions) under which students described in subsection (c) who are enrolled at that institution (or an institution in such consortium) are permitted to receive instruction at the Naval Postgraduate School on a space-available, tuition-free basis in exchange for which the institution of higher education (or each institution in the consortium) agrees to enroll, on a tuition-free basis, officers of the armed forces or other persons

1 properly admitted for instruction at the Naval Post-
2 graduate School.

3 "(2) Exchange of students under paragraph (1) need
4 not be on a one-for-one basis.

5 "(3) An exchange under such an agreement shall be
6 on the basis of in-kind reimbursement, with the total value
7 of the instruction provided during a year by the Naval
8 Postgraduate School to civilian students from the institu-
9 tions that are parties to the agreement being at least as
10 great as the value of instruction provided by those institu-
11 tions to students from the Naval Postgraduate School.

12 "(4) In determining the value of the in-kind reim-
13 bursement for the instruction provided by the Naval Post-
14 graduate School, the Secretary shall use the same amount
15 charged by the Secretary for the provision of the same
16 instruction to a Federal employee who is not a Depart-
17 ment of Defense employee.

18 "(5) The authority of the Secretary to accept an offer
19 of in-kind reimbursement under this subsection may not
20 be delegated below the level of Assistant Secretary of the
21 Navy.

22 "(b) ADMISSION ON COST-REIMBURSABLE BASIS.—
23 (1) The Secretary of the Navy may permit a student de-
24 scribed in subsection (c) who is enrolled at an accredited
25 institution of higher education that is a party to an agree-

ment under subsection (a) to receive instruction at the Naval Postgraduate School on a cost-reimbursable, space-available basis.

"(2) The Secretary shall ensure that the value of any reimbursement received under this subsection in the case of any such student is not less than the amount charged by the Secretary for the provision of the same instruction to a Federal employee who is not a Department of Defense employee.

"(c) ELIGIBLE STUDENTS.—A student enrolled at an accredited institution of higher education that is party to an agreement under subsection (a) may be admitted to the Naval Postgraduate School under subsection (a) or (b) if the student—

"(1) is a citizen of the United States or is lawfully admitted for permanent residence in the United States;

"(2) has a demonstrated ability, as determined by the Secretary of the Navy, in a field of study designated by the Secretary as related to naval warfare, armed conflict, or national security; and

"(3) meets the academic requirements for the course or courses for which the student seeks admission to the Naval Postgraduate School.

"(d) STANDARDS OF CONDUCT.—Except as the Secretary of the Navy otherwise determines necessary, a person receiving instruction under this section is subject to the same regulations governing attendance, discipline, dismissal, and standards of study as apply to students who are officers of the naval service.

"(e) RETENTION OF FUNDS RECEIVED.—Amounts received under subsection (b) to reimburse the Naval Postgraduate School for the costs of providing instruction to students permitted to attend the Naval Postgraduate School under this section shall be credited to the current appropriation supporting the operation and maintenance of the Naval Postgraduate School.".

(c) CLERICAL AMENDMENTS.—(1) The heading of section 7045 of such title is amended to read as follows:

"§ 7045. Officers of the other armed forces; enlisted members: admission".

(2) The table of sections at the beginning of chapter 605 of such title is amended—

(A) by striking out the item relating to section 7045 and inserting in lieu thereof the following:

"7045. Officers of the other armed forces; enlisted members: admission.";

and

(B) by striking out the item relating to section 7047 and inserting in lieu thereof the following:

"7047. Civilian students at institutions of higher education: admission.".

(d) AMENDMENT TO REFLECT REVISED CIVIL SERVICE GRADE STRUCTURE.—Section 7043(b) of such title is amended by striking out ''grade GS–18 of the General Schedule under section 5332 of title 5'' and inserting in lieu thereof ''level IV of the Executive Schedule''.

SEC. 546. AIR FORCE ACADEMY CADET FOREIGN EXCHANGE PROGRAM.

(a) EXCHANGE PROGRAM AUTHORIZED.—Chapter 903 of title 10, United States Code, is amended by inserting after section 9344 the following new section:

''§ 9345. Exchange program with foreign military academies

''(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Air Force may permit a student enrolled at a military academy of a foreign country to receive instruction at the Air Force Academy in exchange for an Air Force cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 9344 of this title.

''(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section

between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 Air Force cadets and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Air Force Academy.

"(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of an Air Force cadet by reason of attendance at the Air Force Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

"(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged Air Force cadet in that foreign country.

"(3) The Air Force Academy shall bear all costs of the exchange program from funds appropriated for the

Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

"(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 9344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Air Force Academy under the exchange program.

"(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9344 the following new item:

"9345. Exchange program with foreign military academies.".

(c) REPEAL OF OBSOLETE LIMITATION.—Section 9353(a) of such title is amended by striking out "After the date of the accrediting of the Academy, the" and inserting in lieu thereof "The".

SEC. 547. TRAINING IN HUMAN RELATIONS MATTERS FOR ARMY DRILL SERGEANT TRAINEES.

(a) HUMAN RELATIONS TRAINING REQUIRED.—The Secretary of the Army shall include as part of the training

program for drill sergeants a course in human relations. The course shall be a minimum of two days in duration.

(b) RESOURCES.—In developing a human relations course under this section, the Secretary shall use the capabilities and expertise of the Defense Equal Opportunity Management Institute (DEOMI).

(c) EFFECTIVE DATE.—This section shall apply with respect drill sergeant trainee classes that begin after the end of the 90–day period beginning on the date of the enactment of this Act.

SEC. 548. STUDY OF FEASIBILITY OF GENDER-SEGREGATED BASIC TRAINING.

Not later than 180 days after the date of the enactment of this Act, the Secretary of each military department shall submit to Congress a report on gender-segregated basic training. Each report shall give the views of the Secretary—

(1) on the feasibility and implications of conducting basic training (or equivalent training) at the company level and below through separate units for male and female recruits, including the costs and other resource commitments required to implement and conduct basic training in such a manner and the implications for readiness and unit cohesion; and

(2) assuming that basic training were to be conducted as described in paragraph (1), on the feasibility and implications of requiring drill instructors for basic training units to be of the same sex as the recruits in those units.

Subtitle F—Military Decorations and Awards

SEC. 551. STUDY OF NEW DECORATIONS FOR INJURY OR DEATH IN LINE OF DUTY.

(a) DETERMINATION OF CRITERIA FOR NEW DECORATION.—(1) The Secretary of Defense shall determine the appropriate name, policy, award criteria, and design for two possible new decorations.

(2) The first such decoration would, if implemented, be awarded to members of the Armed Forces who, while serving under competent authority in any capacity with the Armed Forces, are killed or injured in the line of duty as a result of noncombat circumstances occurring—

(A) as a result of an international terrorist attack against the United States or a foreign nation friendly to the United States;

(B) while engaged in, training for, or traveling to or from a peacetime or contingency operation; or

(C) while engaged in, training for, or traveling to or from service outside the territory of the United States as part of a peacekeeping force.

(3) The second such decoration would, if implemented, be awarded to civilian nationals of the United States who, while serving under competent authority in any capacity with the Armed Forces, are killed or injured in the line of duty under circumstances which, if they were members of the Armed Forces, would qualify them for award of the Purple Heart or the medal described in paragraph (2).

(b) LIMITATION ON IMPLEMENTATION.—Any such decoration may only be implemented as provided by a law enacted after the date of the enactment of this Act.

(c) RECOMMENDATION TO CONGRESS.—Not later than July 31, 1998, the Secretary shall submit to Congress a legislative proposal that would, if enacted, establish the new decorations developed pursuant to subsection (a). The Secretary shall include with that proposal the Secretary's recommendation concerning the need for, and propriety of, each of the decorations.

(d) COORDINATION.—The Secretary shall carry out this section in coordination with the Secretaries of the military departments and the Secretary of Transportation with regard to the Coast Guard.

SEC. 552. PURPLE HEART TO BE AWARDED ONLY TO MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1131. Purple Heart: limitation to members of the armed forces

''The decoration known as the Purple Heart (authorized to be awarded pursuant to Executive Order 11016) may only be awarded to a person who is a member of the armed forces at the time the person is killed or wounded under circumstances otherwise qualifying that person for award of the Purple Heart.''.

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

''1131. Purple Heart: limitation to members of the armed forces.''.

(b) EFFECTIVE DATE.—Section 1131 of title 10, United States Code, as added by subsection (a), shall apply with respect to persons who are killed or wounded after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 553. ELIGIBILITY FOR ARMED FORCES EXPEDITIONARY MEDAL FOR PARTICIPATION IN OPERATION JOINT ENDEAVOR OR OPERATION JOINT GUARD.

(a) INCLUSION OF OPERATIONS.—For the purpose of determining the eligibility of members and former members of the Armed Forces for the Armed Forces Expeditionary Medal, the Secretary of Defense shall designate participation in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina, and in such other areas in the region as the Secretary considers appropriate, as service in an area that meets the general requirements for the award of that medal.

(b) INDIVIDUAL DETERMINATION.—The Secretary of the military department concerned shall determine whether individual members or former members of the Armed Forces who participated in Operation Joint Endeavor or Operation Joint Guard meet the individual service requirements for award of the Armed Forces Expeditionary Medal as established in applicable regulations. A member or former member shall be considered to have participated in Operation Joint Endeavor or Operation Joint Guard if the member—

(1) was deployed in the Republic of Bosnia and Herzegovina, or in such other area in the region as

the Secretary of Defense considers appropriate, in direct support of one or both of the operations;

(2) served on board a United States naval vessel operating in the Adriatic Sea in direct support of one or both of the operations; or

(3) operated in airspace above the Republic of Bosnia and Herzegovina, or in such other area in the region as the Secretary of Defense considers appropriate, while the operations were in effect.

(c) OPERATIONS DEFINED.—For purposes of this section:

(1) The term ''Operation Joint Endeavor'' means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina during the period beginning on November 20, 1995, and ending on December 20, 1996, to assist in implementing the General Framework Agreement and Associated Annexes, initialed on November 21, 1995, in Dayton, Ohio.

(2) The term ''Operation Joint Guard'' means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina as a successor to Operation Joint Endeavor during the period beginning on December 20, 1996, and

ending on such date as the Secretary of Defense may designate.

SEC. 554. 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 described in subsections (b), (c), and (d), the award of each such decoration having been determined by the Secretary of the military department concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR MEDAL.—Subsection (a) applies to the award of the Silver Star Medal as follows:

(1) To Joseph M. Moll, Jr. of Milford, New Jersey, for service during World War II.

(2) To Philip Yolinsky of Hollywood, Florida, for service during the Korean Conflict.

(c) NAVY AND MARINE CORPS MEDAL.—Subsection (a) applies to the award of the Navy and Marine Corps Medal to Gary A. Gruenwald of Damascus, Maryland, for service in Tunisia in October 1977.

(d) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

Subtitle G—Other Matters

SEC. 561. SUSPENSION OF TEMPORARY EARLY RETIREMENT AUTHORITY.

Notwithstanding subsection (i) of section 4403 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1293 note), the Secretary of a military department may not use the authority provided under such section to retire a member of the Armed Forces during fiscal year 1998.

SEC. 562. TREATMENT OF EDUCATIONAL ACCOMPLISHMENTS OF NATIONAL GUARD CHALLENGE PROGRAM PARTICIPANTS.

Section 509 of title 32, United States Code, as added by section 1057, is amended by adding at the end of subsection (f) the following new paragraph:

''(3) In the case of a person who is selected for training in a State program conducted under the National Guard Challenge Program and who obtains a general education diploma in connection with such training, the general education diploma shall be treated as equivalent to a high school diploma for purposes of determining the eligibility of the person for enlistment in the armed forces.''.

SEC. 563. AUTHORITY FOR PERSONNEL TO PARTICIPATE IN MANAGEMENT OF CERTAIN NON-FEDERAL ENTITIES.

(a) MILITARY PERSONNEL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1032 the following new section:

''§ 1033. Participation in management of specified non-Federal entities: authorized activities

''(a) AUTHORIZATION.—The Secretary concerned may authorize a member of the armed forces under the Secretary's jurisdiction, as part of that member's official duties, to serve without compensation as a director, offi-

cer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular member to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the member in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

''(b) DESIGNATED ENTITIES.—(1) The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

''(2) In this section, the term 'military welfare society' means the following:

''(A) Army Emergency Relief.

''(B) Air Force Aid Society, Inc.

''(C) Navy-Marine Corps Relief Society.

"(D) Coast Guard Mutual Assistance.

"(3) An entity described in this paragraph is an entity that—

"(A) regulates and supports the athletic programs of the service academies (including athletic conferences);

"(B) regulates international athletic competitions;

"(C) accredits service academies and other schools of the armed forces (including regional accrediting agencies); or

"(D)(i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a member of the armed forces may serve if authorized under subsection (a).

"(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of a member of the armed forces to participate in the management of such an entity, shall be published in the Federal Register.

"(d) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast

Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1032 the following new item:

''1033. Participation in management of specified non-Federal entities: authorized activities.''.

(b) CIVILIAN PERSONNEL.—(1) Chapter 81 of such title is amended by inserting after section 1588 the following new section:

''§ 1589. Participation in management of specified non-Federal entities: authorized activities

''(a) AUTHORIZATION.—(1) The Secretary concerned may authorize an employee described in paragraph (2), as part of that employee's official duties, to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular employee to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the employee in the activities of the designated entity

may not extend to participation in the day-to-day operations of the entity.

"(2) Paragraph (1) applies to any employee of the Department of Defense or, in the case of the Coast Guard when not operating as a service in the Navy, of the Department of Transportation. For purposes of this section, the term 'employee' includes a civilian officer.

"(b) DESIGNATED ENTITIES.—(1) The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

"(2) In this section, the term 'military welfare society' means the following:

"(A) Army Emergency Relief.

"(B) Air Force Aid Society, Inc.

"(C) Navy-Marine Corps Relief Society.

"(D) Coast Guard Mutual Assistance.

"(3) An entity described in this paragraph is an entity that—

"(A) regulates and supports the athletic programs of the service academies (including athletic conferences);

"(B) regulates international athletic competitions;

"(C) accredits service academies and other schools of the armed forces (including regional accrediting agencies); or

"(D)(i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a Federal employee described in subsection (a)(2) may serve if authorized under subsection (a).

"(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of an employee to participate in the management of such an entity, shall be published in the Federal Register.

"(d) CIVILIANS OUTSIDE THE MILITARY DEPARTMENTS.—In this section, the term 'Secretary concerned' includes the Secretary of Defense with respect to employees of the Department of Defense who are not employees of a military department.

"(e) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1588 the following new item:

"1589. Participation in management of specified non-Federal entities: authorized activities.".

SEC. 564. CREW REQUIREMENTS OF WC–130J AIRCRAFT.

(a) STUDY.—The Secretary of the Air Force shall conduct a study of the crew requirements for WC–130J aircraft engaged in the aerial weather reconnaissance mission involving the eyewall penetration of tropical cyclones. The study shall involve the operation of WC–130J aircraft in weather reconnaissance missions configured to carry five crewmembers, including a navigator. The study shall include the participation of members of the Armed Forces assigned to units currently engaged in weather reconnaissance operations.

(b) REPORT.—The Secretary shall submit to Congress a report on the results of the study. The report shall include the views of members of the Armed Forces assigned to units currently engaged in weather reconnaissance operations who participated in the study.

(c) LIMITATION ON REVISION TO PERSONNEL REQUIREMENTS.—The Secretary of the Air Force may not reduce the personnel requirement levels of units that, as of the date of the enactment of this Act, are engaged in weather reconnaissance operations involving the eyewall penetration of tropical cyclones, including requirements for navigators, below the requirements established for those units as of October 1, 1997, until the end of the six-month period beginning on the date on which the report required under subsection (b) is submitted to Congress.

SEC. 565. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the following:

(1) The nature, extent, and cost to the Department of Defense of the support and services being provided by units and members of the Armed Forces to non-Department of Defense organizations and activities under the authority of section 2012 of title 10, United States Code.

(2) The degree to which the Armed Forces are in compliance with the requirements of such section in the provision of such support and services, espe-

cially the requirements that the assistance meet specific requirements relative to military training and that the assistance provided be incidental to military training.

(3) The degree to which the regulations and procedures for implementing such section, as required by subsection (f) of such section, are consistent with the requirements of such section.

(4) The effectiveness of the Secretary of Defense and the Secretaries of the military departments in conducting oversight of the implementation of such section, and the provision of such support and services under such section, to ensure compliance with the requirements of such section.

(b) SUBMISSION OF REPORT.—Not later than March 31, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 566. TREATMENT OF PARTICIPATION OF MEMBERS IN DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

Section 2012 of title 10, United States Code, is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection:

"(g) TREATMENT OF MEMBER'S PARTICIPATION IN PROVISION OF SUPPORT OR SERVICES.—(1) The Secretary of a military department may not require or request a member of the armed forces to submit for consideration by a selection board (including a promotion board, command selection board, or any other kind of selection board) evidence of the member's participation in the provision of support and services to non-Department of Defense organizations and activities under this section or the member's involvement in, or support of, other community relations and public affairs activities of the armed forces. A selection board may not evaluate a member on the basis of the member's participation or involvement in, or support of, such support, services, or activities.

"(2) Paragraph (1) shall not apply with respect to the following members:

"(A) A member who is in a public affairs career field.

"(B) A member who is not in a public affairs career field, but who is serving, at the time the member is considered by a selection board, in a public affairs position specified in service authorization documents or who served in such a position within

three years before being considered by a selection board.''.

SEC. 567. CONTINUATION OF SUPPORT TO SENIOR MILITARY COLLEGES.

(a) DEFINITION OF SENIOR MILITARY COLLEGES.—For purposes of this section, the term ''senior military colleges'' means the following:

(1) Texas A&M University.

(2) Norwich University.

(3) The Virginia Military Institute.

(4) The Citadel.

(5) Virginia Polytechnic Institute and State University.

(6) North Georgia College and State University.

(b) FINDINGS.—Congress finds the following:

(1) The senior military colleges consistently have provided substantial numbers of highly qualified, long-serving leaders to the Armed Forces.

(2) The quality of the military leaders produced by the senior military colleges is, in part, the result of the rigorous military environment imposed on students attending the senior military colleges by the colleges, as well as the result of the long-standing close support relationship between the Corps of Cadets at each college and the Reserve Officer Train-

ing Corps personnel at the colleges who serve as effective leadership role models and mentors.

(3) In recognition of the quality of the young leaders produced by the senior military colleges, the Department of Defense and the military services have traditionally maintained special relationships with the colleges, including the policy to grant active duty service in the Army to graduates of the colleges who desire such service and who are recommended for such service by their ROTC professors of military science.

(4) Each of the senior military colleges has demonstrated an ability to adapt its systems and operations to changing conditions in, and requirements of, the Armed Forces without compromising the quality of leaders produced and without interruption of the close relationship between the colleges and the Department of Defense.

(c) SENSE OF CONGRESS.—In light of the findings in subsection (b), it is the sense of Congress that—

(1) the proposed initiative of the Secretary of the Army to end the commitment to active duty service for all graduates of senior military colleges who desire such service and who are recommended for such service by their ROTC professors of mili-

tary science is short-sighted and contrary to the long-term interests of the Army;

(2) as they have in the past, the senior military colleges can and will continue to accommodate to changing military requirements to ensure that future graduates entering military service continue to be officers of superb quality who are quickly assimilated by the Armed Forces and fully prepared to make significant contributions to the Armed Forces through extended military careers; and

(3) decisions of the Secretary of Defense or the Secretary of a military department that fundamentally and unilaterally change the long-standing relationship of the Armed Forces with the senior military colleges are not in the best interests of the Department of Defense or the Armed Forces and are patently unfair to students who made decisions to enroll in the senior military colleges on the basis of existing Department and Armed Forces policy.

(d) CONTINUATION OF SUPPORT FOR SENIOR MILITARY COLLEGES.—Section 2111a of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (g); and

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

''(d) ADDITIONAL SUPPORT.—(1) The Secretaries of the military departments shall ensure that each unit of the Senior Reserve Officers' Training Corps at a senior military college provides support to the Corps of Cadets at the college over and above the level of support associated with the conduct of the formal Senior Reserve Officers' Training Corps course of instruction.

''(2) This additional support shall include the following:

''(A) Mentoring, teaching, coaching, counseling and advising cadets and cadet leaders in the areas of leadership, military, and academic performance.

''(B) Involvement in cadet leadership training, development, and evaluation, as well as drill, ceremonies, parades, and inspections.

''(3) This additional support may include the following:

''(A) Advising cadet teams, clubs, and organizations.

''(B) Involvement in matters of discipline and administration of the Corps of Cadets so long as such involvement does not interfere with the conduct of the formal Senior Reserve Officers' Training

Corps course of instruction or the support required by paragraph (2).

''(e) TERMINATION OR REDUCTION OF PROGRAM PROHIBITED.—The Secretary of Defense and the Secretaries of the military departments may not take or authorize any action to terminate or reduce a unit of the Senior Reserve Officers' Training Corps at a senior military college unless the termination or reduction is specifically requested by the college.

''(f) ASSIGNMENT TO ACTIVE DUTY.—(1) The Secretary of the Army shall ensure that a graduate of a senior military college who desires to serve as a commissioned officer on active duty upon graduation from the college, who is medically and physically qualified for active duty, and who is recommended for such duty by the professor of military science at the college, shall be assigned to active duty. This paragraph shall apply to a member of the program at a senior military college who graduates from the college after March 31, 1997.

''(2) Nothing in this section shall be construed to prohibit the Secretary of the Army from requiring a member of the program who graduates from a senior military college to serve on active duty.''.

(e) TECHNICAL CORRECTIONS.—Subsection (g) of such section, as redesignated by subsection (d)(1), is amended—

(1) in paragraph (2), by striking out ''College'' and inserting in lieu thereof ''University''; and

(2) in paragraph (6), by inserting before the period the following: ''and State University''.

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

''§ 2111a. Support for senior military colleges''.

(2) The item relating to such section in the table of sections at the beginning of chapter 103 of title 10, United States Code, is amended to read as follows:

''2111a. Support for senior military colleges.''.

SEC. 568. IMPROVEMENT OF MISSING PERSONS AUTHORITIES APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) APPLICABILITY 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:

''(c) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

"(1) 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.

"(2)(A) Any other person who is a citizen of the United States and is described in subparagraph (B) who serves with or accompanies the armed forces in the field under orders and 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.

"(B) A person described in this subparagraph is any of the following:

"(i) A civilian officer or employee of the Department of Defense.

"(ii) An employee of a contractor of the Department of Defense.

"(iii) An employee of a United States firm licensed by the United States under section 38 of the Arms Export Control Act (22 U.S.C. 2778) to perform duties under contract with a foreign government involving military training

of the military forces of that government in accordance with policies of the Department of Defense.''; and

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

''(f) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned' includes—

''(1) in the case of a person covered by clause (i) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense employing the employee;

''(2) in the case of a person covered by clause (ii) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense contracting with the contractor; and

''(3) in the case of a person covered by clause (iii) of subsection (c)(2)(B), the Secretary of Defense.''.

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out ''one military officer'' and inserting in lieu thereof ''one individual described in paragraph (2)'';

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

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

''(2) An individual referred to in paragraph (1) is the following:

''(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

''(B) A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.''.

(3) Section 1504(d) of such title is amended—

(A) in paragraph (1), by striking out ''who are'' and all that follows in that paragraph and inserting in lieu thereof ''as follows:

''(A) In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.

''(B) In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense (and no

members of the armed forces), the board shall be composed of—

"(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

"(ii) such members of the armed forces as the Secretary considers advisable.

"(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

"(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

"(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry."; and

(B) in paragraph (4), by striking out ''section 1503(c)(3)'' and inserting in lieu thereof ''section 1503(c)(4)''.

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

''(1) The term 'missing person' means—

''(A) a member of the armed forces on active duty who is in a missing status; or

''(B) a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves with or accompanies the armed forces in the field under orders and who is in a missing status.

Such term includes an unaccounted for person described in section 1509(b) of this title, under the circumstances specified in the last sentence of section 1509(a) of this title.''.

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of such title is amended—

(A) in subsection (a)(2)—

(i) by striking out ''10 days'' and inserting in lieu thereof ''48 hours''; and

(ii) by striking out ''Secretary concerned'' and inserting in lieu thereof ''theater compo-

nent commander with jurisdiction over the missing person''; (B) in subsection (a), as amended by subparagraph (A)—

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

(ii) by inserting ''(1)'' after ''COMMANDER.—''; and

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

''(2) However, if the commander determines that operational conditions resulting from hostile action or combat constitute an emergency that prevents timely reporting under paragraph (1)(B), the initial report should be made as soon as possible, but in no case later than ten days after the date on which the commander receives such information under paragraph (1).'';

(C) by redesignating subsection (b) as subsection (c);

(D) by inserting after subsection (a), as amended by subparagraphs (A) and (B), the following new subsection (b):

''(b) TRANSMISSION THROUGH THEATER COMPONENT COMMANDER.—Upon reviewing a report under subsection (a) recommending that a person be placed in a

missing status, the theater component commander shall ensure that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person. Not later than 14 days after receiving the report, the theater component commander shall forward the report to the Secretary of Defense or the Secretary concerned in accordance with procedures prescribed under section 1501(b) of this title. The theater component commander shall include with such report a certification that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person.''; and

(E) in subsection (c), as redesignated by subparagraph (C), by adding at the end the following new sentence: ''The theater component commander through whom the report with respect to the missing person is transmitted under subsection (b) shall ensure that all pertinent information relating to the whereabouts and status of the missing person that results from the preliminary assessment or from actions taken to locate the person is properly safeguarded to avoid loss, damage, or modification.''.

(2) Section 1503(a) of such title is amended by striking out ''section 1502(a)'' and inserting in lieu thereof ''section 1502(b)''.

(3) Section 1504 of such title is amended by striking out ''section 1502(a)(2)'' in subsections (a), (b), and (e)(1) and inserting in lieu thereof ''section 1502(a)''.

(4) Section 1513 of such title is amended by adding at the end the following new paragraph:

''(8) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.''.

(c) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of such title is amended to read as follows:

''(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) In the case of a missing person who was last known to be alive or who was last suspected of being alive, the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

''(A) on or about three years after the date of the initial report of the disappearance of the person under section 1502(a) of this title; and

''(B) not later than every three years thereafter.

"(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a missing person under this subsection upon receipt of information that could result in a change of status of the missing person. When the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

"(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

"(A) more than 30 years after the initial report of the disappearance of the missing person required by section 1502(a) of this title; or

"(B) if, before the end of such 30-year period, the missing person is accounted for.".

(d) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of such title is amended adding at the end the following new paragraphs:

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by

a practitioner of an appropriate forensic science that the body recovered is that of the missing person.''.

(e) MISSING PERSON'S COUNSEL.—(1) Sections 1503(f)(1) and 1504(f)(1) of such title are amended by adding at the end the following: ''The identity of counsel appointed under this paragraph for a missing person shall be made known to the missing person's primary next of kin and any other previously designated person of the person.''.

(2) Section 1503(f)(4) of such title is amended by adding at the end the following: ''The primary next of kin of a missing person and any other previously designated person of the missing person shall have the right to submit information to the missing person's counsel relative to the disappearance or status of the missing person.''.

(3) Section 1505(c)(1) is amended by adding at the end the following: ''The Secretary concerned shall appoint counsel to represent any such missing person to whom such information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.''.

(f) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of such title is amended by striking out in subsection (a) and inserting in lieu thereof the following:

"(a) REVIEW OF STATUS.—(1) If new information is found or received that may be related to one or more unaccounted for persons described in subsection (b) (whether or not such information specifically relates (or may specifically relate) to any particular such unaccounted for person), that information shall be provided to the Secretary of Defense. Upon receipt of such information, the Secretary shall ensure that the information is treated under paragraphs (2) and (3) of section 1505(c) of this title and under section 1505(d) of this title in the same manner as information received under paragraph (1) of section 1505(c) of this title. For purposes of the applicability of other provisions of this chapter in such a case, each such unaccounted for person to whom the new information may be related shall be considered to be a missing person.

"(2) The Secretary concerned shall appoint counsel to represent each such unaccounted for person to whom the new information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.

"(3) For purposes of this subsection, new information is information that—

"(A) is found or received after the date of the enactment of the the National Defense Authoriza-

tion Act for Fiscal Year 1998 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

"(B) is identified after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).".

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

"(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1). Each such file shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.".

(g) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting "(1)" before "The Secretary";

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

(3) by adding at the end the following:

''(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to family members of missing persons.''.

(h) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by striking out ''non-derogatory'' both places it appears in the first sentence;

(B) by inserting ''or about unnamed missing persons'' in the first sentence after ''the debriefing report'';

(C) by striking out ''the missing person'' in the second sentence and inserting in lieu thereof ''each missing person named in the debriefing report''; and

(D) by adding at the end the following new sentence: ''Any information contained in the extract of the debriefing report that pertains to unnamed missing persons shall be made reason-

ably accessible to family members of missing persons.''; and

(2) in paragraph (3)—

(A) by inserting '', or part of a debriefing report,'' after ''a debriefing report''; and

(B) by adding at the end the following new sentence: ''Whenever the Secretary withholds a debriefing report, or part of a debriefing report, containing information on unnamed missing persons from accessibility to families of missing persons under this section, the Secretary shall ensure that notice that the withheld debriefing report exists is made reasonably accessible to family members of missing persons.''.

SEC. 569. ESTABLISHMENT OF SENTENCE OF CONFINEMENT FOR LIFE WITHOUT ELIGIBILITY FOR PAROLE.

(a) ESTABLISHMENT OF SENTENCE.—(1) Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 856 (article 56) the following new section (article):

''§ 856a. Art. 56a. Sentence of confinement for life without eligibility for parole

''(a) For any offense for which a sentence of confinement for life may be adjudged, a court-martial may ad-

judge a sentence of confinement for life without eligibility for parole.

"(b) An accused who is sentenced to confinement for life without eligibility for parole shall be confined for the remainder of the accused's life unless—

"(1) the sentence is set aside or otherwise modified as a result of—

"(A) action taken by the convening authority, the Secretary concerned, or another person authorized to act under section 860 of this title (article 60); or

"(B) any other action taken during post-trial procedure and review under any other provision of subchapter IX;

"(2) the sentence is set aside or otherwise modified as a result of action taken by a Court of Criminal Appeals, the Court of Appeals for the Armed Forces, or the Supreme Court; or

"(3) the accused is pardoned.".

(2) The table of sections at the beginning of subchapter VIII of such chapter is amended by inserting after the item relating to section 856 (article 56) the following new item:

"856a. 56a. Sentence of confinement for life without eligibility for parole.".

(b) EFFECTIVE DATE.—Section 856a of title 10, United States Code (article 56a of the Uniform Code of

Military Justice), as added by subsection (a), shall be applicable only with respect to an offense committed after the date of the enactment of this Act.

SEC. 570. LIMITATION ON APPEAL OF DENIAL OF PAROLE FOR OFFENDERS SERVING LIFE SENTENCE.

(a) EXCLUSIVE AUTHORITY TO GRANT PAROLE ON APPEAL OF DENIAL.—Section 952 of title 10, United States Code, is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

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

''(b) In a case in which parole for an offender serving a sentence of confinement for life is denied, only the President or the Secretary concerned may grant the offender parole on appeal of that denial. The authority to grant parole on appeal in such a case may not be delegated.''.

(b) EFFECTIVE DATE.—This section shall apply only with respect to any decision to deny parole made after the date of the enactment of this Act.

SEC. 571. ESTABLISHMENT OF PUBLIC AFFAIRS BRANCH IN THE ARMY.

(a) NEW SPECIAL BRANCH.—Section 3064(a) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

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

''(3) the Public Affairs Corps;''.

(b) PUBLIC AFFAIRS CORPS.—(1) Chapter 307 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3083. Public Affairs Corps

''There is a Public Affairs Corps in the Army. The Public Affairs Corps consists of—

''(1) the Chief of the Public Affairs Corps;

''(2) commissioned officers of the Regular Army appointed therein; and

''(3) other members of the Army assigned thereto by the Secretary of the Army.''.

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

''3083. Public Affairs Corps.''.

(c) TRANSITION.—The Secretary of the Army shall implement the amendments made by this section not later than October 1, 1998.

SEC. 572. REPORT ON MAKING UNITED STATES NATIONALS ELIGIBLE FOR PARTICIPATION IN SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the utility of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(b) REQUIRED INFORMATION.—The Secretary shall include in the report the following information:

(1) A brief history of the prior admission of United States nationals to the Senior Reserve Officers' Training Corps, including the success rate of these cadets and midshipmen and how that rate compared to the average success rate of cadets and midshipmen during that same period.

(2) The advantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(3) The disadvantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(4) The incremental cost of including United States nationals in the Senior Reserve Officers' Training Corps.

(5) Methods of minimizing the risk that United States nationals admitted to the Senior Reserve Officers' Training Corps would be later disqualified because of ineligibility for United States citizenship.

(6) The recommendations of the Secretary on whether United States nationals should be eligible to participate in the Senior Reserve Officers' Training Corps program, and if so, a legislative proposal which would, if enacted, achieve that result.

SEC. 573. COMMUNITY COLLEGE OF THE AIR FORCE.

(a) LIMITED EXPANSION.—Paragraph (1) of subsection (a) of section 9315 of title 10, United States Code, is amended to read as follows:

''(1) prescribe programs of higher education for enlisted members described in subsection (d) designed to improve the technical, managerial, and related skills of those members and to prepare them for military jobs which require the use of those skills; and ''.

(b) ELIGIBLE MEMBERS.—Such section is further amended by adding at the end the following new subsection:

"(d) Subsection (a)(1) applies to the following members:

"(1) Enlisted members of the Air Force.

"(2) Enlisted members of other armed forces attending Air Force training schools whose jobs are closely related to Air Force jobs.

"(3) Enlisted members of other armed forces who are serving as instructors at Air Force training schools.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to enrollments in the Community College of the Air Force after March 31, 1996.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1998.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment, to become effective during fiscal year 1998, required by section 1009(b) of title 37, United States Code (as amended by section 602), in the rate of monthly basic pay authorized members of the uniformed services by section 203(a) of such title shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 1998, the rates of basic pay of members of the uniformed services are increased by 2.8 percent.

SEC. 602. ANNUAL ADJUSTMENT OF BASIC PAY AND PROTECTION OF MEMBER'S TOTAL COMPENSATION WHILE PERFORMING CERTAIN DUTY.

(a) IN GENERAL.—Section 1009 of title 37, United States Code, is amended to read as follows:

"§ 1009. Certain elements of compensation: adjustment; protection against change

"(a) ELEMENTS OF COMPENSATION.—In this section, the term 'elements of compensation' means—

"(1) the monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

"(2) the basic allowance for subsistence authorized members of the uniformed services by section 402 of this title; and

"(3) the basic allowance for housing authorized members of the uniformed services by section 403 of this title.

"(b) ANNUAL ADJUSTMENT OF BASIC PAY.—Effective as of the first day of the first applicable pay period beginning on or after January 1 of each calendar year, the rates of basic pay of members of the uniformed serv-

ices shall be increased by the percentage (rounded to the nearest one-tenth of one percent) equal to the percentage by which the Employment Cost Index for the base quarter of the year before the preceding calendar year exceeds the Employment Cost Index for the base quarter of the second year before the preceding calendar year (if at all).

"(c) ALLOCATION OF ADJUSTMENT.—(1) Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, the President may allocate the percentage increase in basic pay among such pay grade and years-of-service categories as the President considers appropriate.

"(2) In making any allocation under paragraph (1), the amount of the increase in basic pay for any given pay grade and years-of-service category after the allocation under paragraph (1) may not be less than 75 percent of the amount of the increase that otherwise would have been effective with respect to such pay grade and years-of-service category under subsection (b).

"(3) Whenever the President plans to use the authority provided under paragraph (1) with respect to any anticipated increase in the compensation of members of the uniformed services, the President shall advise the Congress, at the earliest practicable time before the effective date of the increase, regarding the proposed allocation of

the increase among pay grade and years-of-service categories.

"(d) PROTECTION OF MEMBER'S TOTAL COMPENSATION WHILE PERFORMING CERTAIN DUTY.—(1) The total daily amount of the elements of compensation, described in subsection (a), together with other pay and allowances under this title, to be paid to a member of the uniformed services who is temporarily assigned to duty away from the member's permanent duty station or to duty under field conditions at the member's permanent duty station shall not be less, for any day during the assignment period, than the total amount, for the day immediately preceding the date of the assignment, of the elements of compensation and other pay and allowances of the member.

"(2) Paragraph (1) shall not apply with respect to an element of compensation or other pay or allowance of a member during an assignment described in such paragraph to the extent that the element of compensation or other pay or allowance is reduced or terminated due to circumstances unrelated to the assignment.

"(e) OTHER DEFINITIONS.—In this section:

"(1) The term 'Employment Cost Index' means the Employment Cost Index (wages and salaries,

private industry workers) published quarterly by the Bureau of Labor Statistics.

"(2) The term 'base quarter', for each year, means the three-month period ending on September 30 of such year.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 19 of such title is amended to read as follows:

"1009. Certain elements of compensation: adjustment; protection against change.".

SEC. 603. USE OF FOOD COST INFORMATION TO DETERMINE BASIC ALLOWANCE FOR SUBSISTENCE.

(a) FOOD-COST BASED ALLOWANCE.—Section 402 of title 37, United States Code, is amended to read as follows:

"§ 402. Basic allowance for subsistence

"(a) ENTITLEMENT; RATE; ADJUSTMENT.—(1) Except as otherwise provided by law, each member of a uniformed service described in subsection (b) or (c) is entitled to a basic allowance for subsistence. The rate for the allowance shall be prescribed in regulations by the Secretary of Defense after consultation with the Secretaries concerned specified in subparagraphs (D), (E), and (F) of section 101(5) of this title. The allowance may be paid in advance for a period of not more than three months.

"(2) Whenever basic pay is increased pursuant to section 1009 of this title or another law, the Secretary of Defense shall adjust the basic allowance for subsistence at the same rate as the most recent adjustment made to the cost of the moderate food plan of the Department of Agriculture (one of the four official food plans used by the Department of Agriculture under the Food Stamp Act of 1977) to reflect changes in the cost of the diet described by the moderate food plan.

"(b) ENLISTED MEMBERS.—An enlisted member is entitled to the basic allowance for subsistence on a daily basis if the member is entitled to basic pay and one or more of the following applies with respect to the member:

"(1) Rations in kind are not available.

"(2) Rations in kind are available, but the Secretary of Defense authorizes the payment of the basic allowance for subsistence.

"(3) Permission to mess separately is granted.

"(4) The member is assigned to duty under emergency conditions where no messing facilities of the United States are available.

"(5) The member is on an authorized leave of absence, is confined in a hospital, or is performing travel under orders away from the member's designated post of duty (except when rations in kind

are available and the Secretary of Defense does not authorize the payment of the basic allowance for subsistence.).

''(c) OFFICERS.—An officer of a uniformed service who is entitled to basic pay is entitled, at all times, to the basic allowances for subsistence. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

''(d) SPECIAL RULE FOR CERTAIN MEMBERS AUTHORIZED TO MESS SEPARATELY.—Under regulations and in areas 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, an enlisted member who is granted permission to mess separately, and whose duties require the member to buy at least one meal from other than a messing facility of the United States, is entitled to not more than the pro rata allowance authorized for each such meal for an enlisted member when rations in kind are not available.

''(e) PAYMENT FOR RATIONS IN KIND ACTUALLY RECEIVED.—The Secretary of Defense may require a member of the uniformed services to pay for rations in

kind actually received by the member while entitled to a basic allowance for subsistence.

"(f) ADMINISTRATION.—(1) The Secretary of Defense may prescribe regulations for the administration of this section.

"(2) For purposes of subsection (b)(5), a member shall not be considered to be performing travel under orders away from his designated post of duty if the member—

"(A) is an enlisted member serving the member's first tour of active duty;

"(B) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

"(C) is not actually traveling between stations pursuant to orders directing a change of station.

"(g) PERCENTAGE LIMITATION ON ENLISTED MEMBERS RECEIVING ALLOWANCE.—(1) This subsection apples with respect to enlisted members of the Army, Navy, Air Force, and Marine Corps who, when present at their permanent duty station and at which adequate messing facilities of the United States are available, reside without dependents in Government quarters. The Secretary concerned may not provide a basic allowance for subsistence

to more than 12 percent of such members under the jurisdiction of the Secretary concerned.

"(2) The Secretary concerned may exceed the percentage limitation specified in paragraph (1) if the Secretary determines that compliance would increase costs to the Government, would impose financial hardships on members otherwise entitled to a basic allowance for subsistence, or would reduce the quality of life for such members.

"(3) This subsection shall not apply to a member described in paragraph (1) when the member is not residing at the member's permanent duty station.

"(h) RATIONS IN KIND FOR CERTAIN RESERVES.—(1) The Secretary concerned may provide rations in kind, or a part thereof, to an enlisted member of a reserve component or of the National Guard when the member's instruction or duty periods, described in section 206(a) of this title, total at least eight hours in a calendar day. The Secretary concerned may provide the member with a commutation when rations in kind are not available.

"(2) This subsection shall not apply with respect to an enlisted member of a reserve component or of the National Guard who is entitled to basic pay.

"(i) USE OF MESSING FACILITIES.—The Secretary of Defense, in consultation with the Secretaries concerned,

shall establish policies regarding the use of messing facilities of the United States, including field messing facilities.''.

(b) CONFORMING AMENDMENTS.—(1) Section 404(b)(2) of title 37, United States Code, is amended by striking out ''under section 402(e) of this title'' and inserting in lieu thereof ''by the Secretary of Defense''.

(2) Section 1012 of title 37, United States Code, is amended by striking out ''section 402(b)(3)'' and inserting in lieu thereof ''section 402(h)''.

(3) Section 6912 of title 10, United States Code, is amended by striking out ''section 402(a) and (b)'' and inserting in lieu thereof ''section 402(c)''.

SEC. 604. CONSOLIDATION OF BASIC ALLOWANCE FOR QUARTERS, VARIABLE HOUSING ALLOWANCE, AND OVERSEAS HOUSING ALLOWANCES.

(a) CONSOLIDATION OF ALLOWANCES.—Section 403 of title 37, United States Code, is amended to read as follows:

''§ 403. Basic allowance for housing

''(a) COMPONENTS OF BASIC ALLOWANCE FOR HOUSING.—The basic allowance for housing consists of the following components:

''(1) A basic allowance for quarters for members of the uniformed services stationed in the Unit-

ed States and, under certain circumstances, members on duty outside of the United States whose dependents continue to reside in the United States.

''(2) A overseas station housing allowance for members on duty outside of the United States to reflect housing costs incurred by the members.

''(3) A family separation housing allowance for members with dependents when the movement of the dependents to the members' permanent station is not authorized at the expense of the United States.

''(b) ELIGIBILITY FOR ALLOWANCE.—(1) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay shall receive the component or components of the basic allowance for housing to which the member is entitled under this section at the monthly rates prescribed in connection with the component under this section or other provision of law. The amount of the allowance for a member will vary according to the pay grade in which the member is assigned or distributed for basic pay purposes and the member's dependency status.

''(2) The basic allowance for housing may be paid in advance.

''(c) EFFECT OF ASSIGNMENT TO GOVERNMENT QUARTERS.—(1) Except as otherwise provided by law, a member of a uniformed service who is assigned to quarters

of the United States appropriate to the grade, rank, or rating of the member and adequate for the member and dependents, if with dependents, is not entitled to a basic allowance for housing. In this section, the term 'quarters of the United States' includes a housing facility under the jurisdiction of a uniformed service.

''(2) A member without dependents who is in a pay grade above pay grade E–6 and is assigned to quarters of the United States may elect not to occupy those quarters and instead receive the basic allowance for housing to which the member is otherwise entitled.

''(3) A member without dependents who is in pay grade E–6 and is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Secretary of Defense for members in such pay grade may elect not to occupy those quarters and instead to receive the basic allowance for housing to which the member is otherwise entitled. The Secretary concerned may deny the right to make an election under this paragraph if the Secretary determines that the exercise of such an election would adversely affect a training mission, military discipline, or military readiness.

''(4) In the case of a member with dependents who is assigned to quarters of the United States at a location or under circumstances that, as determined by the Sec-

retary concerned, require the member's dependents to reside at different location, the member shall receive a basic allowance for housing as if the member were assigned to duty in the area in which the dependents reside and did not reside in quarters of the United States.

"(d) EFFECT OF FIELD DUTY AND SEA DUTY.—(1) The Secretary concerned may deny the basic allowance for housing to a member of a uniformed service without dependents when the member is assigned to field duty with a unit conducting field operations.

"(2) A member of a uniformed service without dependents who is in a pay grade below pay grade E–6 is not entitled to a basic allowance for housing while on sea duty. After taking into consideration the availability of quarters for members serving in pay grade E–5, the Secretary concerned may authorize the payment of a basic allowance for housing to a member without dependents who is serving in such pay grade and is assigned to sea duty.

"(3) Notwithstanding section 421 of this title, two members of the uniformed services in a pay grade below pay grade E–6 who are married to each other, have no other dependents, and are simultaneously assigned to sea duty are jointly entitled to one basic allowance for housing during the period of such simultaneous sea duty. The

amount of the allowance shall be based on the without dependents rate for the pay grade of the senior member of the couple. However, this paragraph shall not apply to a couple if one or both of the members are entitled to a basic allowance for housing under paragraph (2).

''(4) For purposes of this subsection, the Secretary of Defense shall prescribe, by regulation, definitions of the terms 'field duty' and 'sea duty'.

''(e) BASIC ALLOWANCE FOR QUARTERS.—(1) The Secretary of Defense shall determine the costs of adequate housing in a military housing area for all members of the uniformed services entitled to a basic allowance for quarters in that area. The Secretary shall base the determination upon the costs of adequate housing for civilians with comparable income levels in the same area.

''(2) The monthly amount of a basic allowance for quarters for an area of the United States for a member of a uniformed service is equal to difference between—

''(A) the monthly cost of housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member; and

''(B) 15 percent of the national average monthly cost of housing in the United States, as deter-

mined by the Secretary, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

"(3) The rates of basic allowance for quarters shall be reduced as necessary to comply with this paragraph. The total amount that may be paid for a fiscal year for the basic allowance for quarters is the product of—

"(A) the total amount authorized to be paid for such allowance for the preceding fiscal year (as adjusted under paragraph (5)); and

"(B) a fraction—

"(i) the numerator of which is the index of the national average monthly cost of housing for June of the preceding fiscal year; and

"(ii) the denominator of which is the index of the national average monthly cost of housing for June of the fiscal year before the preceding fiscal year.

"(4) An adjustment in the rates of basic allowance for quarters as a result of the Secretary's redetermination of housing costs in an area shall take effect on the same date as the effective date of the next increase in basic pay under section 1009 of this title or other provision of law.

"(5) In making a determination under paragraph (3) for a fiscal year, the amount authorized to be paid for

the preceding fiscal year for the basic allowance for quarters shall be adjusted to reflect changes during the year for which the determination is made in the number, grade distribution, geographic distribution, and dependency status of members of the uniformed services entitled to the allowance from the number of such members during the preceding fiscal year.

''(6) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for quarters within an area of the United States, the monthly amount of the allowance for the member may not be reduced as a result of changes in housing costs in the area, changes in the national average monthly cost of housing, or the promotion of the member.

''(f) OVERSEAS STATION HOUSING ALLOWANCE.—(1) The Secretary of Defense may prescribe an overseas station housing allowance for a member of a uniformed service who is on duty outside of the United States. The Secretary shall base the station housing allowance on housing costs in the overseas area in which the member is assigned.

''(2) So long as a member of a uniformed service retains uninterrupted eligibility to receive an overseas station housing allowance in an overseas area and the actual monthly cost of housing for the member is not reduced,

the monthly amount of the overseas station housing allowance may not be reduced as a result of changes in housing costs in the area or the promotion of the member. The monthly amount of the allowance may be adjusted to reflect changes in currency rates.

"(g) FAMILY SEPARATION HOUSING ALLOWANCE.—(1) A member of a uniformed service with dependents who is on permanent duty at a location described in paragraph (2) is entitled to a family separation housing allowance under this subsection at a monthly rate equal to the rate of basic allowance for quarters or overseas station housing allowance established for that location for members without dependents in the same grade.

"(2) A permanent duty location referred to in paragraph (1) is a location—

"(A) to which the movement of the member's dependents is not authorized at the expense of the United States under section 406 of this title, and the member's dependents do not reside at or near the location; and

"(B) at which quarters of the United States are not available for assignment to the member.

"(3) The allowance provided under this subsection is in addition to any other allowance or per diem that the member is otherwise entitled to under this title.

"(h) PARTIAL ALLOWANCE.—(1) The Secretary of Defense may prescribe a partial basic allowance for housing for a member of a uniformed service without dependents who is not entitled to the allowance pursuant to subsection (c) or (d).

"(2) In the case of a member of a uniformed service who is assigned to quarters of the United States and pays child support, the Secretary of Defense may authorize the payment of a partial basic allowance for housing, at a rate prescribed by the Secretary, on account of the member's payment of the child support. The allowance shall be at a reduced rate to reflect the member's assignment to quarters of the United States. The amount of the partial allowance shall not exceed the monthly rate of the member's child support. The payment of a partial allowance under this paragraph to a member may be in addition to any allowance paid to the member under paragraph (1).

"(i) SPECIAL RULES FOR CERTAIN MEMBERS.—(1)(A) In the case of a member of a reserve component of a uniformed service without dependents who is called or ordered to active duty (other than for training) or a retired member without dependents ordered to active duty under section 688(a) of title 10, the member shall be considered to be assigned to duty at the location of the primary residence of the member at the time of the call or

order for purposes of determining the amount of the member's basic allowance for housing.

"(B) If a member described in subparagraph (A) is called or ordered to active duty for less than 30 days, the Secretary of Defense shall prescribe the amount of the basic allowance for housing to be paid to the member.

"(C) This paragraph shall not apply to a member described in subparagraph (A) if the member is authorized transportation of household goods under section 406 of this title as part of the call or order to active duty or if the primary residence of the member is not owned by the member or the member is not responsible for rental payments.

"(2) A member of a uniformed service without dependents who is in pay grade E–4 (four or more years' service), or above, is entitled to a basic allowance for housing while the member is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when the member is not assigned to quarters of the United States. Notwithstanding subsection (e)(2), the rate of basic allowance for quarters for such a member shall be equal to the national average monthly cost of housing in the United States, as determined by the Secretary, for members of the uniformed

services serving in the same pay grade and with the same dependency status as the member.

"(3) The eligibility of an aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard for a basic allowance for housing shall be determined as if the aviation cadet were a member of the uniformed services in pay grade E–4.

"(4) In the case of a member without dependents who is assigned to duty inside the United States, the location or the circumstances of which make it necessary that the member be reassigned under the conditions of low cost or no cost permanent change of station or permanent change of assignment, the member may be treated as if the member were not reassigned if the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the area to which the member is reassigned.

"(j) ADMINISTRATION.—(1) The Secretary concerned may make such determinations as may be necessary to administer this section, including determinations of dependency and relationship. When warranted by the circumstances, the Secretary concerned may reconsider and change or modify any such determination. This authority may be delegated by the Secretary concerned. Any determination made under this section with regard to a member

of the uniformed services is final and is not subject to review by any accounting officer of the United States or a court, unless there is fraud or gross negligence.

"(2) Parking facilities (including utility connections) provided members of the uniformed services for house trailers and mobile homes not owned by the Government shall not be considered to be quarters for the purposes of this section or any other provision of law. Any fees established by the Government for the use of such a facility shall be established in an amount sufficient to cover the cost of maintenance, services, and utilities and to amortize the cost of construction of the facility over the 25-year period beginning with the completion of such construction.

"(k) TEMPORARY CONTINUATION OF ALLOWANCE.—(1) The Secretary of Defense, or the Secretary of Transportation in the case of the Coast Guard when not operating as a service in the Navy, may allow the dependents of a member of the armed forces who dies while on active duty and whose dependents are occupying family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard, other than on a rental basis on the date of the member's death to continue to occupy such housing without charge for a period of 180 days.

"(2) The Secretary concerned may pay an allowance for housing to the dependents of a member of the uniformed services who dies while on active duty and whose dependents are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death or are occupying such housing on a rental basis on such date, or whose dependents vacate such housing sooner than 180 days after the date of the member's death. The amount of the allowance shall be the same amount that would otherwise be payable to the deceased member under this section if the member had not died. The payment of an allowance under this paragraph shall terminate 180 days after the date of the member's death.".

(b) REPEAL OF SUPERSEDED AUTHORITIES.—(1) Section 403a of title 37, United States Code, is repealed.

(2) Section 405 of such title is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Section 427 of such title is amended—

(A) by striking out subsection (a); and

(B) in subsection (b)—

(i) by striking out "(b) ADDITIONAL SEPARATION ALLOWANCE.—" and inserting in lieu

thereof "(a) AVAILABILITY OF SEPARATION ALLOWANCE.—";

(ii) in paragraph (1), by striking out "including subsection (a)" and inserting in lieu thereof "including section 403(g) of this title";

(iii) in paragraph (4)—

(I) by striking out "(4) A member" and inserting in lieu thereof "(b) EFFECT OF ELECTION TO SERVE UNACCOMPANIED TOUR OF DUTY.—A member";

(II) by striking out "paragraph (1)(A) of this subsection" and inserting in lieu thereof "subsection (a)(1)(A)"; and

(iv) in paragraph (5)—

(I) by striking out "(5) Section 421" and inserting in lieu thereof "(c) EFFECT OF DEPENDENT ENTITLED TO BASIC PAY.—Section 421"; and

(II) by striking out "paragraph (1)(D)" both places it appears and inserting in lieu thereof "subsection (a)(1)(D)".

(4) The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by striking out the items relating to sections 403 and 403a and inserting in lieu thereof the following new item:

"403. Basic allowance for housing.".

(c) CONFORMING AMENDMENTS.—(1) Title 37, United States Code, is amended—

(A) in section 101(25), by striking out ''basic allowance for quarters (including any variable housing allowance or station housing allowance)'' and inserting in lieu thereof ''basic allowance for housing'';

(B) in section 406(c), by striking out ''sections 404 and 405'' and inserting in lieu thereof ''sections 403(f), 404, and 405'';

(C) in section 420(c), by striking out ''quarters'' and inserting in lieu thereof ''housing'';

(D) in section 551(3)(D), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''; and

(E) in section 1014(a), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''.

(2) Title 10, United States Code, is amended—

(A) in section 708(c)(1), by striking out ''basic allowance for quarters or basic allowance for subsistence'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37, basic allowance for subsistence under section 402 of such title,'';

(B) in section 2830(a)—

(i) in paragraph (1), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing'';

(C) in section 2882(b)—

(i) in paragraph (1), by striking out ''section 403(b)'' and inserting in lieu thereof ''section 403''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and all that follows through the end of the paragraph and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37.'';

(D) in section 7572(b)—

(i) in paragraph (1), by striking out ''the total of—'' and all that follows through the end of the paragraph and inserting in lieu thereof ''the basic allowance for housing payable under section 403 of title 37 to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship.''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''; and

(E) in section 7573, by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37''.

(3) Section 5561(6)(D) of title 5, United States Code, is amended by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''.

(4) Section 107(b) of title 32, United States Code, is amended by striking out ''and quarters'' and inserting in lieu thereof ''and housing''.

(5) Section 4(k)(10) of the Military Selective Service Act (50 U.S.C. App. 454(k)(10)) is amended by striking out ''as such terms'' and all that follows through ''extended or amended'' and inserting in lieu thereof ''shall be entitled to receive a dependency allowance equal to the basic allowance for quarters provided for persons in pay grade E–1 under section 403 of title 37, United States Code,''.

(d) TRANSITION TO BASIC ALLOWANCE FOR HOUSING.—The Secretary of Defense shall develop and implement a plan to incrementally manage the rate of growth

of the various components of the basic allowance for housing authorized by section 403 of title 37, United States Code (as amended by subsection (a)), during a transition period of not more than six years. During the transition period, the Secretary may continue to use the authorities provided under sections 403, 403a, 405(b), and 427(a) of title 37, United States Code (as in effect on the day before the date of the enactment of this Act), but subject to such modifications as the Secretary considers necessary, to provide allowances for members of the uniformed services.

(e) AVAILABILITY OF FUNDS TO REDUCE OUT-OF-POCKET HOUSING COSTS.—Of the amount authorized to be appropriated pursuant to section 421 for military personnel, $35,000,000 shall be available to the Secretary of Defense to increase the rates of basic allowance for quarters authorized members of the Armed Forces by section 403 of title 37, United States Code (as amended by subsection (a)), so as to further reduce out-of-pocket housing costs incurred by members of the Armed Forces.

Subtitle B—Bonuses and Special and Incentive Pays

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

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended

by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES 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, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States

Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 613. ONE-YEAR EXTENSION OF AUTHORITIES 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, 1998,'' and inserting in lieu thereof ''September 30, 1999,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) ENLISTMENT BONUSES FOR MEMBERS WITH CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE DUTY.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by

striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

(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, 1998'' and inserting in lieu thereof ''October 1, 1999''.

SEC. 614. INCREASE IN MINIMUM MONTHLY RATE OF HAZARDOUS DUTY INCENTIVE PAY FOR CERTAIN MEMBERS.

(a) AERIAL FLIGHT CREWMEMBERS.—The table in subsection (b) of section 301 of title 37, United States Code, is amended—

(1) by striking out ''110'' each place it appears and inserting in lieu thereof ''150''; and

(2) by striking out ''125'' each place it appears and inserting in lieu thereof ''150''.

(b) AIR WEAPONS CONTROLLER AIRCREW.—The table in subsection (c)(2)(A) of such section is amended—

(1) by striking out ''100'' in the first column of amounts and inserting in lieu thereof ''150'';

(2) by striking out ''110'' in the last column of amounts and inserting in lieu thereof ''150''; and

(3) by striking out ''125'' each place it appears and inserting in lieu thereof ''150''.

(c) OTHER MEMBERS.—Subsection (c)(1) of such section is amended—

(1) by striking out ''$110'' and inserting in lieu thereof ''$150''; and

(2) by striking out ''$165'' and inserting in lieu thereof ''$225''.

SEC. 615. AVAILABILITY OF MULTIYEAR RETENTION BONUS FOR DENTAL OFFICERS.

(a) AVAILABILITY OF RETENTION BONUS.—Chapter 5 of title 37, United States Code, is amended by inserting after section 301d the following new section:

''§ 301e. Multiyear retention bonus: dental officers of the armed forces

''(a) BONUS AUTHORIZED.—(1) A dental officer described in subsection (b) who executes a written agreement to remain on active duty for two, three, or four years after completion of any other active-duty service commitment may, upon acceptance of the written agreement by the Secretary of the military department concerned, be paid a retention bonus as provided in this section.

"(2) The amount of a retention bonus under paragraph (1) may not exceed $14,000 for each year covered by a four-year agreement. The maximum yearly retention bonus for two-year and three-year agreements shall be reduced to reflect the shorter service commitment.

"(b) OFFICERS AUTOMATICALLY ELIGIBLE.—Subsection (a) applies to an officer of the armed forces who—

"(1) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer;

"(2) has a dental specialty in oral and maxillofacial surgery;

"(3) is in a pay grade below pay grade 0–7;

"(4) has at least eight years of creditable service (computed as described in section 302b(g) of this title) or has completed any active-duty service commitment incurred for dental education and training; and

"(5) has completed initial residency training (or will complete such training before September 30 of the fiscal year in which the officer enters into an agreement under subsection (a)).

"(c) EXTENSION OF BONUS TO OTHER DENTAL OFFICERS.—At the discretion of the Secretary of the military department concerned, the Secretary may enter into a

written agreement described in subsection (a)(1) with a dental officer who does not have the dental specialty specified in subsection (b)(2), and pay a retention bonus to such an officer as provided in this section, if the officer otherwise satisfies the eligibility requirements specified in subsection (b). The Secretaries shall exercise the authority provided in this section in a manner consistent with regulations prescribed by the Secretary of Defense.

''(d) REFUNDS.—(1) Refunds shall be required, on a pro rata basis, of sums paid under this section if the officer who has received the payment fails to complete the total period of active duty specified in the agreement, as conditions and circumstances warrant.

''(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 301d the following new item:

"301e. Multiyear retention bonus: dental officers of the armed forces.".

SEC. 616. INCREASE IN VARIABLE AND ADDITIONAL SPECIAL PAYS FOR CERTAIN DENTAL OFFICERS.

(a) VARIABLE SPECIAL PAY FOR JUNIOR OFFICERS.—Paragraph (2) of section 302b(a) of title 37, United States Code, is amended by striking out subparagraphs (C) through (F) and inserting in lieu thereof the following new subparagraphs:

"(C) $7,000 per year, if the officer has at least six but less than eight years of creditable service.

"(D) $12,000 per year, if the officer has at least eight but less than 12 years of creditable service.

"(E) $10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

"(F) $9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(G) $8,000 per year, if the officer has 18 or more years of creditable service.".

(b) VARIABLE SPECIAL PAY FOR SENIOR OFFICERS.—Paragraph (3) of such section is amended by

striking out "$1,000" and inserting in lieu thereof "$7,000".

(c) ADDITIONAL SPECIAL PAY.—Paragraph (4) of such section is amended by striking out subparagraphs (B) through (D) and inserting in lieu thereof the following new subparagraphs:

"(B) $6,000 per year, if the officer has at least three but less than 10 years of creditable service.

"(C) $15,000 per year, if the officer has 10 or more years of creditable service.".

SEC. 617. SPECIAL PAY FOR DUTY AT DESIGNATED HARDSHIP DUTY LOCATIONS.

(a) SPECIAL PAY AUTHORIZED.—Section 305 of title 37, United States Code, is amended by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) SPECIAL PAY AUTHORIZED.—A member of a uniformed service who is entitled to basic pay may be paid special pay under this section at a monthly rate not to exceed $300 while the member is on duty at a location in the United States or outside the United States designated by the Secretary of Defense as a hardship duty location.".

(b) CROSS REFERENCES AND REGULATIONS.—Such section is further amended—

(1) in subsection (b)—

(A) by inserting ''EXCEPTION FOR CERTAIN MEMBERS SERVING IN CERTAIN LOCATIONS.—'' after ''(b)''; and

(B) by striking out ''as foreign duty pay'' and inserting in lieu thereof ''as hardship duty location pay'';

(2) in subsection (c)—

(A) by inserting ''EXCEPTION FOR MEMBERS RECEIVING CAREER SEA PAY.—'' after ''(c)''; and

(B) by striking out ''special pay under this section'' and inserting in lieu thereof ''hardship duty location pay under subsection (a)''; and

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

''(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the provision of hardship duty location pay under subsection (a), including the actual monthly rates at which the special pay will be available.''.

(c) CLERICAL AMENDMENTS.—(1) the heading of such section is amended to read as follows:

''§ 305. Special pay: hardship duty location pay''.

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by striking

out the item relating to section 305 and inserting in lieu thereof the following new item:

"305. Special pay: hardship duty location pay.".

(d) CONFORMING AMENDMENT.—Section 907(d) of such title is amended by striking out "duty at certain places" and inserting in lieu thereof "duty at a hardship duty location".

(e) TRANSITION.—Until such time as the Secretary of Defense prescribes regulations regarding the provision of hardship duty location pay under section 305 of title 37, United States Code, as amended by this section, the Secretary may continue to use the authority provided by such section 305, as in effect on the day before the date of the enactment of this Act, to provide special pay to enlisted members of the uniformed services on duty at certain places.

SEC. 618. SELECTED RESERVE REENLISTMENT BONUS.

(a) ELIGIBLE MEMBERS.—Subsection (a)(1) of section 308b of title 37, United States Code, is amended by striking out "ten years" and inserting in lieu thereof "14 years".

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

"(b)(1) The amount of a bonus under this section may not exceed—

"(A) $2,500, in the case of a member who reenlists or extends an enlistment for a period of three years; and

"(B) $5,000, in the case of a member who reenlists or extends an enlistment for a period of six years.

"(2) The bonus shall be paid according to a payment schedule determined by the Secretary concerned, except that the initial payment to a member may not exceed one-half the total bonus amount for the member.".

(c) NUMBER OF INDIVIDUAL BONUSES.—Subsection (c) of such section is amended to read as follows:

"(c) A member may not be paid more than one six-year bonus or two three-year bonuses under this section.".

(d) EFFECT OF FAILURE TO SERVE SATISFACTORILY.—Subsection (d) of such section is amended to read as follows:

"(d) A member who receives a bonus under this section and who fails, during the period for which the bonus was paid, to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same relation to the amount of the bonus paid to the member as the period that the member

failed to serve satisfactorily bears to the total period for which the bonus was paid.''.

SEC. 619. SELECTED RESERVE ENLISTMENT BONUS FOR FORMER ENLISTED MEMBERS.

(a) ELIGIBLE PERSONS.—Subsection (a)(2) of section 308i of title 37, United States Code, is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

''(A) has completed a military obligation but has less than 14 years of total military service;'';

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

''(b)(1) The amount of a bonus under this section may not exceed—

''(A) $2,500, in the case of a person who enlists for a period of three years; and

''(B) $5,000, in the case of a person who enlists for a period of six years.

''(2) The bonus shall be paid according to a payment schedule determined by the Secretary concerned, except that the initial payment to a person may not exceed one-half the total bonus amount for the person.''.

(c) LIMITATIONS.—Subsection (c) of such section is amended to read as follows:

"(c)(1) A person may not be paid more than one six-year bonus or two three-year bonuses under this section.

"(2) A person may not be paid a bonus under this section unless the specialty associated with the position the person is projected to occupy as a member of the Selected Reserve is a specialty in which—

"(A) the person successfully served while a member on active duty; and

"(B) the person attained a level of qualification while a member commensurate with the grade and years of service of the member.".

SEC. 620. SPECIAL PAY OR BONUSES FOR ENLISTED MEMBERS EXTENDING TOURS OF DUTY OVERSEAS.

(a) INCLUSION OF BONUS INCENTIVE.—(1) Section 314 of title 37, United States Code, is amended to read as follows:

"§ 314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas

"(a) COVERED MEMBERS.—This section applies with respect to an enlisted member of an armed force who—

"(1) is entitled to basic pay;

"(2) has a specialty that is designated by the Secretary concerned for the purposes of this section;

"(3) has completed a tour of duty (as defined in accordance with regulations prescribed by the Secretary concerned) at a location outside the 48 contiguous States and the District of Columbia that is designated by the Secretary concerned for the purposes of this section; and

"(4) at the end of that tour of duty executes an agreement to extend that tour for a period of not less than one year.

"(b) SPECIAL PAY OR BONUS AUTHORIZED.—Under regulations prescribed by the Secretary concerned, an enlisted member described in subsection (a) is entitled, upon acceptance by the Secretary concerned of the agreement providing for extension of the member's tour of duty, to either—

"(1) special pay for duty performed during the period of the extension at a rate of not more than $80 per month, as prescribed by the Secretary concerned; or

"(2) a bonus of up to $2,000 per year, as prescribed by the Secretary concerned, for specialty requirements at designated locations.

"(c) SELECTION AND PAYMENT OF SPECIAL PAY OR BONUS.—Not later than the date on which the Secretary concerned accepts an agreement described in subsection

(a)(4) providing for the extension of a member's tour of duty, the Secretary concerned shall notify the member regarding whether the member will receive special pay or a bonus under this section. The payment rate for the special pay or bonus shall be fixed at the time of the agreement and may not be changed during the period of the extended tour of duty. The Secretary concerned may pay a bonus under this section either in a lump sum or installments.

"(d) REPAYMENT OF BONUS.—(1) If a member who receives all or part of a bonus under this section fails to complete the total period of extension specified in the agreement described in subsection (a)(4), the Secretary concerned may require the member to repay the United States, on a pro rata basis and to the extent that the Secretary determines conditions and circumstances warrant, amounts paid to the member under this section.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement does not discharge the member signing the agreement from a debt arising under the agreement or

under paragraph (1). This paragraph applies to any case commenced under title 11 on or after October 1, 1997.

"(e) EFFECT OF REST AND RECUPERATIVE ABSENCE.—A member who elects to receive one of the benefits specified in section 705(b) of title 10 as part of the extension of a tour of duty is not entitled to the special pay or bonus authorized by this section for the period of the extension of duty for which the benefit under such section is provided.".

(2) The item relating to section 314 in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas.".

(b) APPLICATION OF AMENDMENT.—Section 314 of title 37, United States Code, as amended by subsection (a), shall apply with respect to an agreement to extend a tour of duty as provided in such section executed on or after October 1, 1997.

SEC. 621. INCREASE IN AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code (as amended by section 604(b)(3)), is further amended in subsection (a)(1) by striking out "$75" and inserting in lieu thereof "$100".

SEC. 622. CHANGE IN REQUIREMENTS FOR READY RESERVE MUSTER DUTY ALLOWANCE.

Section 433(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out ''and shall be'' and all that follows through ''is performed''; and

(2) by inserting after the first sentence the following new sentence: ''The allowance may be paid to the member on or before the date on which the muster duty is performed, but shall be paid not later than 30 days after the date on which the muster duty is performed.''.

SEC. 623. EXPANSION OF RESERVE AFFILIATION BONUS TO INCLUDE COAST GUARD RESERVE.

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

(1) in subsection (a), by striking out ''Under regulations prescribed by the Secretary of Defense, the Secretary of a military department'' and inserting in lieu thereof ''The Secretary concerned'';

(2) in subsection (b)(3), by striking out ''designated by the Secretary of Defense for the purposes of this section'' and inserting in lieu thereof ''designated for purposes of this section in the regulations prescribed under subsection (f)'';

(3) in subsection (c)(3), by striking out ''regulations prescribed by the Secretary of Defense'' and inserting in lieu thereof ''the regulations prescribed under subsection (f)''; and

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

''(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary of Defense and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS OF MEMBER SENTENCED BY COURT-MARTIAL.

Section 406(h)(2)(C) of title 37, United States Code, is amended by striking out the comma at the end of clause (iii) and all that follows through ''title 10.'' and inserting in lieu thereof a period.

SEC. 632. DISLOCATION ALLOWANCE.

Section 407 of title 37, United States Code, is amended to read as follows:

"§ 407. Travel and transportation allowances: dislocation allowance

''(a) BASIC ELIGIBILITY.—(1) Under regulations prescribed by the Secretary concerned, a member of a uniformed service described in paragraph (2) is entitled to a dislocation allowance at the rate set forth in the tables in subsection (c) for the member's pay grade and dependency status.

''(2) A member of the uniformed services referred to in paragraph (1) is any of the following:

''(A) A member who makes a change of permanent station and the member's dependents actually make an authorized move in connection with the change, including a move by the dependents—

''(i) to join the member at the member's duty station after an unaccompanied tour of duty when the member's next tour of duty is an accompanied tour at the same station; and

''(ii) to a location designated by the member after an accompanied tour of duty when the member's next tour of duty is an unaccompanied tour at the same duty station.

''(B) A member whose dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title.

"(C) A member whose dependents actually move from their place of residence under circumstances described in section 406a of this title.

"(D) A member who is without dependents and—

"(i) actually moves to a new permanent station where the member is not assigned to quarters of the United States; or

"(ii) actually moves from a place of residence under circumstances described in section 406a of this title.

"(E) A member who is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.

"(3) If a dislocation allowance is paid under this subsection to a member described in subparagraph (C) or (D)(ii), the member is not entitled to another dislocation allowance as a member described in subparagraph (A) or (E) in connection with the same move.

"(b) SECOND ALLOWANCE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES.—(1) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a dislocation allowance as a member de-

scribed in subparagraph (C) or (D)(ii) of subsection (a)(2), the member is also entitled to a second dislocation allowance at the rate set forth in the tables in subsection (c) for the member's pay grade and dependency status if, subsequent to the member or the member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title.

''(2) If a second dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance as a member described in subparagraph (A) or (E) of subsection (a)(2) in connection with those moves.

''(c) DISLOCATION ALLOWANCE RATES.—(1) A dislocation allowance under this section shall be paid at the following monthly rates, based on a member's pay grade and dependency status:

''COMMISSIONED OFFICERS

Paygrade	Without dependents	With dependents
O–10	$2,061.75	$2,538.00
O–9	2,061.75	2,538.00
O–8	2,061.75	2,538.00
O–7	2,061.75	2,538.00
O–6	1,891.50	2,285.25
O–5	1,821.75	2,202.75
O–4	1,688.25	1,941.75
O–3	1,353.00	1,606.50
O–2	1,073.25	1,371.75

"COMMISSIONED OFFICERS—Continued

Paygrade	Without dependents	With dependents
O–1	903.75	1,226.25

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

Paygrade	Without dependents	With dependents
O–3E	$1,461.00	$1,726.50
O–2E	1,242.00	1,557.75
O–1E	1,068.00	1,439.25

"WARRANT OFFICER

Paygrade	Without dependents	With dependents
W–5	$1,715.25	$1,874.25
W–4	1,523.25	1,718.25
W–3	1,280.00	1,574.25
W–2	1,137.00	1,448.25
W–1	951.75	1,252.50

"ENLISTED MEMBER

Paygrade	Without dependents	With dependents
E–9	$1,251.00	$1,649.25
E–8	1,148.25	1,520.25
E–7	981.00	1,411.50
E–6	888.00	1,304.25
E–5	819.00	1,173.00
E–4	712.50	1,020.00
E–3	699.00	949.50
E–2	567.75	903.75
E–1	506.25	903.75

1 "(2) For each calendar year after 1997, the Secretary
2 of Defense shall adjust the rates in the tables in para-
3 graph (1) by the percentage equal to the rate of change
4 of the national average monthly cost of housing, as deter-
5 mined by the Secretary under section 403 of this title for
6 that calendar year.

"(d) FISCAL YEAR LIMITATION; EXCEPTIONS.—(1) A member is not entitled to more than one dislocation allowance during a fiscal year unless—

"(A) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

"(B) the member is ordered to a service school as a change of permanent station;

"(C) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

"(D) subparagraph (C) or (D)(ii) of subsection (a)(2) or subsection (b) apply with respect to the member or the member's dependents.

"(2) This subsection does not apply in time of national emergency or in time of war.

"(e) FIRST OR LAST DUTY.—A member is not entitled to payment of a dislocation allowance when ordered from the member's home to the member's first duty station or from the member's last duty station to the member's home.

"(f) RULE OF CONSTRUCTION.—For purposes of this section, a member whose dependents may not make an au-

thorized move in connection with a change of permanent station is considered a member without dependents.

"(g) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.".

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

SEC. 641. TIME IN WHICH CERTAIN CHANGES IN BENEFICIARY UNDER SURVIVOR BENEFIT PLAN MAY BE MADE.

(a) EXTENSION OF TIME FOR CHANGE.—Section 1450(f)(1)(C) of title 10, United States Code, is amended by inserting before the period at the end the following: ", except that such a change of election to change a beneficiary under the Plan from a former spouse to a spouse may be made at any time after the person providing the annuity remarries (rather than only within one year after the date on which that person marries)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to marriages occurring before, on, or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 651. DEFINITION OF SEA DUTY FOR PURPOSES OF CAREER SEA PAY.

Section 305a(d) of title 37, United States Code, is amended—

(1) in paragraph (1)(A), by striking out ‘‘, ship-based staff, or ship-based aviation unit’’;

(2) in paragraph (1)(B), by striking out ‘‘or ship-based staff’’;

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

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

‘‘(2) The Secretary concerned may designate duty performed by a member while serving on a ship the primary mission of which is accomplished either while under way or in port as ‘sea duty’ for purposes of this section, even though the duty is performed while the member is permanently or temporarily assigned to a ship-based staff or other unit not covered by paragraph (1).’’.

SEC. 652. LOAN REPAYMENT PROGRAM FOR COMMISSIONED OFFICERS IN CERTAIN HEALTH PROFESSIONS.

(a) Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2173. Education loan repayment program: commissioned officers in specified health professions

''(a) AUTHORITY TO REPAY EDUCATION LOANS.—For the purpose of maintaining adequate numbers of commissioned officers of the armed forces on active duty who are qualified in the various health professions, the Secretary of a military department may repay, in the case of a person described in subsection (b), a loan that was used by the person to finance education regarding a health profession and was obtained from a governmental entity, private financial institution, school, or other authorized entity.

''(b) ELIGIBLE PERSONS.—To be eligible to obtain a loan repayment under this section, a person must—

''(1) satisfy one of the academic requirements specified in subsection (c);

''(2) be fully qualified for, or hold, an appointment as a commissioned officer in one of the health professions; and

''(3) sign a written agreement to serve on active duty, or, if on active duty, to remain on active duty for a period in addition to any other incurred active duty obligation.

''(c) ACADEMIC REQUIREMENTS.—One of the following academic requirements must be satisfied for purposes

of determining the eligibility of a person for a loan repayment under this section:

"(1) The person must be fully qualified in a health profession that the Secretary of the military department concerned has determined to be necessary to meet identified skill shortages.

"(2) The person must be enrolled as a full-time student in the final year of a course of study at an accredited educational institution leading to a degree in a health profession other than medicine or osteopathic medicine.

"(3) The person must be enrolled in the final year of an approved graduate program leading to specialty qualification in medicine, dentistry, osteopathic medicine, or other health profession.

"(d) CERTAIN PERSON INELIGIBLE.—Participants of the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of this title and students of the Uniformed Services University of the Health Sciences established under section 2112 of this title are not eligible for the repayment of an education loan under this section.

"(e) LOAN REPAYMENTS.—(1) Subject to the limits established by paragraph (2), a loan repayment under this section may consist of payment of the principal, interest,

and related expenses of a loan obtained by a person described in subsection (b) for—

"(A) all educational expenses, comparable to all educational expenses recognized under section 2127(a) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program; and

"(B) reasonable living expenses, not to exceed expenses comparable to the stipend paid under section 2121(d) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

"(2) For each year of obligated service that a person agrees to serve in an agreement described in subsection (b)(3), the Secretary of the military department concerned may pay not more than $22,000 on behalf of the person. This maximum amount shall be increased annually by the Secretary of Defense effective October 1 of each year by a percentage equal to the percent increase in the average annual cost of educational expenses and stipend costs of a single scholarship under the Armed Forces Health Professions Scholarship and Financial Assistance program. The total amount that may be repaid on behalf of any person may not exceed an amount determined on the basis of a four-year active duty service obligation.

"(f) ACTIVE DUTY SERVICE OBLIGATION.—(1) A person entering into an agreement described in subsection (b)(3) incurs an active duty service obligation. The length of this obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each maximum annual amount, or portion thereof, paid on behalf of the person for qualified loans.

"(2) For persons on active duty before entering into the agreement, the active duty service obligation shall be served consecutively to any other incurred obligation.

"(g) EFFECT OF FAILURE TO COMPLETE OBLIGATION.—A commissioned officer who is relieved of the officer's active duty obligation under this section before the completion of that obligation may be given, with or without the consent of the officer, any alternative obligation comparable to any of the alternative obligations authorized by section 2123(e) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

"(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section, including standards for qualified loans and authorized payees and

other terms and conditions for the making of loan repayments.''.

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

''2173. Education loan repayment program: commissioned officers in specified health professions.''.

SEC. 653. CONFORMANCE OF NOAA COMMISSIONED OFFICERS SEPARATION PAY TO SEPARATION PAY FOR MEMBERS OF OTHER UNIFORMED SERVICES.

(a) ELIMINATION OF LIMITATIONS ON AMOUNT OF SEPARATION PAY.—Section 9 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h) is amended—

(1) in subsection (b)(1), by striking '', or $30,000, whichever is less'';

(2) in subsection (b)(2), by striking '', but in no event more than $15,000''; and

(3) in subsection (d), by striking ''(1)'', and by striking paragraph (2).

(b) WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY.—Section 9(e)(2) of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h) is amended in the first sentence by inserting before the pe-

riod at the end the following: ", less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986)".

(c) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on October 1, 1996, and shall apply to payments of separation pay that are made after September 30, 1997.

SEC. 654. REIMBURSEMENT OF PUBLIC HEALTH SERVICE OFFICERS FOR ADOPTION EXPENSES.

Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

"(16) Section 1052, Reimbursement for adoption expenses.".

SEC. 655. PAYMENT OF BACK QUARTERS AND SUBSISTENCE ALLOWANCES TO WORLD WAR II VETERANS WHO SERVED AS GUERRILLA FIGHTERS IN THE PHILIPPINES.

(a) IN GENERAL.—The Secretary of the military department concerned shall pay, upon request, to an individual described in subsection (b) the amount determined with respect to that individual under subsection (c).

(b) COVERED INDIVIDUALS.—A payment under subsection (a) shall be made to any individual who as a member of the Armed Forces during World War II—

(1) was captured within the territory of the Philippines by Japanese forces;

(2) escaped from captivity; and

(3) served as a guerrilla fighter in the Philippines during the period from January 1942 through February 1945.

(c) AMOUNT TO BE PAID.—The amount of a payment under subsection (a) shall be the amount of quarters and subsistence allowance which accrued to an individual described in subsection (b) during the period specified in paragraph (3) of subsection (b) and which was not paid to that individual. For the purposes of this subsection, the Secretary of War shall be deemed to have determined that conditions in the Philippines during the specified period justified payment under applicable regulations of quarters and subsistence allowances at the maximum special rate for duty where emergency conditions existed. The Secretary shall apply interest compounded at the three-month Treasury bill rate.

(d) PAYMENT TO SURVIVORS.—In the case of any individual described in subsection (b) who is deceased, payment under this section with respect to that individual

shall be made to that individual's nearest surviving relative, as determined by the Secretary concerned.

SEC. 656. SPACE AVAILABLE TRAVEL FOR MEMBERS OF SELECTED RESERVE.

(a) IN GENERAL.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2646. Space available travel: members of Selected Reserve

''(a) AVAILABILITY.—The Secretary of Defense shall prescribe regulations to allow members of the Selected Reserve in good standing (as determined by the Secretary concerned), and dependents of such members, to receive transportation on aircraft of the Department of Defense on a space available basis under the same terms and conditions as apply to members of the armed forces on active duty and dependents of such members.

''(b) CONDITION ON DEPENDENT TRANSPORTATION.—A dependent of a member of the Selected Reserve may be provided transportation under this section only when the dependent is actually accompanying the member on the travel.''.

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

''2646. Space available travel: members of Selected Reserve.''.

SEC. 657. STUDY ON MILITARY PERSONNEL AT, NEAR, OR BELOW THE POVERTY LINE.

(a) REQUIREMENT.—The Secretary of Defense shall conduct a study of members of the Armed Forces and their dependents who subsist at, near, or below the poverty line.

(b) MATTERS TO BE INCLUDED.—The study shall include the following:

(1) An analysis of potential solutions for mitigating or eliminating income levels for members of the Armed Forces that result in certain members and their dependents subsisting at, near, or below the poverty line, including potential solutions involving changes in the systems and rates of—

(A) basic allowance for subsistence for members of the Armed Forces under section 402 of title 37, United States Code;

(B) basic allowance for quarters for members of the Armed Forces under section 403 of such title; and

(C) variable housing allowance for members of the Armed Forces under section 403a of such title.

(2) An analysis of the effect of the amendments made by sections 603 and 604 of this Act regarding the calculation of the basic allowance for subsistence

and the consolidation of the basic allowance for quarters and variable housing allowance on mitigating or eliminating income levels for members of the Armed Forces that result in certain members and their dependents subsisting at, near, or below the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by that section).

(3) Identification of the populations of members of the Armed Forces and their dependents most likely to need income support under Federal programs (and the number of individuals in each population), including—

(A) the populations living in areas of the United States where housing costs are notably high; and

(B) the populations living outside the United States.

(4) The desirability of increasing rates of basic pay during a defined number of years by varying percentages depending on pay grade, so as to provide for greater increases for members in lower pay grades than for higher pay grades.

(c) SUBMISSION TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Sec-

retary shall submit to Congress the findings of the study conducted under subsection (a).

SEC. 658. IMPLEMENTATION OF DEPARTMENT OF DEFENSE SUPPLEMENTAL FOOD PROGRAM FOR MILITARY PERSONNEL OUTSIDE THE UNITED STATES.

(a) FUNDING.—Section 1060a(b) of title 10, United States Code, is amended by adding at the end the following new sentence: ''Pending receipt of such funds from the Secretary of Agriculture for any fiscal year, the Secretary of Defense may use funds appropriated to the Department of Defense for that fiscal year for operations and maintenance to carry out, and to avoid delay in implementation of, the program referred to in subsection (a) during any fiscal year.''.

(b) SUBMISSION OF PLAN TO CONGRESS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for implementing the special supplemental food program under section 1060a of title 10, United States Code, as amended by subsection (a).

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

SEC. 701. EXPANSION OF RETIREE DENTAL INSURANCE PLAN TO INCLUDE SURVIVING SPOUSE AND CHILD DEPENDENTS OF CERTAIN DECEASED MEMBERS.

Section 1076c(b)(4) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out ''dies'' and inserting in lieu thereof ''died''; and

(B) by striking out ''or'' at the end of the subparagraph;

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

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

''(C) who died while on active duty for a period of more than 30 days and whose eligible dependents are not eligible, or no longer eligible, for dental benefits under section 1076a of this title pursuant to subsection (i)(2) of such section.''.

SEC. 702. PROVISION OF PROSTHETIC DEVICES TO COVERED BENEFICIARIES.

(a) INCLUSION AMONG AUTHORIZED CARE.—Subsection (a) of section 1077 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(15) Prosthetic devices, as determined by the Secretary of Defense to be necessary because of significant conditions resulting from trauma, congenital anomalies, or disease.".

(b) CONFORMING AMENDMENT.—Subsection (b) of such section is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) Hearing aids, orthopedic footwear, and spectacles, except that, outside of the United States and at stations inside the United States where adequate civilian facilities are unavailable, such items may be sold to dependents at cost to the United States.".

Subtitle B—TRICARE Program

SEC. 711. ADDITION OF DEFINITION OF TRICARE PROGRAM TO TITLE 10.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(7) The term 'TRICARE program' means the managed health care program that is established by the Department of Defense under the authority of this chapter, principally section 1097 of this 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. 712. PLAN FOR EXPANSION OF MANAGED CARE OPTION OF TRICARE PROGRAM.

(a) EXPANSION PLAN REQUIRED.—The Secretary of Defense shall prepare a plan for the expansion of the managed care option of the TRICARE program, known as TRICARE Prime, into areas of the United States located outside of the catchment areas of medical treatment facilities of the uniformed services, but in which the managed care option is a cost-effective alternative because of—

(1) the significant number of covered beneficiaries under chapter 55 of title 10, United States Code, including retired members of the Armed Forces and their dependents, who reside in the areas; and

(2) the presence in the areas of sufficient nonmilitary health care provider networks.

(b) ALTERNATIVES.—As an alternative to expansion of the managed care option of the TRICARE program to areas of the United States in which there is few or no nonmilitary health care provider networks, the Secretary shall include in the plan required under subsection (a) an evaluation of the feasibility and cost-effectiveness of providing a member of the Armed Forces on active duty who is stationed in such an area, or whose dependents reside in such an area, with one or both of the following:

(1) A monetary stipend to assist the member in obtaining health care services for the member or the member's dependents.

(2) A reduction in the cost-sharing requirements applicable to the TRICARE program options otherwise available to the member to match the reduced cost-sharing responsibilities of the managed care option of the TRICARE program.

(c) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretary shall submit to Congress the plan required under subsection (a).

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. IMPLEMENTATION OF DESIGNATED PROVIDER AGREEMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.

(a) COMMENCEMENT OF HEALTH CARE SERVICES UNDER AGREEMENT.—Subsection (c) of section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended—

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

(2) by inserting ''(1)'' before ''Unless''; and

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

''(2) The Secretary may modify the effective date established under paragraph (1) for an agreement to permit a transition period of not more than six months between the date on which the agreement is executed by the parties and the date on which the designated provider commences the delivery of health care services under the agreement.''.

(b) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—Subsection (d) of such section is amended by inserting before the period at the end

the following: ‘‘, including any transitional period provided by the Secretary under paragraph (2) of such subsection’’.

SEC. 722. LIMITATION ON TOTAL PAYMENTS.

Section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended by adding at the end the following new sentence: ‘‘In establishing the ceiling rate for enrollees with the designated providers who are also eligible for the Civilian Health and Medical Program of the Uniformed Services, the Secretary of Defense shall take into account the health status of the enrollees.’’.

SEC. 723. CONTINUED ACQUISITION OF REDUCED-COST DRUGS.

Section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new subsection:

‘‘(g) CONTINUED ACQUISITION OF REDUCED-COST DRUGS.—A designated provider shall be treated as part of the Department of Defense for purposes of section 8126 of title 38, United States Code, in connection with the provision by the designated provider of health care services to covered beneficiaries pursuant to the participation agreement of the designated provider under section 718(c) of the National Defense Authorization Act for Fiscal Year

1991 (Public Law 101–510; 42 U.S.C. 248c note) or pursuant to the agreement entered into under subsection (b).''.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. WAIVER OR REDUCTION OF COPAYMENTS UNDER OVERSEAS DENTAL PROGRAM.

Section 1076a(h) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''Secretary'' and inserting in lieu thereof ''Secretary of Defense''; and

(2) by adding at the end the following new sentence: ''In the case of such an overseas dental plan, the Secretary may waive or reduce the copayments otherwise required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.''.

SEC. 732. PREMIUM COLLECTION REQUIREMENTS FOR MEDICAL AND DENTAL INSURANCE PROGRAMS.

(a) SELECTED RESERVE DENTAL INSURANCE.—Paragraph (3) of section 1076b(b) of title 10, United States Code, is amended to read as follows:

"(3) The Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage by the dental insurance plan. Not later than October 1, 1998, the Secretary shall permit a member to pay the member's share of the premium through a deduction and withholding from basic pay payable to the member for inactive duty training or basic pay payable to the member for active duty.".

(b) RETIREE DENTAL INSURANCE PLAN.—Paragraph (2) of section 1076c(c) of such title is amended to read as follows:

"(2) In the regulations prescribed under subsection (h), the Secretary of Defense shall establish procedures for the payment by enrolled members and by other enrolled covered beneficiaries of premiums charged for coverage by the dental insurance plan. Not later than October 1, 1998, the Secretary shall permit a member enrolled in the plan and entitled to retired pay to pay the member's share of the premium through a deduction and withholding from the retired pay of the member.".

(c) IMPLEMENTATION PLAN.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a plan to permit, not later than October 1, 1998—

(1) an enrollee in the Selected Reserve dental insurance plan authorized under section 1076b of

title 10, United States Code, to pay the enrollee's share of the premium for such insurance through a deduction and withholding from basic pay payable to the enrollee;

(2) a retired member of the uniformed services enrolled in the dental insurance plan authorized under section 1076c of such title to pay the enrollee's share of the premium for such insurance through a deduction and withholding from retired pay payable to the enrollee; and

(3) a retired member of the uniformed services enrolled in the managed care option of the TRICARE program known as TRICARE Prime to pay the enrollee's share of the premium for such option through a deduction and withholding from retired pay payable to the enrollee.

SEC. 733. CONSISTENCY BETWEEN CHAMPUS AND MEDICARE IN PAYMENT RATES FOR SERVICES.

(a) CONFORMITY BETWEEN RATES.—Section 1079(h) of title 10, United States Code, is amended by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following new paragraph:

''(1) Except as provided in paragraphs (2) and (3), payment for a charge for services by an individual health care professional (or other noninstitutional health care

provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be equal to an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.). The Secretary of Defense shall determine the appropriate payment amount under this paragraph in consultation with the other administering Secretaries.''.

(b) REDUCED RATES AUTHORIZED.—Paragraph (5) of such section is amended by adding at the end the following new sentence: ''With the consent of the health care provider, the Secretary is also authorized to reduce the authorized payment for certain health care services below the amount otherwise required by the payment limitations under paragraph (1).''.

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (5), by striking out ''paragraph (4), the Secretary'' and inserting in lieu thereof ''paragraph (2), the Secretary of Defense''; and

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

SEC. 734. USE OF PERSONAL SERVICES CONTRACTS FOR PROVISION OF HEALTH CARE SERVICES AND LEGAL PROTECTION FOR PROVIDERS.

(a) USE OF CONTRACTS OUTSIDE MEDICAL TREATMENT FACILITIES.—Section 1091(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''The Secretary of Defense''; and

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

''(2) The Secretary of Defense may also enter into personal services contracts to carry out other health care responsibilities of the Secretary, such as the provision of medical screening examinations at Military Entrance Processing Stations, at locations outside medical treatment facilities, as determined necessary pursuant to regulations issued by the Secretary.''.

(b) DEFENSE OF SUITS.—Section 1089 of such title is amended—

(1) in subsection (a), by adding at the end the following new sentence: ''This subsection shall also apply if the physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or the estate of such person) involved is serving under a personal services contract entered into by the Sec-

retary of Defense under section 1091 of this title.''; and

(2) in subsection (f)—

(A) by inserting ''(1)'' after ''(f)''; and

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

''(2) With respect to the Secretary of Defense and the Armed Forces Retirement Home Board, the authority provided by paragraph (1) also includes the authority to provide for reasonable attorney's fees for persons described in subsection (a), as determined necessary pursuant to regulations issued by the head of the agency concerned.''.

SEC. 735. PORTABILITY OF STATE LICENSES FOR DEPARTMENT OF DEFENSE HEALTH CARE PROFESSIONALS.

Section 1094 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)(1) Notwithstanding any law regarding the licensure of health care providers, a health-care professional described in paragraph (2) may practice the health profes-

sion or professions of the health-care professional in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, regardless of whether the practice occurs in a health care facility of the Department of Defense, a civilian facility affiliated with the Department of Defense, or any other location authorized by the Secretary of Defense .

''(2) A health-care professional referred to in paragraph (1) is a member of the armed forces who—

''(A) has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession; and

''(B) is performing authorized duties for the Department of Defense.''.

SEC. 736. STANDARD FORM AND REQUIREMENTS REGARDING CLAIMS FOR PAYMENT FOR SERVICES.

(a) CLARIFICATION OF EXISTING REQUIREMENTS.—Section 1106 of title 10, United States Code, is amended to read as follows:

''§ 1106. Submittal of claims: standard form; time limits

''(a) STANDARD FORM.—The Secretary of Defense, after consultation with the other administering Secretaries, shall prescribe by regulation a standard form for the

1 submission of claims for the payment of health care serv-
2 ices provided under this chapter.

3 "(b) TIME FOR SUBMISSION.—A claim for payment
4 for services shall be submitted as provided in such regula-
5 tions not later than one year after the services are pro-
6 vided.".

7 (b) CLERICAL AMENDMENT.—The table of sections
8 at the beginning of chapter 55 of title 10, United States
9 Code, is amended by striking out the item relating to sec-
10 tion 1106 and inserting in lieu thereof the following new
11 item:

"1106. Submittal of claims: standard form; time limits.".

12 **SEC. 737. MEDICAL PERSONNEL CONSCIENCE CLAUSE.**

13 (a) SECRETARY OF DEFENSE POLICY.—The Sec-
14 retary of Defense shall establish a uniform policy for the
15 Army, Navy, and Air Force establishing the circumstances
16 under which covered members (as defined in subsection
17 (d)) of the Army, Navy, and Air Force may refuse, based
18 on conscience, to perform an abortion (or participate in
19 the performance of an abortion) or provide a covered fam-
20 ily planning service (or participate in the provision of such
21 a service).

22 (b) CONSCIENCE CLAUSE.—(1) The policy estab-
23 lished under subsection (a) shall provide that a member
24 of the Army, Navy, or Air Force who is a covered member
25 may not be required to perform an abortion (or participate

in the performance of an abortion), or to provide a covered family planning service (or participate in the provision of such a service), if the member believes that to do so would be wrong on moral, ethical or religious grounds.

(2) Paragraph (1) does not apply in a case in which refusal to perform an abortion (or participate in the performance of an abortion) or provide a covered family planning service would pose a life-threatening risk to the patient.

(c) COVERED FAMILY PLANNING SERVICES.—For the purposes of this section, a covered family planning service is any of the following:

(1) Contraceptive services, not limited to the prescription or provision of a pharmaceutical preparation, device, or chemical method.

(2) Surgical sterilization.

(d) COVERED MEMBER.—In this section, the term ''covered member'' means a member of the Army, Navy, or Air Force who—

(1) in the case of the Army, is a member of the Medical Corps, Dental Corps, Nurse Corps, Medical Service Corps, Veterinary Corps, or Army Medical Specialist Corps or is an enlisted member directly engaged in or directly supporting medically related activities;

(2) in the case of the Navy, is a member of the Medical Corps, Dental Corps, Nurse Corps, or Medical Service Corps or is an enlisted member directly engaged in or directly supporting medically related activities; and

(3) in the case of the Air Force, is designated as a medical officer, dental officer, Air Force nurse, medical service officer, or biomedical science officer or is an enlisted member directly engaged in or directly supporting medically related activities.

(e) EFFECTIVE DATE.—The policy established pursuant to subsection (a) shall apply with respect to any refusal on or after the date of the enactment of this Act to perform an abortion (or participate in the performance of an abortion) or to provide a covered family planning service.

Subtitle E—Other Matters

SEC. 741. CONTINUED ADMISSION OF CIVILIANS AS STUDENTS IN PHYSICIAN ASSISTANT TRAINING PROGRAM OF ARMY MEDICAL DEPARTMENT.

(a) CIVILIAN ATTENDANCE.—(1) Chapter 407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4416. Academy of Health Sciences: admission of civilians in physician assistant training program

''(a) RECIPROCAL AGREEMENTS WITH COLLEGES.—The Secretary of the Army may enter into an agreement with an accredited institution of higher education under which students of the institution may attend the physician assistant training program conducted by the Army Medical Department at the Academy of Health Sciences at Fort Sam Houston, Texas, during the didactic portion of the program. In exchange for the admission of such students, the institution of higher education shall agree to provide such academic services as the Secretary and the institution consider to be appropriate to support the physician assistant training program at the Academy. The Secretary shall ensure that the Army Medical Department does not incur any additional costs as a result of the agreement than the Department would incur to obtain such academic services in the absence of the agreement.

''(b) SELECTION OF STUDENTS.—The attendance of civilian students at the Academy pursuant to an agreement under subsection (a) may not result in a decrease in the number of members of the armed forces enrolled in the physician assistant training program. In consultation with the institution of higher education that is a party to the agreement, the Secretary shall establish qualifica-

tions and methods of selection for students to receive instruction at the Academy. The qualifications established shall be comparable to those generally required for admission to the physician assistant training program at the Academy.

"(c) RULES OF ATTENDANCE.—Except as the Secretary determines necessary, a civilian student who receives instruction at the Academy pursuant to an agreement entered into under subsection (a) shall be subject to the same regulations governing attendance, discipline, discharge, and dismissal as apply to other persons attending the Academy.

"(d) REPORT.—For each year in which an agreement under subsection (a) is in effect, the Secretary shall submit to Congress a report specifying the number of civilian students who received instruction at the Academy under the agreement during the period covered by the report and accessing the benefits to the United States of the agreement.

"(e) ACADEMY DEFINED.—In this section, the term 'Academy' means the Academy of Health Sciences of the Army Medical Department at Fort Sam Houston, Texas.".

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

"4416. Academy of Health Sciences: admission of civilians in physician assistant training program.".

(b) EFFECT ON EXISTING DEMONSTRATION PROGRAM.—An agreement entered into under the demonstration program for the admission of civilians as physician assistant students at the Academy of Health Sciences, Fort Sam Houston, Texas, established pursuant to section 732 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2810) shall be treated as an agreement entered into under section 4416 of title 10, United States Code (as added by subsection (a)). The agreement may be extended in such manner and for such period as the parties to the agreement consider appropriate consistent with such section 4416.

SEC. 742. EMERGENCY HEALTH CARE IN CONNECTION WITH OVERSEAS ACTIVITIES OF ON-SITE INSPECTION AGENCY OF DEPARTMENT OF DEFENSE.

(a) PAYMENT OF EXPENSES FOR EMERGENCY HEALTH CARE.—Chapter 152 of title 10, United States Code, is amended by inserting after section 2549 the following new section:

"§ 2549a. Emergency health care: overseas activities of On-Site Inspection Agency

''(a) AUTHORITY TO PAY EXPENSES.—From funds appropriated for the necessary expenses of the On-Site Inspection Agency of the Department of Defense, the Secretary of Defense may pay or reimburse an employee of the Agency, a member of the uniformed services or a civilian employee assigned or detailed to the Agency, or an employee of a contractor operating under a contract with the Agency, for emergency health care services obtained by the employee, member, or contractor employee while permanently or temporarily on duty in a state of the former Soviet Union or the former Warsaw Pact.

''(b) INITIAL DEPOSITS.—The expenses for emergency health care that may be paid or reimbursed under subsection (a) include initial deposits for emergency care and inpatient care.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2549 the following new item:

''2549a. Emergency health care: overseas activities of On-Site Inspection Agency.''.

SEC. 743. COMPTROLLER GENERAL STUDY OF ADEQUACY AND EFFECT OF MAXIMUM ALLOWABLE CHARGES FOR PHYSICIANS UNDER CHAMPUS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study regarding the adequacy of the maximum allowable charges for physicians established under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the effect of such charges on the participation of physicians in CHAMPUS. The study shall include an evaluation of the following:

(1) The methodology used by the Secretary of Defense to establish maximum allowable charges for physicians under CHAMPUS, and whether such methodology conforms to the requirements of section 1079(h) of title 10, United States Code.

(2) The differences between the established charges under CHAMPUS and reimbursement rates for similar services under title XVIII of the Social Security Act and other health care programs.

(3) The basis for physician complaints that the CHAMPUS established charges are too low.

(4) The difficultly of CHAMPUS in ensuring physician compliance with the CHAMPUS established charges in the absence of legal mechanisms to

enforce compliance, and the effect of noncompliance on patient out-of-pocket expenses.

(5) The effect of the established charges under CHAMPUS on the participation of physicians in CHAMPUS, and the extent and success of Department of Defense efforts to increase physician participation in areas with low participation rates.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 744. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE PHARMACY PROGRAMS.

Not later than March 31, 1998, the Comptroller General shall submit to Congress a study evaluating the pharmacy programs of the Department of Defense. The study shall include an examination of the following:

(1) The merits and feasibility of establishing a uniform formulary for military treatment facility pharmacies and civilian contractor pharmacy benefit administrators.

(2) The extent of, and cost impacts from, military treatment facility pharmacies denying covered beneficiaries under chapter 55 of title 10, United

States Code, pharmacy care access and shifting such beneficiaries to other sources of pharmacy care.

(3) The merits and feasibility of implementing other pharmacy benefit management best practices at military treatment facility and civilian contractor pharmacies.

(4) The cost impacts of TRICARE program contractors being unable to procure pharmaceuticals at discounted prices pursuant to section 8126 of title 38, United States Code, and potential ways to increase the discounts available to TRICARE program contractors, with appropriate controls.

SEC. 745. COMPTROLLER GENERAL STUDY OF NAVY GRADUATE MEDICAL EDUCATION PROGRAM.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the validity of the recommendations made by the Medical Education Policy Council of the Bureau of Medicine and Surgery of the Navy regarding restructuring the graduate medical education program of the Department of the Navy. The study shall specifically address the Council's recommendations relating to residency training conducted at Naval Medical Center, Portsmouth, Virginia, and National Naval Medical Center, Bethesda, Maryland.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress and the Secretary of the Navy a report containing the results of the study required by subsection (a).

(c) MORATORIUM ON RESTRUCTURING.—Until the report required by subsection (b) is submitted to Congress, the Secretary of the Navy may not make any change in the types of residency programs conducted under the Navy graduate medical education program or the locations at which such residency programs are conducted or otherwise restructure the Navy graduate medical education program.

SEC. 746. STUDY OF EXPANSION OF PHARMACEUTICALS BY MAIL PROGRAM TO INCLUDE ADDITIONAL MEDICARE-ELIGIBLE COVERED BENEFICIARIES.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding the feasibility and advisability of expanding the category of persons eligible to participate in the demonstration project for the purchase of prescription pharmaceuticals by mail, as required by section 702(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1079 note), to include persons referred to in section 1086(c) of

title 10, United States Code, who are covered by subsection (d)(1) of such section and reside in the United States outside of the catchment area of a medical treatment facility of the uniformed services.

SEC. 747. COMPTROLLER GENERAL STUDY OF REQUIREMENT FOR MILITARY MEDICAL FACILITIES IN NATIONAL CAPITAL REGION.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the requirement for Army, Navy, and Air Force medical facilities in the National Capital Region (as defined in section 2674(f)(2) of title 10, United States Code). The study shall—

(1) specifically address requirements with respect to geography, facilities, integrated residencies, and medical environments; and

(2) provide specific recommendations with respect to how medical and health care provided by these facilities may be better coordinated to more efficiently serve, throughout the National Capital Region, members of the Armed Forces on active duty and covered beneficiaries under chapter 55 of title 10, United States Code.

(b) SUBMISSION OF REPORT.—Not later than six months after the date of the enactment of this Act, the Comptroller General shall submit to Congress and the Sec-

retary of Defense a report containing the results of the study required by subsection (a).

Subtitle F—Persian Gulf Illness

SEC. 751. DEFINITIONS.

For purposes of this subtitle:

(1) The term ''Gulf War illness'' means any one of the complex of illnesses and symptoms 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.

(2) The term ''Persian Gulf War'' has the meaning given that term in section 101 of title 38, United States Code.

(3) The term ''Persian Gulf veteran'' means an individual who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(4) The term ''contingency operation'' has the meaning given that term in section 101(a) of title 10, United States Code, and includes a humanitarian operation, peacekeeping operation, or similar operation.

SEC. 752. PLAN FOR HEALTH CARE SERVICES FOR PERSIAN GULF VETERANS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall prepare a plan to provide appropriate health care to Persian Gulf veterans (and their dependents) who suffer from a Gulf War illness.

(b) CONTENTS OF PLAN.—In preparing the plan, the Secretaries shall—

(1) use the presumptions of service connection and illness specified in paragraphs (1) and (2) of section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) to determine the Persian Gulf veterans (and the dependents of Persian Gulf veterans) who should be covered by the plan;

(2) consider the need and methods available to provide health care services to Persian Gulf veterans who are no longer on active duty in the Armed Forces, such as Persian Gulf veterans who are members of the reserve components and Persian Gulf veterans who have been separated from the Armed Forces; and

(3) estimate the costs to the Government to provide full or partial health care services under the

plan to covered Persian Gulf veterans (and their covered dependents).

(c) FOLLOW-UP TREATMENT.—The plan required by subsection (a) shall specifically address the measures to be used to monitor the quality, appropriateness, and effectiveness of, and patient satisfaction with, health care services provided to Persian Gulf veterans after their initial medical examination as part of registration in the Persian Gulf War Veterans Health Registry or the Comprehensive Clinical Evaluation Program.

(d) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretaries shall submit to Congress the plan required by subsection (a).

SEC. 753. COMPTROLLER GENERAL STUDY OF REVISED DISABILITY CRITERIA FOR PHYSICAL EVALUATION BOARDS.

Not later than March 1, 1998, the Comptroller General shall submit to Congress a study evaluating the revisions made by the Secretary of Defense to the criteria used by Physical Evaluation Boards to set disability ratings for members of the Armed Forces who are no longer medically qualified for continuation on active duty so as to ensure accurate disability ratings related to a diagnosis of a Persian Gulf illness. Such revisions were required by section 721(e) of the National Defense Authorization Act

for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note).

SEC. 754. IMPROVED MEDICAL TRACKING SYSTEM FOR MEMBERS DEPLOYED OVERSEAS IN CONTINGENCY OR COMBAT OPERATIONS.

(a) SYSTEM REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074d the following new section:

"§ 1074e: Medical tracking system for members deployed overseas

''(a) SYSTEM REQUIRED.—The Secretary of Defense shall establish a system to assess the medical condition of members of the armed forces (including members of the reserve components) who are deployed outside the United States or its territories or possessions as part of a contingency operation (including a humanitarian operation, peacekeeping operation, or similar operation) or combat operation.

''(b) ELEMENTS OF SYSTEM.—The system shall include the use of predeployment medical examinations and postdeployment medical examinations (including an assessment of mental health and the drawing of blood samples) to accurately record the medical condition of members before their deployment and any changes in their medical condition during the course of their deployment.

The postdeployment examination shall be conducted when the member is redeployed or otherwise leaves an area in which the system is in operation (or as soon as possible thereafter).

"(c) RECORDKEEPING.—The results of all medical examinations conducted under the system, records of all health care services (including immunizations) received by members described in subsection (a) in anticipation of their deployment or during the course of their deployment, and records of events occurring in the deployment area that may affect the health of such members shall be retained and maintained in a centralized location to improve future access to the records.

"(d) QUALITY ASSURANCE.—The Secretary of Defense shall establish a quality assurance program to evaluate the success of the system in ensuring that members described in subsection (a) receive predeployment medical examinations and postdeployment medical examinations and that the recordkeeping requirements are met.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074d the following new item:

"1074e: Medical tracking system for members deployed overseas.".

SEC. 755. REPORT ON PLANS TO TRACK LOCATION OF MEMBERS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan for collecting and maintaining information regarding the daily location of units of the Armed Forces, and to the extent practicable individual members of such units, serving in a theater of operations during a contingency operation or combat operation.

SEC. 756. REPORT ON PLANS TO IMPROVE DETECTION AND MONITORING OF CHEMICAL, BIOLOGICAL, AND SIMILAR HAZARDS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan regarding the deployment, in a theater of operations during a contingency operation or combat operation, of a specialized unit of the Armed Forces with the capability and expertise to detect and monitor the presence of chemical, biological, and similar hazards to which members of the Armed Forces may be exposed.

SEC. 757. NOTICE OF USE OF INVESTIGATIONAL NEW DRUGS.

(a) NOTICE REQUIREMENTS.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1107. Notice of use of investigational new drugs

''(a) NOTICE REQUIRED.—(1) Whenever the Secretary of Defense requests or requires a member of the armed forces to receive an investigational new drug, the Secretary shall provide the member with notice containing the information specified in subsection (d).

''(2) The Secretary shall also ensure that medical providers who administer an investigational new drug or who are likely to treat members who receive an investigational new drug receive the information required to be provided under paragraphs (3) and (4) of subsection (d).

''(b) TIME FOR NOTICE.—The notice required to be provided to a member under subsection (a)(1) shall be provided before the investigational new drug is first administered to the member, if practicable, but in no case later than 30 days after the investigational new drug is first administered to the member.

''(c) FORM OF NOTICE.—The notice required under subsection (a)(1) shall be provided in writing unless the Secretary of Defense determines that the use of written notice is impractical because of the number of members receiving the investigational new drug, time constraints, or similar reasons. If the Secretary provides notice under subsection (a)(1) in a form other than in writing, the Secretary shall submit to Congress a report describing the

notification method used and the reasons for the use of the alternative method.

"(d) CONTENT OF NOTICE.—The notice required under subsection (a)(1) shall include the following:

"(1) Clear notice that drug being administered is an investigational new drug.

"(2) The reasons why the investigational new drug is being administered.

"(3) Information regarding the possible side effects of the investigational new drug, including any known side effects possible as a result of the interaction of the investigational new drug with other drugs or treatments being administered to the members receiving the investigational new drug.

"(4) Such other information that, as a condition of authorizing the use of the investigational new drug, the Secretary of Health and Human Services may require to be disclosed.

"(e) RECORDS OF USE.—The Secretary of Defense shall ensure that the medical records of members accurately document the receipt by members of any investigational new drug and the notice required by subsection (d).

"(f) DEFINITION.—In this section, the term 'investigational new drug' means a drug covered by section

505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)).''.

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

''1107. Notice of use of investigational new drugs.''.

SEC. 758. REPORT ON EFFECTIVENESS OF RESEARCH EFFORTS REGARDING GULF WAR ILLNESSES.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report evaluating the effectiveness of medical research initiatives regarding Gulf War illnesses. The report shall address the following:

(1) The type and effectiveness of previous research efforts, including the activities undertaken pursuant to section 743 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1074 note), section 722 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note), and sections 270 and 271 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 110 Stat. 1613).

(2) Recommendations regarding additional research regarding Gulf War illnesses, including research regarding the nature and causes of Gulf War

illnesses and appropriate treatments for such illnesses.

(3) The adequacy of Federal funding and the need for additional funding for medical research initiatives regarding Gulf War illnesses.

SEC. 759. PERSIAN GULF ILLNESS CLINICAL TRIALS PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There are many ongoing studies that investigate risk factors which may be associated with the health problems experienced by Persian Gulf veterans; however, there have been no studies which examine health outcomes and the effectiveness of the treatment received by such veterans.

(2) The medical literature and testimony presented in hearings on Gulf War illnesses indicate there are therapies, such as cognitive behavioral therapy, which have been effective in treating patients with symptoms similar to those seen in many Persian Gulf veterans.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall establish a program of cooperative clinical trials at multiple sites to assess the effectiveness of protocols for treating Persian Gulf veterans who suffer from

ill-defined or undiagnosed conditions. Such protocols shall include a multidisciplinary treatment model, of which cognitive behavioral therapy is a component.

(c) FUNDING.—Of the funds authorized to be appropriated in section 201(1) for research, development, test, and evaluation for the Army, the sum of $4,500,000 shall be available for program element 62787A (medical technology) in the budget of the Department of Defense for fiscal year 1998 to carry out the clinical trials program established pursuant to subsection (b).

SEC. 760. SENSE OF THE CONGRESS CONCERNING GULF WAR ILLNESS.

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

(1) Americans served in the Persian Gulf Conflict of 1991 in defense of vital national security interests of the United States.

(2) It was known to United States intelligence and military commanders that biological and chemical agents were in theater throughout the conflict.

(3) An undetermined amount of these agents were released into theater.

(4) A large number of United States military veterans and allied veterans who served in the

Southwest Asia theater of operations have been stricken with a variety of severe illnesses.

(5) Previous efforts to discern the causes of those illnesses have been inadequate, and those illnesses are affecting the health of both veterans and their families.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all promising technology and treatments relating to Gulf War illnesses should be fully explored and tested to facilitate treatment for members of the Armed Forces and veterans who served the United States in the Persian Gulf conflict and are stricken with unexplainable illness.

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

Subtitle A—Acquisition Policy

SEC. 801. CASE-BY-CASE WAIVERS OF DOMESTIC SOURCE LIMITATIONS.

(a) REQUIREMENT FOR CASE-BY-CASE WAIVERS.—Section 2534(d) of title 10, United States Code, is amended in the matter appearing before paragraph (1) by striking out "waive the limitation in subsection (a) with respect to the procurement of an item listed in that subsection

if the Secretary determines'' and inserting in lieu thereof the following: ''waive, on a case-by-case basis, the limitation in subsection (a) in the case of a specific procurement of an item listed in that subsection if the Secretary determines, for that specific procurement,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to contracts entered into after the expiration of the 30-day period beginning on the date of the enactment of this Act.

SEC. 802. EXPANSION OF AUTHORITY TO ENTER INTO CONTRACTS CROSSING FISCAL YEARS TO ALL SEVERABLE SERVICES CONTRACTS NOT EXCEEDING A YEAR.

(a) EXPANDED AUTHORITY.—Section 2410a of title 10, United States Code, is amended to read as follows:

''§ 2410a. Severable services contracts for periods crossing fiscal years

''(a) AUTHORITY.—The Secretary of Defense or the Secretary of a military department may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

"(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).".

(b) CLERICAL AMENDMENT.—The item relating to that section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2410a. Severable services contracts for periods crossing fiscal years.".

SEC. 803. CLARIFICATION OF VESTING OF TITLE UNDER CONTRACTS.

Section 2307 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i) VESTING OF TITLE.—If a contract made by the head of an agency provides for title to property to vest in the United States, such title shall vest in accordance with the terms of the contract, regardless of any security interest in the property asserted by the contractor.".

SEC. 804. EXCLUSION OF DISASTER RELIEF, HUMANITARIAN, AND PEACEKEEPING OPERATIONS FROM RESTRICTIONS ON USE OF UNDEFINITIZED CONTRACT ACTIONS.

Section 2326 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4); and

(2) in subsection (g)(1), by adding at the end the following new subparagraphs:

''(E) Purchases in support of contingency operations.

''(F) Purchases in support of humanitarian or peacekeeping operations, as defined in 2302(7)(B) of this title.

''(G) Purchases in support of emergency work and other disaster relief operations performed pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).''.

SEC. 805. LIMITATION AND REPORT ON PAYMENT OF RESTRUCTURING COSTS UNDER DEFENSE CONTRACTS.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2324 the following new section:

''§ 2325. Restructuring costs

''(a) LIMITATION ON PAYMENT OF RESTRUCTURING COSTS.—(1) The Secretary of Defense may not pay, under section 2324 of this title, a defense contractor for restructuring costs associated with a business combination of the

contractor unless the Secretary determines in writing either—

"(A) that the amount of savings for the Department of Defense associated with the restructuring, based on audited cost data, will be at least twice the amount of the costs allowed; or

"(B) that the amount of savings for the Department of Defense associated with the restructuring, based on audited cost data, will exceed the amount of the costs allowed and that the business combination will result in the preservation of a critical capability that otherwise might be lost to the Department.

"(2) The Secretary may not delegate the authority to make a determination under paragraph (1) to an official of the Department of Defense below the level of an Assistant Secretary of Defense.

"(b) REPORT.—Not later than March 1 in each of 1998, 1999, 2000, 2001, and 2002, the Secretary of Defense shall submit to Congress a report containing the following:

"(1) For each defense contractor to which the Secretary has paid, under section 2324 of this title, restructuring costs associated with a business combination, a summary of the following:

"(A) The amount of savings for the Department of Defense associated with such business combination that has been realized as of the date of the report, based on audited cost data.

"(B) An estimate, as of the date of the report, of the amount of savings for the Department of Defense associated with such business combination that is expected to be achieved in the future.

"(2) An identification of any business combination for which the Secretary has paid restructuring costs under section 2324 of this title during the preceding calendar year and, for each such business combination—

"(A) the supporting rationale for allowing such costs;

"(B) factual information associated with the determination made under subsection (a) with respect to such costs; and

"(C) a discussion of whether the business combination would have proceeded without the payment of restructuring costs by the Secretary.

"(3) An assessment of the degree of vertical integration resulting from business combinations of defense contractors and a discussion of the measures taken by the Secretary of Defense to increase the ability of the Department of Defense to monitor vertical integration trends and address any resulting negative consequences.

"(c) DEFINITION.—In this section, the term 'business combination' includes a merger or acquisition.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2324 the following new item:

"2325. Restructuring costs.".

(b) EFFECTIVE DATE.—Section 2325 of title 10, United States Code, as added by subsection (a), shall apply with respect to business combinations that occur after the date of the enactment of this Act.

(c) REPEAL OF SUPERSEDED PROVISION.—Subsection (a) of section 818 of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 2324 note) is repealed.

SEC. 806. AUTHORITY RELATING TO PURCHASE OF CERTAIN VEHICLES.

Section 2253(a)(2) of title 10, United States Code, is amended by striking out "$12,000" and inserting in lieu thereof "$30,000".

SEC. 807. MULTIYEAR PROCUREMENT CONTRACTS.

(a) REQUIREMENT FOR AUTHORIZATION BY LAW IN ACTS OTHER THAN APPROPRIATIONS ACTS.—(1) Subsection (i) of section 2306b of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) In the case of the Department of Defense, a multiyear contract may not be entered into for any fiscal year under this section unless the contract is specifically authorized by law in an Act other than an appropriations Act.''.

(2) Paragraph (3) of section 2306b(i) of title 10, United States Code, as added by paragraph (1), shall not apply with respect to a contract authorized by law before the date of the enactment of this Act.

(b) CODIFICATION OF ANNUAL RECURRING MULTIYEAR PROCUREMENT REQUIREMENTS.—(1) Such section is further amended by adding at the end the following new subsection:

''(l) VARIOUS ADDITIONAL REQUIREMENTS WITH RESPECT TO MULTIYEAR DEFENSE CONTRACTS.—(1)(A) The head of an agency may not initiate a contract described in subparagraph (B) unless the congressional defense committees are notified of the proposed contract at least 30 days in advance of the award of the proposed contract.

"(B) Subparagraph (A) applies to the following contracts:

"(i) A multiyear contract—

"(I) that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract; or

"(II) that includes an unfunded contingent liability in excess of $20,000,000.

"(ii) Any contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year.

"(2) The head of an agency may not initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability.

"(3) The head of an agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of the multiyear contract would exceed $500,000,000 unless authority for the contract is specifically provided in an appropriations Act.

"(4) The head of an agency may not terminate a multiyear procurement contract until 10 days after the date on which notice of the proposed termination is provided to the congressional defense committees.

"(5) The execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

"(6) This subsection does not apply to the National Aeronautics and Space Administration or to the Coast Guard.

"(7) In this subsection, the term 'congressional defense committees' means the following:

"(A) The Committee on Armed Services of the Senate and the Subcommittee on Defense of the Committee on Appropriations of the Senate.

"(B) The Committee on National Security of the House of Representatives and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "finds—" in the matter preceding paragraph (1) and inserting in lieu thereof "finds each of the following:";

(B) by capitalizing the initial letter of the first word in each of paragraphs (1) through (6);

(C) by striking out the semicolon at the end of paragraphs (1) through (4) and inserting in lieu thereof a period; and

(D) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period.

(2) Subsection (d)(1) is amended by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)".

(3) Subsection (i)(1) is amended by striking "five-year" and inserting in lieu thereof "future-years".

(4) Subsection (k) is amended by striking out "subsection" and inserting in lieu thereof "section".

SEC. 808. DOMESTIC SOURCE LIMITATION AMENDMENTS.

(a) ADDITION OF SHIPBOARD WORK STATIONS.—Section 2534(a)(3)(B) of title 10, United States Code, is amended—

(1) by striking out "and" before "totally"; and

(2) by inserting before the period at the end the following: ", and shipboard work stations".

(b) EXTENSION OF DOMESTIC SOURCE LIMITATION FOR VALVES AND MACHINE TOOLS.—Section 2534(c)(2)(C) of such title is amended by striking out ''October 1, 1996'' and inserting in lieu thereof ''October 1, 2001''.

SEC. 809. REPEAL OF EXPIRATION OF DOMESTIC SOURCE LIMITATION FOR CERTAIN NAVAL VESSEL PROPELLERS.

Section 2534(c) of title 10, United States Code, is amended by striking out paragraph (4).

SEC. 810. AUDIT OF PROCUREMENT OF GOODS BY MILITARY INSTALLATIONS IN THE UNITED STATES.

(a) AUDIT REQUIREMENT.—Not later than September 30, 1998, the Inspector General of the Department of Defense shall perform a random audit of the procurement of goods by military installations during fiscal years 1996 and 1997 to determine the extent to which such installations procured goods made in a country other than the United States during those fiscal years.

(b) DEFINITION.—For purposes of this section, the term ''random audit of the procurement of goods by military installations''—

(1) means an audit of the procurement of goods (not including goods obtained from the Defense Lo-

gistics Agency) by not less than four and not more than twelve military installations in the United States;

(2) shall include an audit of the procurement of goods by a military installation of each of the Army, Navy, Air Force, and Marine Corps.

(c) REPORT.—Not later than October 31, 1998, the Inspector General of the Department of Defense shall submit to Congress a report on the results of the audit performed under subsection (a).

Subtitle B—Other Matters

SEC. 821. REPEAL OF CERTAIN ACQUISITION REQUIREMENTS AND REPORTS

(a) REPEAL OF REPORTING REQUIREMENT FOR NONMAJOR ACQUISITION PROGRAMS.—Section 2220(b) of title 10, United States Code, is amended by striking out ''and nonmajor''.

(b) REPEAL OF ADDITIONAL DOCUMENTATION REQUIREMENT FOR COMPETITION EXCEPTION FOR INTERNATIONAL AGREEMENTS.—Section 2304(f) of title 10, United States Code, is amended in paragraph (2)(E) by striking out ''procedures and such document is approved by the competition advocate for the procuring activity.'' and inserting in lieu thereof ''procedures.''.

(c) ELIMINATION OF COMPLETION STATUS REQUIREMENT IN CERTAIN SELECTED ACQUISITION REPORTS.—Section 2432(h)(2) of title 10, United States Code, is amended—

(1) by striking out subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(d) REPEAL OF REQUIREMENT TO ESTABLISH PROCUREMENT COMPETITION GOALS.—Section 913 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 687; 10 U.S.C. 2302 note), is repealed.

(e) REPEAL OF ANNUAL REPORT BY ADVOCATES FOR COMPETITION.—Section 20(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 418(b)) is amended—

(1) by striking out ''and'' at the end of paragraph (3)(B);

(2) by striking out paragraph (4); and

(3) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(f) REPEAL OF REVIEW AND REPORT RELATING TO PROCUREMENT REGULATIONS.—Section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) is amended—

(1) by striking out paragraphs (4), (5), and (6) of subsection (c); and

(2) by striking out subsection (g).

SEC. 822. EXTENSION OF AUTHORITY FOR USE OF TEST AND EVALUATION INSTALLATIONS BY COMMERCIAL ENTITIES.

Section 2681(g) of title 10, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

SEC. 823. REQUIREMENT TO DEVELOP AND MAINTAIN LIST OF FIRMS NOT ELIGIBLE FOR DEFENSE CONTRACTS.

(a) DEVELOPMENT AND MAINTENANCE OF LIST.—Section 2327 of title 10, United States Code, is amended—

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

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

''(d) LIST OF FIRMS SUBJECT TO SUBSECTION (b).—(1) The Secretary of Defense shall develop and maintain a list of all firms and subsidiaries of firms that have been subject to the prohibition in subsection (b) since the date occurring five years before the date of the enactment of the National Defense Authorization Act for Fiscal Year

1998. The Secretary shall make the list available to the public.

"(2) A firm or subsidiary included on the list maintained under paragraph (1) may request the Secretary of Defense to remove such firm or subsidiary from the list if its foreign ownership circumstances have significantly changed. Upon receipt of such request, the Secretary shall determine if paragraphs (1) and (2) of subsection (b) still apply to the firm or subsidiary. If the Secretary determines such paragraphs no longer apply, the Secretary shall remove the firm or subsidiary from the list.

"(3) The head of an agency shall provide a copy of the list maintained under paragraph (1) to each firm or subsidiary of a firm that submits a bid or proposal in response to a solicitation issued by the Department of Defense.

"(4) The head of an agency shall prohibit each firm or subsidiary of a firm awarded a contract by the agency from using in the performance of the contract any equipment, parts, or services that are provided by a firm or subsidiary included on the list maintained under paragraph (1).".

(b) REMOVAL FROM LIST.—Section 2327(c)(1)(A) of such title is amended by inserting after "United States," the following: "the Secretary shall remove the firm or sub-

sidiary from the list maintained under subsection (d)(1) and''.

SEC. 824. ALLOWABILITY OF COSTS OF EMPLOYEE STOCK OWNERSHIP PLANS.

(a) PROHIBITION.—Under section 2324 of title 10, United States Code, the Secretary of Defense may not determine the allowability of costs of employee stock ownership plans under contracts with the Department of Defense in accordance with the rule described in subsection (b).

(b) RULE.—The rule referred to in subsection (a) is the rule that was—

(1) proposed by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council on November 7, 1995, and referred to as FAR Case 92–024, Employee Stock Ownership Plans (60 Federal Register 56216); and

(2) withdrawn by such Councils on April 3, 1996 (61 Federal Register 14944).

SEC. 825. EXPANSION OF PERSONNEL ELIGIBLE TO PARTICIPATE IN DEMONSTRATION PROJECT RELATING TO ACQUISITION WORKFORCE.

(a) AMENDMENT TO PURPOSE OF PROJECT.—Section 4308(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C.

1701 note) is amended by adding before the period at the end the following: ''and supporting personnel assigned to work directly with the acquisition workforce''.

(b) AMENDMENT TO ELIGIBLE WORKFORCE.—Section 4308(b)(3)(A) of such Act is amended by inserting before the semicolon the following: ''or involves a team of personnel more than half of which consists of members of the acquisition workforce and the remainder of which consists of supporting personnel assigned to work directly with the acquisition workforce''.

(c) COMMENCEMENT OF PROJECT.—Section 4308(b)(3)(C) of such Act, as redesignated by subsection (b)(2), is amended by striking out ''this Act'' and inserting in lieu thereof ''the National Defense Authorization Act for Fiscal Year 1998''.

(d) LIMITATION ON NUMBER OF PARTICIPANTS.—Section 4308 of such Act is amended by adding at the end the following:

''(d) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate in the demonstration project under this section may not exceed the number that is equal to the total number of persons who are members of the acquisition workforce.''.

SEC. 826. TIME FOR SUBMISSION OF ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

Section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 41 U.S.C. 10b–3) is amended by striking out ''120 days'' and inserting in lieu thereof ''60 days''.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. LIMITATION ON OPERATION AND SUPPORT FUNDS FOR THE OFFICE OF THE SECRETARY OF DEFENSE.

(a) REDUCTION IN FUNDS.—The amount of funds appropriated pursuant to section 301 that are available for operation and support activities of the Office of the Secretary of Defense may not exceed the amount equal to 80 percent of the amount of funds requested for such purpose in the budget submitted by the President to Congress under section 1105 of title 31, United States Code, for fiscal year 1998.

(b) LIMITATION PENDING RECEIPT OF PREVIOUSLY REQUIRED REPORTS.—Of the amount available for fiscal year 1998 for operation and support activities of the Office of the Secretary of Defense (as limited pursuant to subsection (a)), not more than 90 percent may be obli-

gated until each of the following reports has been submitted to the congressional defense committees:

(1) The report required by section 901(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 401).

(2) The report required by section 904(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2619).

SEC. 902. COMPONENTS OF NATIONAL DEFENSE UNIVERSITY.

(a) EMPLOYMENT AND COMPENSATION OF CIVILIAN FACULTY.—Section 1595(d)(2) of title 10, United States Code, is amended by striking out ''Institute for National Strategic Study,'' and inserting in lieu thereof ''Institute for National Strategic Studies, the Information Resources Management College,''.

(b) PREPARATION OF BUDGET REQUESTS.—Section 2162(d)(2) of such title is amended by inserting after ''the Armed Forces Staff College,'' the following: ''the Institute for National Strategic Studies, the Information Resources Management College,''.

SEC. 903. AUTHORIZATION FOR THE MARINE CORPS UNIVERSITY TO EMPLOY CIVILIAN PROFESSORS.

(a) IN GENERAL.—Subsections (a) and (c) of 7478 of title 10, United States Code, are amended by striking

"or at the Marine Corps Command and Staff College" and inserting in lieu thereof "or at a school of the Marine Corps University".

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

"§ 7478. Naval War College and Marine Corps University: civilian faculty members".

(2) The item relating to such section in the table of sections at the beginning of chapter 643 of such title is amended to read as follows:

"7478. Naval War College and Marine Corps University: civilian faculty members.".

SEC. 904. CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS.

(a) FINDINGS.—The Congress finds the following:

(1) The strategic relationship between the United States and the People's Republic of China will be very important for future peace and security, not only in the Asia-Pacific region but around the world.

(2) The United States does not view China as an enemy, nor consider that the coming century necessarily will see a new great power competition between the two nations.

(3) The end of the Cold War has eliminated what had been the one fundamental common strate-

gic interest of the United States and China, that of containing the Soviet Union.

(4) The rapid economic rise and stated geopolitical ambitions of China will pose challenges that will require careful management in order to preserve peace and protect the national security interests of the United States.

(5) The ability of the Department of Defense, and the United States Government more generally, to develop sound security and military strategies is hampered by a limited understanding of Chinese strategic goals and military capabilities. The low priority accorded the study of Chinese strategic and military affairs within the Government and within the academic community has contributed to this limited understanding.

(6) There is a need for a United States national institute for research and assessment of political, strategic, and military affairs in the People's Republic of China. Such an institute should be capable of providing analysis for the purpose of shaping United States military strategy and policy with regard to China and should be readily accessible to senior leaders within the Department of Defense, but should maintain academic and intellectual independ-

ence so that that analysis is not first shaped by policy.

(b) ESTABLISHMENT OF CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS.—(1) Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2165. National Defense University: Center for the Study of Chinese Military Affairs

''(a) ESTABLISHMENT.—(1) The Secretary of Defense shall establish a Center for the Study of Chinese Military Affairs (hereinafter in this section referred to as the 'Center') as part of the National Defense University. The Center shall be organized as an independent institute under the University.

''(2) The Director of the Center shall be a distinguished scholar of proven academic, management, and leadership credentials with a superior record of achievement and publication regarding Chinese political, strategic, and military affairs. The Director shall be appointed by the Secretary of Defense in consultation with the chairman and ranking minority party member of the Committee on National Security of the House of Representatives and the chairman and ranking minority party member of the Committee on Armed Services of the Senate.

"(b) MISSION.—The mission of the Center is to study the national goals and strategic posture of the People's Republic of China and the ability of that nation to develop, field, and deploy an effective military instrument in support of its national strategic objectives.

"(c) AREAS OF STUDY.—The Center shall conduct research relating to the People's Republic of China as follows:

"(1) To assess the potential of that nation to act as a global great power, the Center shall conduct research that considers the policies and capabilities of that nation in a regional and world-wide context, including Central Asia, Southwest Asia, Europe, and Latin America, as well as the Asia-Pacific region.

"(2) To provide a fuller assessment of the areas of study referred to in paragraph (1), the Center shall conduct research on—

"(A) economic trends relative to strategic goals and military capabilities;

"(B) strengths and weaknesses in the scientific and technological sector; and

"(C) relevant demographic and human resource factors on progress in the military sphere.

"(3) The Center shall conduct research on the armed forces of the People's Republic of China, taking into account the character of those armed forces and their role in Chinese society and economy, the degree of their technological sophistication, and their organizational and doctrinal concepts. That research shall include inquiry into the following matters:

"(A) Concepts concerning national interests, objectives, and strategic culture.

"(B) Grand strategy, military strategy, military operations, and tactics.

"(C) Doctrinal concepts at each of the four levels specified in subparagraph (B).

"(D) The impact of doctrine on China's force structure choices.

"(E) The interaction of doctrine and force structure at each level to create an integrated system of military capabilities through procurement, officer education, training, and practice and other similar factors.

"(d) FACULTY OF THE CENTER.—(1) The core faculty of the Center should comprise mature scholars capable of providing diverse perspectives on Chinese political, strategic, and military thought. Center scholars shall demonstrate the following competencies and capabilities:

"(A) Analysis of national strategy, military strategy, and doctrine.

"(B) Analysis of force structure and military capabilities.

"(C) Analysis of—

"(i) issues relating to weapons of mass destruction, military intelligence, defense economics, trade, and international economics; and

"(ii) the relationship between those issues and grand strategy, science and technology, the sociology of human resources and demography, and political science.

"(2) A substantial number of Center scholars shall be competent in the Chinese language. The Center shall include a core of junior scholars capable of providing linguistics and translation support to the Center.

"(e) ACTIVITIES OF THE CENTER.—The activities of the Center shall include other elements appropriate to its mission, including the following:

"(1) The Center should include an active conference program with an international reach.

"(2) The Center should conduct an international competition for a Visiting Fellowship in Chinese Military Affairs and Chinese Security Issues. The term of the fellowship should be for one

year, renewable for a second. The visitor should contract to produce a major publication in the visitor's area of expertise.

"(3) The Center shall provide funds to support at least one trip per analyst per year to China and the region and to support visits of Chinese military leaders to the Center.

"(4) The Center shall support well defined, distinguished, signature publications.

"(5) Center scholars shall have appropriate access to intelligence community assessments of Chinese military affairs.

"(f) STUDIES AND REPORTS.—The Director may contract for studies and reports from the private sector to supplement the work of the Center.".

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

"2165. National Defense University: Center for the Study of Chinese Military Affairs.".

(c) IMPLEMENTATION REPORT.—Not later than January 1, 1998, the Secretary of Defense shall submit to Congress a report stating the timetable and organizational plan for establishing the Center for the Study of Chinese Military Affairs under section 2165 of title 10, United States Code, as added by subsection (b).

(d) STARTUP OF CENTER.—The Secretary shall establish the Center for the Study of Chinese Military Affairs under section 2165 of title 10, United States Code, as added by subsection (b), not later than March 1, 1998, and shall appoint the first Director of the Center not later than June 1, 1998.

(e) FIRST YEAR FUNDING.—Of the amount available to the Secretary of Defense for fiscal year 1998 for Defense-wide operation and maintenance (other than funds otherwise available for the activities of the National Defense University), the Secretary shall make $5,000,000 available for the Center for the Study of Chinese Military Affairs established under section 2165 of title 10, United States Code, as added by subsection (b).

SEC. 905. WHITE HOUSE COMMUNICATIONS AGENCY.

Of the amount appropriated pursuant to section 301 for operation and maintenance for fiscal year 1998, not more than $55,000,000 may be made available for the White House Communications Agency.

SEC. 906. REVISION TO REQUIRED FREQUENCY FOR PROVISION OF POLICY GUIDANCE FOR CONTINGENCY PLANS.

Section 113(g)(2) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''annually''; and

(2) in the second sentence, by inserting ''be provided every two years or more frequently as needed and shall'' after ''Such guidance shall''.

SEC. 907. TERMINATION OF THE DEFENSE AIRBORNE RECONNAISSANCE OFFICE.

(a) TERMINATION OF OFFICE.—The organization within the Department of Defense known as the Defense Airborne Reconnaissance Office is terminated. No funds available for the Department of Defense may be used for the operation of that Office after the date specified in subsection (d).

(b) TRANSFER OF FUNCTIONS.—(1) Subject to paragraphs (2) and (3), the Secretary of Defense shall transfer to the Defense Intelligence Agency the functions that were performed on the day before the date of the enactment this Act by the Defense Airborne Reconnaissance Office relating to its responsibilities for management oversight and coordination of defense airborne reconnaissance capabilities.

(2) The Secretary shall determine which functions are appropriate for transfer under paragraph (1). In making such determination, the Secretary shall ensure that program management, development and acquisition, oper-

ations, and related responsibilities for individual programs within the Defense Airborne Reconnaissance program remain within the military departments.

(3) Any functions transferred under this subsection shall be subject to the authority, direction, and control of the Secretary.

(c) REPORT.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the committees named in paragraph (2) a report containing the Secretary's plan for terminating and transferring the functions of the Defense Airborne Reconnaissance Office.

(2) The committees referred to in paragraph (1) are—

(A) the Committee on Armed Services and the Select Committee on Intelligence of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committee on National Security of the House of Representatives.

(d) EFFECTIVE DATE.—Subsection (a) shall take effect at the end of the 120-day period beginning 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 1998 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. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on National Security of the House of Representatives to accompany the bill H.R. 1119 of the One Hundred Fifth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with

such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. AUTHORITY FOR OBLIGATION OF UNAUTHORIZED FISCAL YEAR 1997 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 1997 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 1997 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1997 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1997 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fis-

cal year 1997 in the Department of Defense Appropriations Act, 1997 (as contained in section 101(b) of Public Law 104–208).

(2) FISCAL YEAR 1997 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1997 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

SEC. 1004. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1997.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) 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 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia.

SEC. 1005. INCREASE IN FISCAL YEAR 1996 TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 100 Stat. 2630) is amended by striking out ''$2,000,000,000'' and inserting in lieu thereof ''$3,100,000,000''.

SEC. 1006. FISHER HOUSE TRUST FUNDS.

Section 2221(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) There is hereby authorized to be appropriated for any fiscal year from a trust fund specified in subsection (a) any amount referred to in paragraph (1), (2), or (3) (as applicable to that trust fund), such amount to be available only for the purposes stated in that paragraph. With respect to any such amount, the preceding sentence is the specific authorization by law required by section 1321(b)(2) of title 31.''.

SEC. 1007. FLEXIBILITY IN FINANCING CLOSURE OF CERTAIN OUTSTANDING CONTRACTS FOR WHICH A SMALL FINAL PAYMENT IS DUE.

(a) CLOSURE OF OUTSTANDING CONTRACTS.—The Secretary of Defense may make the final payment on a contract to which this section applies from the account established pursuant to subsection (d).

(b) COVERED CONTRACTS.—This section applies to any contract of the Department of Defense—

(1) that was entered into before December 5, 1990; and

(2) for which an unobligated balance of an appropriation that had been initially applied to the contract was canceled before December 5, 1990, pursuant to section 1552 of title 31, United States Code, as in effect before that date.

(c) AUTHORITY LIMITED TO SMALL FINAL PAYMENTS.—The Secretary may use the authority provided by this section only for a contract for which the amount of the final payment due is not greater than the micro-purchase threshold (as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428)).

(d) ACCOUNT.—The Secretary may establish an account for the purposes of this section. The Secretary may from time to time transfer into the account, from funds available to the Department of Defense for procurement or for research, development, test, and evaluation, such amounts as the Secretary determines to be needed for the purposes of the account, except that no such transfer may be made that would result in the balance of the account exceeding $1,000,000. Amounts in the account may be used only for the purposes of this section.

(e) CLOSURE OF ACCOUNT.—When the Secretary determines that all contracts to which this section applies have been closed and there is no further need for the account established under subsection (d), the Secretary shall close the account. Any amounts remaining in the account shall be covered into the Treasury as miscellaneous receipts.

SEC. 1008. UNITED STATES MAN AND THE BIOSPHERE PROGRAM LIMITATION.

No funds appropriated pursuant to this Act shall be used for the United States Man and Biosphere Program, or related projects.

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. RELATIONSHIP OF CERTAIN LAWS TO DISPOSAL OF VESSELS FOR EXPORT FROM THE NAVAL VESSEL REGISTER AND THE NATIONAL DEFENSE RESERVE FLEET.

(a) NAVAL VESSEL REGISTER.—(1) Section 7305 of title 10, United States Code, is amended by adding at the end the following:

''(e) RELATIONSHIP TO TOXIC SUBSTANCES CONTROL ACT.—(1) Subject to paragraph (2), the sale of a vessel under this section for export, or any subsequent resale of a vessel sold under this section for export—

"(A) is not a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)) or an export of hazardous waste under section 3017 of the Solid Waste Disposal Act (42 U.S.C. 6938); and

"(B) is not subject to section 12(b) of the Toxic Substances Control Act (15 U.S.C. 2611(b)).

"(2)(A) Paragraph (1) applies to a vessel being sold for export only if, before the sale of such vessel, any item listed in subparagraph (B) containing polychlorinated biphenyls is removed from the vessel.

"(B) Subparagraph (A) covers any transformer, large high or low voltage capacitor, or hydraulic or heat transfer fluid.".

(2) Section 7306a of such title is amended—

(A) in the heading, by adding at the end the following: "**or operational training**";

(B) in subsection (a), by inserting "or operational training" after "purposes"; and

(C) by adding at the end the following:

"(c) RELATIONSHIP TO OTHER LAWS.—The sinking of a vessel for an experimental purpose or for operational training pursuant to subsection (a) is not—

"(1) a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)); or

"(2) the transport of material for the purpose of dumping it into ocean waters, or the dumping of material transported from a location outside the United States, under section 101 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1411).".

(b) NATIONAL DEFENSE RESERVE FLEET.—(1) Section 510(i) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1160(i)) is amended—

(A) by inserting "(1)" after "(i)"; and

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

"(2)(A) Subject to subparagraph (B), the sale under this subsection of a vessel from the National Defense Reserve Fleet for export, or any subsequent resale of a vessel sold from the Fleet for export—

"(i) is not a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)) or an export of hazardous waste under section 3017 of the Solid Waste Disposal Act (42 U.S.C. 6938); and

"(ii) is not subject to subsection (b) of section 12 of the Toxic Substances Control Act (15 U.S.C. 2611).

"(B)(i) Subparagraph (A) applies to a vessel being sold for export only if, before the sale of such vessel, any item listed in clause (ii) containing polychlorinated biphenyls is removed from the vessel.

"(ii) Clause (i) covers any transformer, large high or low voltage capacitor, or hydraulic or heat transfer fluid.".

(2) Section 6 of the National Maritime Heritage Act of 1994 (Public Law 103–451; 108 Stat. 4776; 16 U.S.C. 5405) is amended—

(A) in subsections (a)(1) and (b)(2)—

(i) by inserting "or 510(i)" after "508"; and

(ii) by inserting "or 1160(i)" after "1158"; and

(B) in subsection (c)(1)(A), by striking out "1999" and inserting in lieu thereof "2001".

SEC. 1022. AUTHORITY TO ENTER INTO A LONG-TERM CHARTER FOR A VESSEL IN SUPPORT OF THE SURVEILLANCE TOWED-ARRAY SENSOR (SURTASS) PROGRAM.

The Secretary of the Navy is authorized to enter into a contract in accordance with section 2401 of title 10,

United States Code, for the charter, for a period through fiscal year 2003, of the vessel RV CORY CHOUEST (United States official number 933435) in support of the Surveillance Towed-Array Sensor (SURTASS) program.

SEC. 1023. TRANSFER OF TWO SPECIFIED OBSOLETE TUGBOATS OF THE ARMY.

(a) AUTHORITY TO TRANSFER VESSELS.—The Secretary of the Army may transfer the two obsolete tugboats of the Army described in subsection (b) to the Brownsville Navigation District, Brownsville, Texas.

(b) VESSELS COVERED.—Subsection (a) applies to the following two decommissioned tugboats of the Army, each of which is listed as of the date of the enactment of this Act as being surplus to the needs of the Army: the Normandy (LT–1971) and the Salerno (LT–1953).

(c) TRANSFERS TO BE AT NO COST TO UNITED STATES.—A transfer authorized by this section shall be made at no cost to the United States.

(d) TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the transfers authorized by this section as the Secretary considers appropriate.

SEC. 1024. NAMING OF A DDG–51 CLASS DESTROYER THE U.S.S. THOMAS F. CONNOLLY.

It is the sense of Congress that the Secretary of the Navy should name a guided missile destroyer of the DDG–51 class the U.S.S. Thomas F. Connolly, in honor of Vice Admiral Thomas F. Connolly (1909–1996), of the State of Minnesota, who during an active-duty naval career extending from 1933 to 1971 became a leading architect of the modern United States Navy.

SEC. 1025. CONGRESSIONAL REVIEW PERIOD WITH RESPECT TO TRANSFER OF THE EX-U.S.S. MIDWAY (CV–41).

In applying section 7306 of title 10, United States Code, with respect to the transfer of the decommissioned aircraft carrier ex-U.S.S. MIDWAY (CV–41), subsection (d)(1)(B) of that section shall be applied by substituting ''30 calendar days'' for ''60 days of continuous session of Congress''.

Subtitle C—Counter-Drug Activities

SEC. 1031. PROHIBITION ON USE OF NATIONAL GUARD FOR CIVIL-MILITARY ACTIVITIES UNDER STATE DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES PLAN.

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

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection:

''(g) PROHIBITION ON CERTAIN CIVIL-MILITARY ACTIVITIES.—Funds provided under this section may not be used to conduct activities, including community-outreach programs, designed to reduce the demand for illegal drugs among persons who are not members of the National Guard or their dependents.''.

SEC. 1032. ASSIGNMENT OF DEPARTMENT OF DEFENSE PERSONNEL TO ASSIST IMMIGRATION AND NATURALIZATION SERVICE AND CUSTOMS SERVICE.

(a) ASSIGNMENT AUTHORITY OF SECRETARY OF DEFENSE.—Chapter 18 of title 10, United States Code, is amended by inserting after section 374 the following new section:

''§ 374a. Assignment of personnel to assist border patrol and control

''(a) ASSIGNMENT AUTHORIZED.—The Secretary of Defense may assign up to 10,000 Department of Defense personnel at any one time to assist—

"(1) the Immigration and Naturalization Service in preventing the entry of terrorists, drug traffickers, and illegal aliens into the United States; and

"(2) the United States Customs Service in the inspection of cargo, vehicles, and aircraft at points of entry into the United States.

"(b) REQUEST FOR ASSIGNMENT.—The assignment of Department of Defense personnel under subsection (a) may only occur—

"(1) at the request of the Attorney General, in the case of an assignment to the Immigration and Naturalization Service; and

"(2) at the request of the Secretary of the Treasury, in the case of an assignment to the United States Customs Service.".

"(c) REIMBURSEMENT REQUIREMENT.—Section 377 of this title shall apply in the case of Department of Defense personnel assigned under subsection (a).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 374 the following new item:

"374a. Assignment of personnel to assist border patrol and control.".

SEC. 1033. ANNUAL REPORT ON DEVELOPMENT AND DEPLOYMENT OF NARCOTICS DETECTION TECHNOLOGIES.

(a) REPORT REQUIREMENT.—Not later than December 1st of each year, the Director of the Office of National Drug Control Policy shall submit to Congress and the President a report on the development and deployment of narcotics detection technologies by Federal agencies. Each such report shall be prepared in consultation with the Secretary of Defense, the Secretary of State, the Secretary of Transportation, and the Secretary of the Treasury.

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include—

(1) a description of each project implemented by a Federal agency relating to the development or deployment of narcotics detection technology;

(2) the agency responsible for each project described in paragraph (1);

(3) the amount of funds obligated or expended to carry out each project described in paragraph (1) during the fiscal year in which the report is submitted or during any fiscal year preceding the fiscal year in which the report is submitted;

(4) the amount of funds estimated to be obligated or expended for each project described in paragraph (1) during any fiscal year after the fiscal

year in which the report is submitted to Congress; and

(5) a detailed timeline for implementation of each project described in paragraph (1).

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1041. REPEAL OF MISCELLANEOUS OBSOLETE REPORTS REQUIRED BY PRIOR DEFENSE AUTHORIZATION ACTS.

(a) REPORT ON REMOVAL OF BASIC POINT DEFENSE MISSILE SYSTEM FROM NAVAL AMPHIBIOUS VESSELS.—Section 1437 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 757), is repealed.

(b) REPORT CONCERNING THE STRETCHOUT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 117 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 1933), is repealed.

(c) REPORT CONCERNING THE B–2 AIRCRAFT PROGRAM.—Section 115 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1373) is repealed.

SEC. 1042. REPEAL OF ANNUAL REPORT REQUIREMENT RELATING TO TRAINING OF SPECIAL OPERATIONS FORCES WITH FRIENDLY FOREIGN FORCES.

Section 2011 of title 10, United States Code, is amended by striking out subsection (e).

SEC. 1043. REPORT ON ANTI-TERRORISM ACTIVITIES.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, in classified and unclassified form, describing—

(1) the programs designed to carry out anti-terrorism activities of the Department of Defense;

(2) any deficiencies in those programs; and

(3) any actions taken by the Secretary to improve implementation of such programs.

Subtitle E—Other Matters

SEC. 1051. AUTHORITY FOR SPECIAL AGENTS OF THE DEFENSE CRIMINAL INVESTIGATIVE SERVICE TO EXECUTE WARRANTS AND MAKE ARRESTS.

(a) AUTHORITY.—Chapter 81 of title 10, United States Code, is amended by inserting after section 1585 the following new section:

"§ 1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests

''(a) AUTHORITY.—The Secretary of Defense may authorize any DCIS special agent—

''(1) to execute and serve any warrant or other process issued under the authority of the United States; and

''(2) to make arrests without a warrant—

''(A) for any offense against the United States committed in the presence of that agent; and

''(B) for any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing the felony.

''(b) ATTORNEY GENERAL GUIDELINES.—Authority of a DCIS special agent under subsection (a) may be exercised only in accordance with guidelines approved by the Attorney General.

''(c) DCIS SPECIAL AGENT DEFINED.—In this section, the term 'DCIS special agent' means an employee of the Department of Defense who is a special agent of the Defense Criminal Investigative Service (or any successor to that service).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1585 the following new item:

"1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests.".

SEC. 1052. STUDY OF INVESTIGATIVE PRACTICES OF MILITARY CRIMINAL INVESTIGATIVE ORGANIZATIONS RELATING TO SEX CRIMES.

(a) INDEPENDENT STUDY REQUIRED.—(1) The Secretary of Defense shall provide for an independent study of the policies, procedures, and practices of the military criminal investigative organizations for the conduct of investigations of complaints of sex crimes and other criminal sexual misconduct arising in the Armed Forces.

(2) The Secretary shall provide for the study to be conducted by the National Academy of Public Administration. The amount of a contract for the study may not exceed $2,000,000.

(3) The Secretary shall require that all components of the Department of Defense cooperate fully with the organization carrying out the study.

(b) MATTERS TO BE INCLUDED IN STUDY.—The Secretary shall require that the organization conducting the study under this section specifically consider each of the following matters:

(1) The need (if any) for greater organizational independence and autonomy for the military criminal investigative organizations than exists under current chain-of-command structures within the military departments.

(2) The authority of each of the military criminal investigative organizations to investigate allegations of sex crimes and other criminal sexual misconduct and the policies of those organizations for carrying out such investigations.

(3) The training (including training in skills and techniques related to the conduct of interviews) provided by each of those organizations to agents or prospective agents responsible for conducting or providing support to investigations of alleged sex crimes and other criminal sexual misconduct, including—

(A) the extent to which that training is comparable to the training provided by the Federal Bureau of Investigation and other civilian law enforcement agencies; and

(B) the coordination of training and investigative policies related to alleged sex crimes and other criminal sexual misconduct of each of those organizations with the Federal Bureau of

Investigation and other civilian Federal law enforcement agencies.

(4) The procedures and relevant professional standards of each military criminal investigative organization with regard to recruitment and hiring of agents, including an evaluation of the extent to which those procedures and standards provide for—

(A) sufficient screening of prospective agents based on background investigations; and

(B) obtaining sufficient information about the qualifications and relevant experience of prospective agents.

(5) The advantages and disadvantages of establishing, within each of the military criminal investigative organizations or within the Defense Criminal Investigative Service only, of a special unit for the investigation of alleged sex crimes and other criminal sexual misconduct.

(6) The clarity of guidance for, and consistency of investigative tactics used by, each of the military criminal investigative organizations for the investigation of alleged sex crimes and other criminal sexual misconduct, together with a comparison with the guidance and tactics used by the Federal Bureau of

Investigation and other civilian law enforcement agencies for such investigations.

(7) The number of allegations of agent misconduct in the investigation of sex crimes and other criminal sexual misconduct for each of those organizations, together with a comparison with the number of such allegations concerning agents of the Federal Bureau of Investigation and other civilian law enforcement agencies for such investigations.

(8) The procedures of each of the military criminal investigative organizations for administrative identification (known as ''titling'') of persons suspected of committing sex crimes or other criminal sexual misconduct, together with a comparison with the comparable procedures of the Federal Bureau of Investigation and other civilian Federal law enforcement agencies for such investigations.

(9) The accuracy, timeliness, and completeness of reporting of sex crimes and other criminal sexual misconduct by each of the military criminal investigative organizations to the National Crime Information Center maintained by the Department of Justice.

(10) Any recommendation for legislation or administrative action to revise the organizational or

operational arrangements of the military criminal investigative organizations or to alter recruitment, training, or operational procedures, as they pertain to the investigation of sex crimes and other criminal sexual misconduct.

(c) REPORT.—(1) The Secretary of Defense shall require the organization conducting the study under this section to submit to the Secretary a report on the study not later than one year after the date of the enactment of this Act. The organization shall include in the report its findings and conclusions concerning each of the matters specified in subsection (b).

(2) The Secretary shall submit the report under paragraph (1), together with the Secretary's comments on the report, to Congress not later than 30 days after the date on which the report is submitted to the Secretary under paragraph (1).

(d) MILITARY CRIMINAL INVESTIGATIVE ORGANIZATION DEFINED.—For the purposes of this section, the term ''military criminal investigative organization'' means any of the following:

(1) The Army Criminal Investigation Command.

(2) The Naval Criminal Investigative Service.

(3) The Air Force Office of Special Investigations.

(4) The Defense Criminal Investigative Service.

(e) CRIMINAL SEXUAL MISCONDUCT DEFINED.—For the purposes of this section, the term ''criminal sexual misconduct'' means conduct by a member of the Armed Forces involving sexual abuse, sexual harassment, or other sexual misconduct that constitutes an offense under the Uniform Code of Military Justice.

SEC. 1053. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking out ''471'' in the item relating to chapter 23 and inserting in lieu thereof ''481''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are each amended by striking out ''2540'' in the item relating to chapter 152 and inserting in lieu thereof ''2541''.

(3) Section 116(b)(2) is amended by striking out ''such subsection'' and inserting in lieu thereof ''subsection (a)''.

(4) Section 129c(e) is amended by striking out ''section 115a(g)(2)'' and inserting in lieu thereof ''section 115a(e)(2)''.

(5) Section 382(g) is amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997'' and inserting in lieu thereof ''September 23, 1996''.

(6) The table of sections at the beginning of subchapter I of chapter 21 is amended by striking out the items relating to sections 424 and 425 and inserting in lieu thereof the following:

''424. Disclosure of organizational and personnel information: exemption for Defense Intelligence Agency, National Reconnaissance Office, and National Imagery and Mapping Agency.''.

(7) Section 445 is amended—

(A) by striking out ''(1)'' before ''Except with'';

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively;

(C) by striking out ''(2)'' before ''Whenever it appears'' and inserting in lieu thereof ''(b) INJUNCTIVE RELIEF.—''; and

(D) by striking out ''paragraph (1)'' and inserting in lieu thereof ''subsection (a)''.

(8) Section 858b is amended in the first sentence by striking out ''forfeiture'' and all that fol-

lows through ''due that member'' and inserting in lieu thereof ''forfeiture of pay, or of pay and allowances, due that member''.

(9) Section 943(c) is amended—

(A) in the third sentence, by striking out ''such positions'' and inserting in lieu thereof ''positions referred to in the preceding sentences''; and

(B) by capitalizing the initial letter of the third word of the subsection heading.

(10) Section 954 is amended by striking out ''this'' and inserting in lieu thereof ''his''.

(11) Section 972(b) is amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' in the matter preceding paragraph (1) and inserting in lieu thereof ''February 10, 1996''.

(12) Section 976(f) is amended by striking out ''shall,'' and all that follows and inserting in lieu thereof ''shall be fined under title 18 or imprisoned not more than 5 years, or both, except that, in the case of an organization (as defined in section 18 of such title), the fine shall not be less than $25,000.''.

(13) Section 977 is amended—

(A) in subsection (c), by striking out ''Beginning on October 1, 1996, not more than'' and inserting in lieu thereof ''Not more than''; and

(B) in subsection (d)(2), by striking out ''before October 1, 1996,'' and all that follows through ''so assigned'' the second place it appears.

(14) Section 1129(c) is amended—

(A) by striking out ''the date of the enactment of this section,'' and inserting in lieu thereof ''November 30, 1993,''; and

(B) by striking out ''before the date of the enactment of this section or'' and inserting in lieu thereof ''before such date or''.

(15) Section 1151(b) is amended by striking out ''WITH'' in the subsection heading and inserting in lieu thereof ''WITH''.

(16) Section 1152(g) is amended by inserting ''(1)'' before ''The Secretary may''.

(17) Section 1408(d) is amended—

(A) by striking out ''TO'' in the subsection heading and inserting in lieu thereof ''TO''; and

(B) by redesignating the second paragraph (6) as paragraph (7).

(18) Section 1599c(c)(1)(F) is amended by striking out ''Sections 106(f)'' and inserting in lieu thereof ''Sections 106(e)''.

(19) Section 1763 is amended—

(A) by striking out ''On and after October 1, 1993, the Secretary of Defense'' and inserting in lieu thereof ''The Secretary of Defense''; and

(B) by striking out ''secretaries'' and inserting in lieu thereof ''Secretaries''.

(20) Section 2010(e) is repealed.

(21) Section 2208(k) is repealed.

(22)(A) Section 2306(h) is amended by inserting ''for the purchase of property'' after ''Multiyear contracting authority''.

(B)(i) The heading of section 2306b is amended to read as follows:

''§ 2306b. Multiyear contracts: acquisition of property''.

(ii) The item relating to such section in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

''2306b. Multiyear contracts: acquisition of property.''.

(23) Section 2306b(k) is amended by striking out ''this subsection'' in the first sentence and inserting in lieu thereof ''this section''.

(24) Section 2315(a) is amended by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)''.

(25) Section 2371a is amended by inserting ''Defense'' before ''Advanced Research Projects Agency''.

(26) Section 2401a(a) is amended by striking out ''leasing of such vehicles'' and inserting in lieu thereof ''such leasing''.

(27) Section 2466(e) is repealed.

(28) Section 2684(b) is amended by striking out '', United States Code,''.

(29) Section 2885 is amended by striking out ''five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''on February 10, 2001''.

(30) Section 12733(3) is amended—

(A) by inserting a comma after ''(B)''; and

(B) by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997'' and inserting in lieu thereof ''September 23, 1996,''.

(b) TITLE 37, UNITED STATES CODE.—Section 205(d) of title 37, United States Code, is amended by striking out the period after ''August 1, 1979'' and inserting in lieu thereof a comma.

(c) PUBLIC LAW 104–201.—Effective as of September 23, 1996, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) is amended as follows:

(1) Section 367 (110 Stat. 2496) is amended—

(A) in subsection (a), by striking out ''Subchapter II of chapter'' and inserting in lieu thereof ''Chapter''; and

(B) in subsection (b), by striking out ''subchapter'' and inserting in lieu thereof ''chapter''.

(2) Section 614(b)(2)(B) (110 Stat. 2544) is amended by striking out ''the period'' and inserting in lieu thereof ''the semicolon''.

(3) Section 802(1) (110 Stat. 2604) is amended by striking out ''1995'' in the first quoted matter therein and inserting in lieu thereof ''1996''.

(4) Section 829(c) (110 Stat. 2612) is amended—

(A) in paragraph (2), by striking out ''Section 2502(b)'' and inserting in lieu thereof ''Section 2502(c)''; and

(B) by redesignating paragraph (3) as subparagraph (C) of paragraph (2).

(d) OTHER ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) of The National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) is amended as follows:

(A) Section 533(b) (110 Stat. 315) is amended by inserting before the period at the end the following: ''and the amendments made by subsection (b), effective as of October 5, 1994''.

(B) Section 1501(d)(1) (110 Stat. 500) is amended by striking out ''337(b)'' and ''2717'' and inserting in lieu thereof ''377(b)'' and ''2737'', respectively.

(2) Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note) is amended—

(A) in subsection (a), by inserting ''Defense'' before ''Advanced''; and

(B) in the section heading, by inserting ''**DEFENSE**'' after the third word.

(3) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(A) Section 812(c) (10 U.S.C. 1723 note) is amended by inserting ''and Technology'' after ''for Acquisition''.

(B) Subsection (e) of section 4471 (10 U.S.C. 2501 note) is amended—

(i) by realigning that subsection so as to be flush to the margin; and

(ii) by capitalizing the initial letter of the third word of the subsection heading.

(4) Section 807(b)(2)(A) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2320 note) is amended by inserting before the period the following: ''and Technology''.

(5) The National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) is amended as follows:

(A) Section 1205 (10 U.S.C. 1746 note) is amended by striking out ''Under Secretary of Defense for Acquisition'' each place it appears

and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''.

(B) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(B), by striking out ''Subcommittees'' and inserting in lieu thereof ''Subcommittee''; and

(ii) in subsection (f)(2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(6) Section 1121(c) of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 10 U.S.C. 113 note) is amended by striking out ''under this section—'' and all that follow through ''fiscal year 1990'' and inserting in lieu thereof ''under this section may not exceed 5,000 during any fiscal year''.

(d) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) Section 3329(b) is amended by striking out ''a position described in subsection (c)'' the second place it appears.

(2) Section 5315 is amended—

(A) in the item relating to the Chief Information Officer of the Department of the Interior, by inserting ''the'' before ''Interior''; and

(B) in the item relating to the Chief Information Officer of the Department of the Treasury, by inserting ''the'' before ''Treasury''.

(3) Section 5316 is amended by striking out ''Atomic Energy'' after ''Assistant to the Secretary of Defense for'' and inserting in lieu thereof ''Nuclear and Chemical and Biological Defense Programs''.

(e) ACQUISITION POLICY STATUTES.—

(1) Section 309 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259) is amended by striking out ''and'' at the end of subsection (b)(2).

(2) The Office of Federal Procurement Policy Act is amended as follows:

(A) The item relating to section 27 in the table of contents in section 1 is amended to read as follows:

"Sec. 27. Restrictions on disclosing and obtaining contractor bid or proposal information or source selection information.".

(B) Section 6(d) (41 U.S.C. 405(d)) is amended—

(i) by striking out the period at the end of paragraph (5)(J) and inserting in lieu thereof a semicolon;

(ii) by moving paragraph (6) two ems to the left; and

(iii) in paragraph (12), by striking out "small business" and inserting in lieu thereof "small businesses".

(C) Section 35(b)(2) (41 U.S.C. 431(b)(2)) is amended by striking out "commercial" and inserting in lieu thereof "commercially available".

(3) Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended in subsections (d) and (e) by striking out "(as in effect on September 30, 1995)" each place it appears.

(4) Subsections (d)(1) and (e) of section 16 of the Small Business Act (15 U.S.C. 645) are each amended by striking out "concerns" and inserting in lieu thereof "concern".

(f) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions

of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1054. DISPLAY OF POW/MIA FLAG.

(a) REQUIRED DISPLAY.—The POW/MIA flag shall be displayed at the locations specified in subsection (c) each year on POW/MIA flag display days. Such display shall serve (1) as the symbol of the Nation's concern and commitment to achieving the fullest possible accounting of Americans who, having been prisoners of war or missing in action, still remain unaccounted for, and (2) as the symbol of the Nation's commitment to achieving the fullest possible accounting for Americans who in the future may become prisoners of war, missing in action, or otherwise unaccounted for as a result of hostile action.

(b) DAYS FOR FLAG DISPLAY.—(1) For purposes of this section, POW/MIA flag display days are the following:

(A) Armed Forces Day, the third Saturday in May.

(B) Memorial Day, the last Monday in May.

(C) Flag Day, June 14.

(D) Independence Day, July 4.

(E) National POW/MIA Recognition Day.

(F) Veterans Day, November 11.

(2) In the case of display at United States Postal Service post offices (required by subsection (c)(8)), POW/MIA flag display days in any year include, in addition to the days specified in paragraph (1), the last business day before each such day that itself is not a business day.

(c) LOCATIONS FOR FLAG DISPLAY.—The locations for the display of the POW/MIA flag under this section are the following:

(1) The Capitol.

(2) The White House.

(3) The Korean War Veterans Memorial and the Vietnam Veterans Memorial.

(4) Each national cemetery.

(5) The buildings containing the primary offices of—

(A) the Secretary of State;

(B) the Secretary of Defense;

(C) the Secretary of Veterans Affairs; and

(D) the Director of the Selective Service System.

(6) Each major military installation, as designated by the Secretary of Defense.

(7) Each Department of Veterans Affairs medical center.

(8) Each United States Postal Service post office.

(d) COORDINATION WITH OTHER DISPLAY REQUIREMENT.—Display of the POW/MIA flag at the Capitol pursuant to paragraph (1) of subsection (c) is in addition to the display of that flag in the Rotunda of the Capitol required by Senate Concurrent Resolution 5 of the 101st Congress, agreed to on February 22, 1989 (103 Stat. 2533).

(e) REQUIREMENTS CONCERNING DISPLAY AT SPECIFIED LOCATIONS.—(1) Display of the POW/MIA flag at the buildings specified in paragraphs (1), (2), (5), and (7) of subsection (c) shall be on, or on the grounds of, each such building.

(2) Display of that flag pursuant to paragraph (5) of subsection (c) at the buildings containing the primary offices of the officials specified in that paragraph shall be in an area visible to the public.

(3) Display of that flag at United States Postal Service post offices pursuant to paragraph (8) of subsection (c) shall be on the grounds or in the public lobby of each such post office.

(f) POW/MIA FLAG DEFINED.—As used in this section, the term ''POW/MIA flag'' means the National League of Families POW/MIA flag recognized officially

and designated by section 2 of Public Law 101–355 (36 U.S.C. 189).

(g) REGULATIONS FOR IMPLEMENTATION.—Within 180 days after the date of the enactment of this Act, the head of each department, agency, or other establishment responsible for a location specified in subsection (c) (other than the Capitol) shall prescribe such regulations as necessary to carry out this section.

(h) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Within 30 days after the date of the enactment of this Act, the Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.

(i) REPEAL OF PRIOR LAW.—Section 1084 of Public Law 102–190 (36 U.S.C. 189 note) is repealed.

(j) DAILY DISPLAY OF FLAG AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—In addition to the display required by subsection (a), the POW/MIA flag shall be displayed on, or on the grounds of, each Department of Veterans Affairs medical center on every day on which the flag of the United States is displayed.

SEC. 1055. CERTIFICATION REQUIRED BEFORE OBSERVANCE OF MORATORIUM ON USE BY ARMED FORCES OF ANTIPERSONNEL LANDMINES.

Any moratorium imposed by law (whether enacted before, on, or after the date of the enactment of this Act) on the use of antipersonnel landmines by the Armed Forces may be implemented only if (and after) the Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff, certifies to Congress that—

(1) the moratorium will not adversely affect the ability of United States forces to defend against attack on land by hostile forces; and

(2) the Armed Forces have systems that are effective substitutes for antipersonnel landmines.

SEC. 1056. PROTECTION OF SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AIR CARRIERS.

(a) AUTHORITY TO PROTECT INFORMATION.—Section 2640 of title 10, United States Code, is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection:

''(h) AUTHORITY TO PROTECT SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AN AIR CARRIER.—(1) In any case in which an air carrier voluntarily

provides safety-related information to the Secretary for purposes of this section, the Secretary may (notwithstanding any other provision of law) withhold the information from public disclosure if the Secretary determines that—

"(A) disclosure of the information would inhibit the air carrier from voluntarily providing safety-related information to the Secretary; and

"(B) the information would aid—

"(i) the Secretary in carrying out his responsibilities under this section; or

"(ii) the head of another agency in carrying out the safety responsibilities of the agency.

"(2) If the Secretary provides to the head of another agency safety-related information described in paragraph (1) with respect to which the Secretary has made a determination described in that paragraph, the head of that agency shall (notwithstanding any other provision of law) withhold the information from public disclosure.".

(b) APPLICABILITY.—Subsection (h) of section 2640 of title 10, United States Code, as added by subsection (a), shall apply with respect to requests for information made on or after the date of the enactment of this Act.

SEC. 1057. NATIONAL GUARD CHALLENGE PROGRAM TO CREATE OPPORTUNITIES FOR CIVILIAN YOUTH.

(a) PROGRAM AUTHORITY.—Chapter 5 of title 32, United States Code, is amended by adding at the end the following new section:

"§ 509. National Guard Challenge Program of opportunities for civilian youth

''(a) PROGRAM AUTHORITY AND PURPOSE.—The Secretary of Defense, acting through the Chief of the National Guard Bureau, may conduct a National Guard civilian youth opportunities program (to be known as the 'National Guard Challenge Program') to use the National Guard to provide military-based training, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of such youth.

''(b) CONDUCT OF THE PROGRAM.—The Secretary of Defense shall provide for the conduct of the National Guard Challenge Program in such States as the Secretary considers to be appropriate, except that Federal expenditures under the program may not exceed $50,000,000 for any fiscal year.

''(c) PROGRAM AGREEMENTS.—(1) To carry out the National Guard Challenge Program in a State, the Sec-

retary of Defense shall enter into an agreement with the Governor of the State or, in the case of the District of Columbia, with the commanding general of the District of Columbia National Guard, under which the Governor or the commanding general will establish, organize, and administer the National Guard Challenge Program in the State.

"(2) The agreement may provide for the Secretary to provide funds to the State for civilian personnel costs attributable to the use of civilian employees of the National Guard in the conduct of the National Guard Challenge Program.

"(d) MATCHING FUNDS REQUIRED.—The amount of assistance provided under this section to a State program of the National Guard Challenge Program may not exceed—

"(1) for fiscal year 1998, 75 percent of the costs of operating the State program during that year;

"(2) for fiscal year 1999, 70 percent of the costs of operating the State program during that year;

"(3) for fiscal year 2000, 65 percent of the costs of operating the State program during that year; and

"(4) for fiscal year 2001 and each subsequent fiscal year, 60 percent of the costs of operating the State program during that year.

"(e) PERSONS ELIGIBLE TO PARTICIPATE IN PROGRAM.—A school dropout from secondary school shall be eligible to participate in the National Guard Challenge Program. The Secretary of Defense shall prescribe the standards and procedures for selecting participants from among school dropouts.

"(f) AUTHORIZED BENEFITS FOR PARTICIPANTS.—(1) To the extent provided in an agreement entered into in accordance with subsection (c) and subject to the approval of the Secretary of Defense, a person selected for training in the National Guard Challenge Program may receive the following benefits in connection with that training:

"(A) Allowances for travel expenses, personal expenses, and other expenses.

"(B) Quarters.

"(C) Subsistence.

"(D) Transportation.

"(E) Equipment.

"(F) Clothing.

"(G) Recreational services and supplies.

"(H) Other services.

"(I) Subject to paragraph (2), a temporary stipend upon the successful completion of the training, as characterized in accordance with procedures provided in the agreement.

"(2) In the case of a person selected for training in the National Guard Challenge Program who afterwards becomes a member of the Civilian Community Corps under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611 et seq.), the person may not receive a temporary stipend under paragraph (1)(I) while the person is a member of that Corps. The person may receive the temporary stipend after completing service in the Corps unless the person elects to receive benefits provided under subsection (f) or (g) of section 158 of such Act (42 U.S.C. 12618).

"(g) PROGRAM PERSONNEL.—(1) Personnel of the National Guard of a State in which the National Guard Challenge Program is conducted may serve on full-time National Guard duty for the purpose of providing command, administrative, training, or supporting services for the program. For the performance of those services, any such personnel may be ordered to duty under section 502(f) of this title for not longer than the period of the program.

"(2) A Governor participating in the National Guard Challenge Program and the commanding general of the District of Columbia National Guard (if the District of Columbia National Guard is participating in the program) may procure by contract the temporary full time services of such civilian personnel as may be necessary to augment National Guard personnel in carrying out the National Guard Challenge Program in that State.

"(3) Civilian employees of the National Guard performing services for the National Guard Challenge Program and contractor personnel performing such services may be required, when appropriate to achieve the purposes of the program, to be members of the National Guard and to wear the military uniform.

"(h) EQUIPMENT AND FACILITIES.—(1) Equipment and facilities of the National Guard, including military property of the United States issued to the National Guard, may be used in carrying out the National Guard Challenge Program.

"(2) Activities under the National Guard Challenge Program shall be considered noncombat activities of the National Guard for purposes of section 710 of this title.

"(i) STATUS OF PARTICIPANTS.—(1) A person receiving training under the National Guard Challenge Program

shall be considered an employee of the United States for the purposes of the following provisions of law:

"(A) Subchapter I of chapter 81 of title 5 (relating to compensation of Federal employees for work injuries).

"(B) Section 1346(b) and chapter 171 of title 28 and any other provision of law relating to the liability of the United States for tortious conduct of employees of the United States.

"(2) In the application of the provisions of law referred to in paragraph (1)(A) to a person referred to in paragraph (1)—

"(A) the person shall not be considered to be in the performance of duty while the person is not at the assigned location of training or other activity or duty authorized in accordance with a program agreement referred to in subsection (c), except when the person is traveling to or from that location or is on pass from that training or other activity or duty;

"(B) the person's monthly rate of pay shall be deemed to be the minimum rate of pay provided for grade GS–2 of the General Schedule under section 5332 of title 5; and

"(C) the entitlement of a person to receive compensation for a disability shall begin on the day fol-

lowing the date on which the person's participation in the National Guard Challenge Program is terminated.

"(3) A person referred to in paragraph (1) may not be considered an employee of the United States for any purpose other than a purpose set forth in that paragraph.

"(j) SUPPLEMENTAL RESOURCES.—(1) To carry out the National Guard Challenge Program in a State, the Governor of the State or, in the case of the District of Columbia, the commanding general of the District of Columbia National Guard may supplement funds made available under the program out of other resources (including gifts) available to the Governor or the commanding general. The Governor or the commanding general may accept, use, and dispose of gifts or donations of money, other property, or services for the National Guard Challenge Program.

"(k) REPORT.—Within 90 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the design, conduct, and effectiveness of the National Guard Challenge Program during the preceding fiscal year. In preparing the report, the Secretary shall coordinate with the Governor of each State in which the National Guard Challenge Program is carried out and, if the program is carried out in the District of Columbia,

with the commanding general of the District of Columbia National Guard.

"(l) DEFINITIONS.—In this section:

"(1) The term 'State' includes the Commonwealth of Puerto Rico, the territories, and the District of Columbia.

"(2) The term 'school dropout' means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.".

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

"509. National Guard Challenge Program of opportunities for civilian youth.".

SEC. 1058. LEASE OF NON-EXCESS PERSONAL PROPERTY OF THE MILITARY DEPARTMENTS.

(a) RECEIPT OF FAIR MARKET VALUE.—Subsection (b)(4) of section 2667 of title 10, United States Code, is amended by striking out ", in the case of the lease of real property,".

(b) COMPETITIVE SELECTION.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

''(g)(1) If a proposed lease under subsection (a) involves only personal property, the lease term exceeds one year, and the fair market value of the lease interest exceeds $100,000, as determined by the Secretary concerned, the Secretary shall use competitive procedures to select the lessee.

''(2) Not later than 45 days before entering into a lease referred to in paragraph (1), the Secretary concerned shall submit to Congress written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.''.

SEC. 1059. COMMENDATION OF MEMBERS OF THE ARMED FORCES AND GOVERNMENT CIVILIAN PERSONNEL WHO SERVED DURING THE COLD WAR.

(a) FINDINGS.—The Congress finds the following:

(1) During the period of the Cold War, from the end of World War II until the collapse of the Soviet Union in 1991, the United States and the Soviet Union engaged in a global military rivalry.

(2) This rivalry, potentially the most dangerous military confrontation in the history of mankind, has

come to a close without a direct superpower military conflict.

(3) Military and civilian personnel of the Department of Defense, personnel in the intelligence community, members of the foreign service, and other officers and employees of the United States faithfully performed their duties during the Cold War.

(4) Many such personnel performed their duties while isolated from family and friends and served overseas under frequently arduous conditions in order to protect the United States and achieve a lasting peace.

(5) The discipline and dedication of those personnel were fundamental to the prevention of a superpower military conflict.

(b) CONGRESSIONAL COMMENDATION.—The Congress hereby commends, and expresses its gratitude and appreciation for, the service and sacrifices of the members of the Armed Forces and civilian personnel of the Government who contributed to the historic victory in the Cold War.

SEC. 1060. PROHIBITION OF PERFORMANCE OF MILITARY HONORS UPON DEATH OF PERSONS CONVICTED OF CAPITAL CRIMES.

(a) MILITARY FUNERALS.—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, may not provide military honors at the funeral of a person who has been convicted of a crime under State or Federal law for which death is a possible punishment and for which the person was sentenced to death or life imprisonment without parole.

(b) APPLICABILITY OF SECTION.—This section applies without regard to any other provision of law relating to funeral or burial benefits.

SEC. 1061. STUDY OF UNITED STATES CAPACITOR AND RESISTOR INDUSTRIES.

The Secretary of Defense shall conduct a study to assess the capacitor and resistor industries in the United States in order to determine—

(1) the importance of such industries to the national defense and the defense mobilization base; and

(2) whether such industries are in danger of being critically weakened because of the removal of tariffs on imports under the Information Technology Agreement.

SEC. 1062. SENSE OF THE CONGRESS ON DEPLOYMENT OF UNITED STATES ARMED FORCES ABROAD FOR ENVIRONMENTAL PRESERVATION ACTIVITIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that United States Armed Forces should not be deployed outside the United States to provide assistance to another nation in connection with environmental preservation activities in that nation.

(b) SCOPE OF SECTION.—For purposes of this section, environmental preservation activities do not include activities undertaken for humanitarian purposes, disaster relief activities, peacekeeping activities, or operational training activities.

SEC. 1063. STUDY OF TRANSFER OF MODULAR AIRBORNE FIRE FIGHTING SYSTEM.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of Agriculture, shall submit to Congress a report evaluating the feasibility of transferring jurisdiction over units of the Modular Airborne Fire Fighting System from the Department of Agriculture to the Department of Defense.

SEC. 1064. OVERSIGHT OF COUNTER-TERRORISM AND ANTI-TERRORISM PROGRAMS AND ACTIVITIES OF THE UNITED STATES.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) establish a Government-wide reporting system with respect to the budget and expenditure of funds by executive departments and agencies for the purpose of carrying out counter-terrorism and anti-terrorism programs and activities; and

(2) collect information on—

(A) the budget and expenditure of funds by executive departments and agencies during fiscal years 1995 through 1997 for purposes of carrying out counter-terrorism and anti-terrorism programs and activities; and

(B) the specific programs and activities for which such funds were expended.

(b) REPORT REQUIREMENT.—Not later than March 1st of each year, the Director of the Office of Management and Budget shall submit to the President and to Congress a report, in classified and unclassified form, describing, for each executive department and agency and for the executive branch as whole—

(1) the amounts proposed to be expended directly for counter-terrorism and anti-terrorism programs and activities for the fiscal year beginning in the calendar year in which the report is submitted;

(2) the amounts proposed to be expended directly for counter-terrorism and anti-terrorism programs and activities for the fiscal year in which the report is submitted and the amounts that have already been expended for such programs and activities for that fiscal year;

(3) the amounts proposed to be expended directly and the amounts actually expended directly for counter-terrorism and anti-terrorism programs and activities for the three fiscal years preceding the fiscal year in which the report is submitted; and

(4) the specific counter-terrorism and anti-terrorism programs and activities being implemented, any priorities with respect to such programs and activities, and whether there has been any duplication of efforts in implementing such programs and activities.

SEC. 1065. ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE.

(a) EXPANSION OF PURPOSES OF INITIATIVE.—Section 193(b) of the Armament Retooling and Manufactur-

ing Support Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by adding at the end the following new paragraph:

"(10) To allow for the use of ammunition manufacturing facilities by other entities for the purpose of modernization, development, and restoration of the facilities.".

(b) AUTHORITY TO ENTER INTO AGREEMENTS.—Section 194(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (1);

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

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

"(3) to enter into agreements (which may include contracts, leases, or other arrangements for a period of not more than 99 years) with other entities with respect to the ammunition manufacturing facility, or a part of such facility.".

(c) REPORTING REQUIREMENT.—Not later than January 1, 1998, the Secretary of the Army shall submit to Congress a report on progress with respect to the implementation of the amendments made to the Armament Re-

tooling and Manufacturing Support Act of 1992 by this section.

TITLE XI—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

SEC. 1101. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) IN GENERAL.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in subsection (b) of section 406 of title 10, United States Code, as added by section 1110.

(b) FISCAL YEAR 1998 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 1998 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

SEC. 1102. FISCAL YEAR 1998 FUNDING ALLOCATIONS.

(a) IN GENERAL.—Of the fiscal year 1998 Cooperative Threat Reduction funds, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,900,000.

(2) For strategic nuclear arms elimination in Ukraine, $76,700,000.

(3) For fissile material containers in Russia, $7,000,000.

(4) For planning and design of a chemical weapons destruction facility in Russia, $14,400,000.

(5) For planning, design, and construction of a storage facility for Russian fissile material, $57,700,000.

(6) For weapons storage security in Russia, $23,500,000.

(7) For activities designated as Defense and Military-to-Military Contacts in Russia, Ukraine, and Kazakhstan, $7,000,000.

(8) For military-to-military programs of the United States that focus on countering the threat of proliferation of weapons of mass destruction and that include the security forces of the independent states of the former Soviet Union other than Russia, Ukraine, Belarus, and Kazakstan, $2,000,000.

(9) For activities designated as Other Assessments/Administrative Support $18,500,000.

(b) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) If the Secretary of Defense determines that it is necessary to do so in the national interest, the

Secretary may, subject to paragraph (2), obligate amounts for the purposes stated in any of the paragraphs of subsection (a) in excess of the amount specified for those purposes in that paragraph, but not in excess of 115 percent of that amount. However, the total amount obligated for the purposes stated in the paragraphs in subsection (a) may not by reason of the use of the authority provided in the preceding sentence exceed the sum of the amounts specified in those paragraphs.

(2) An obligation for the purposes stated in any of the paragraphs in subsection (a) in excess of the amount specified in that paragraph may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

SEC. 1103. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 1998 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs for any prior fiscal year and remaining available for obligation, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this Act or any other Act may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion.

SEC. 1104. PROHIBITION ON USE OF FUNDS UNTIL SPECIFIED REPORTS ARE SUBMITTED.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended until 15 days after the date that is the latest of the following:

(1) The date on which the President submits to Congress the determinations required under subsection (c) of section 211 of Public Law 102–228 (22 U.S.C. 2551 note) with respect to any certification transmitted to Congress under subsection (b) of that section during the period beginning on Sep-

tember 23, 1996, and ending on the date of the enactment of this Act.

(2) The date on which the Secretary of Defense submits to Congress the annual report required to be submitted not later than January 31, 1998, under section 1206(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 471; 22 U.S.C. 5955 note).

(3) The date on which the Secretary of Defense submits to Congress the report for fiscal year 1997 required under section 1205(c) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2883; 22 U.S.C. 5952 note).

SEC. 1105. LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF CERTIFICATION.

(a) LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF CERTIFICATION.—No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for strategic offensive arms elimination projects in Russia related to the START II Treaty (as defined in section 1302(d) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2701)) until 30 days after the date on which the President submits to Congress a certification in writing that—

(1) implementation of the projects would benefit the national security interest of the United States; and

(2) Russia has agreed to share the cost for the projects.

(b) REPORT.—Not later than 15 days after the date that the President submits to Congress the certification under subsection (a), the Secretary of Defense shall submit to the congressional defense committees a report describing the arrangement between the United States and Russia with respect to the sharing of costs for strategic offensive arms elimination projects in Russia related to the START II Treaty.

SEC. 1106. USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION FACILITY.

(a) LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF NOTIFICATIONS TO CONGRESS.—No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning and design of a chemical weapons destruction facility until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification of an agreement between the United States and Russia with respect to

such chemical weapons destruction facility that includes—

(A) an agreement providing for a limitation on the financial contribution by the United States for the facility;

(B) an agreement that the United States will not pay the costs for infrastructure determined by Russia to be necessary to support the facility; and

(C) an agreement on the site of the facility.

(2) The date on which the Secretary of Defense submits to Congress notification that the Government of Russia has formally approved a plan—

(A) that allows for the destruction of chemical weapons in Russia; and

(B) that commits Russia to pay a portion of the cost for the facility.

(b) PROHIBITION ON USE OF FUNDS FOR FACILITY CONSTRUCTION.—No fiscal year 1998 Cooperative Threat Reduction funds authorized to be obligated in section 1102(a)(4) for planning and design of a chemical weapons destruction facility in Russia may be used for construction of such facility.

SEC. 1107. LIMITATION ON USE OF FUNDS FOR STORAGE FACILITY FOR RUSSIAN FISSILE MATERIAL.

(a) LIMITATION ON USE OF FISCAL YEAR 1998 FUNDS.—No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning, design, or construction of a storage facility for Russian fissile material until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification of an agreement between the United States and Russia that the total share of the cost to the United States for such facility will not exceed $275,000,000.

(2) The date on which the Secretary submits to Congress notification of an agreement between the United States and Russia incorporating the principle of transparency with respect to the use of the facility.

(b) LIMITATION ON USE OF FUNDS FOR FISCAL YEARS BEFORE FISCAL YEAR 1998.—None of the funds appropriated for Cooperative Threat Reduction programs for a fiscal year before fiscal year 1998 and remaining available for obligation on the date of the enactment of this Act may be obligated or expended for planning, design, or construction of a storage facility for Russian fissile material until—

(1) the Secretary of Defense submits to the congressional defense committees a report on the costs and schedule for the planning, design, and construction of the facility and transparency issues relating to the facility; and

(2) 15 days have elapsed following the date of the notification.

SEC. 1108. LIMITATION ON USE OF FUNDS FOR WEAPONS STORAGE SECURITY.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for weapons storage security in Russia until—

(1) the Secretary of Defense submits to the congressional defense committees notification of an agreement between the United States and Russia on audits and examinations with respect to weapons storage security; and

(2) 15 days have elapsed following the date of the notification.

SEC. 1109. REPORT TO CONGRESS ON ISSUES REGARDING PAYMENT OF TAXES OR DUTIES ON ASSISTANCE PROVIDED TO RUSSIA UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Not later than September 30, 1997, the Secretary of Defense shall submit to Congress a report on—

(1) any disputes between the United States and Russia with respect to payment by the United States of taxes or duties on assistance provided to Russia under a Cooperative Threat Reduction program, including a description of the nature of each dispute, the amount of payment disputed, whether the dispute was resolved, and if the dispute was resolved, the means by which the dispute was resolved;

(2) the actions taken by the Secretary to prevent disputes between the United States and Russia with respect to payment by the United States of taxes or duties on assistance provided to Russia under a Cooperative Threat Reduction program;

(3) any agreements between the United States and Russia with respect to payment by the United States of taxes or duties on assistance provided to Russia under a Cooperative Threat Reduction program; and

(4) any proposals of the Secretary on actions that should be taken to prevent disputes between the United States and Russia with respect to payment by the United States of taxes or duties on assistance provided to Russia under a Cooperative Threat Reduction program.

SEC. 1110. LIMITATION ON OBLIGATION OF FUNDS FOR A SPECIFIED PERIOD.

(a) IN GENERAL.—(1) Chapter 20 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 406. Use of Cooperative Threat Reduction program funds: limitation

"(a) IN GENERAL.—In carrying out Cooperative Threat Reduction programs during any fiscal year, the Secretary of Defense may use funds appropriated for those programs only to the extent that those funds were appropriated for that fiscal year or for either of the two preceding fiscal years.

"(b) DEFINITION OF COOPERATIVE THREAT REDUCTION PROGRAMS.—In this section, the term 'Cooperative Threat Reduction programs' means the following programs with respect to states of the former Soviet Union:

"(1) Programs to facilitate the elimination, and the safe and secure transportation and storage, of nuclear, chemical, and other weapons and their delivery vehicles.

"(2) Programs to facilitate the safe and secure storage of fissile materials derived from the elimination of nuclear weapons.

"(3) Programs to prevent the proliferation of weapons, components, and weapons-related technology and expertise.

"(4) Programs to expand military-to-military and defense contacts.".

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

"406. Use of Cooperative Threat Reduction program funds: limitation.".

(b) EFFECTIVE DATE.—Section 406 of title 10, United States Code, as added by subsection (a), shall apply with respect to fiscal years beginning with fiscal year 1998.

SEC. 1111. AVAILABILITY OF FUNDS.

Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—General Matters

SEC. 1201. REPORTS TO CONGRESS RELATING TO UNITED STATES FORCES IN BOSNIA.

(a) SECRETARY OF DEFENSE REPORTS ON NONMILITARY TASKS CARRIED OUT BY UNITED STATES FORCES.—The Secretary of Defense shall submit to the

congressional defense committees two reports identifying each activity being carried out, as of the date of the report, by covered United States forces in Bosnia that is an activity that (as determined by the Secretary) is expected to be performed by an international or local civilian organization once the multinational peacekeeping mission in Bosnia is concluded.

(b) COVERED UNITED STATES FORCES.—For purposes of this section, covered United States forces in Bosnia are United States ground forces in the Republic of Bosnia and Herzegovina that are assigned to the multinational peacekeeping force known as the Stabilization Force (SFOR) or to any other multinational peacekeeping force that is a successor to the Stabilization Force.

(c) MATTERS TO BE INCLUDED.—The Secretary shall include in each report under subsection (a), for each activity identified under that subsection, the following:

(1) The number of United States military personnel involved.

(2) Whether forces assigned to the SFOR (or successor multinational force) from other nations also participated in that activity.

(3) The justification for using military forces rather than civilian organizations to perform that activity.

(d) SUBMISSION OF REPORTS.—The first report under subsection (a) shall be submitted not later than December 1, 1997. The second such report shall be submitted not later than March 31, 1998.

SEC. 1202. ONE-YEAR EXTENSION OF COUNTERPROLIFERATION AUTHORITIES.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 102–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3), by striking out ''or'' after ''fiscal year 1996,'' and by inserting '', or $15,000,000 for fiscal year 1998'' before the period at the end; and

(2) in subsection (f), by striking out ''1997'' and inserting in lieu thereof ''1998''.

SEC. 1203. REPORT ON FUTURE MILITARY CAPABILITIES AND STRATEGY OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the future pattern of military modernization of the People's Republic of China. The report shall address the probable course of military-technological development in the People's Liberation Army and the development of Chinese grand strategy, security strategy, and military strategy,

and of military organizations and operational concepts, through 2015.

(b) MATTERS TO BE INCLUDED.—The report shall include analyses and forecasts of the following:

(1) The goals of Chinese grand strategy, security strategy, and military strategy.

(2) Trends in Chinese political grand strategy meant to establish the People's Republic of China as the leading political power in the Asia-Pacific region and as a political and military presence in other regions of the world, including Central Asia, Southwest Asia, Europe, and Latin America.

(3) Developments in Chinese military doctrine, focusing on (but not limited to) efforts to exploit the emerging Revolution in Military Affairs or to conduct preemptive strikes.

(4) Efforts by the People's Republic of China to enhance its capabilities in the area nuclear weapons development.

(5) Efforts by the People's Republic of China to develop long-range air-to-air or air defense missiles designed to target special support aircraft such as Airborne Warning and Control System (AWACS) aircraft, Joint Surveillance and Target Attack Radar System (JSTARS) aircraft, or other command and

control, intelligence, airborne early warning, or electronic warfare aircraft.

(6) Efforts by the People's Republic of China to develop a capability to conduct ''information warfare'' at the strategic, operational, and tactical levels of war.

(7) Development by the People's Republic of China of capabilities in the area of electronic warfare.

(8) Efforts by the People's Republic of China to develop a capability to establish control of space or to deny access and use of military and commercial space systems in times of crisis or war, including programs to place weapons in space or to develop earth-based weapons capable of attacking space-based systems.

(9) Trends that would lead the People's Republic of China toward the development of advanced intelligence, surveillance, and reconnaissance capabilities, including gaining access to commercial or third-party systems with military significance.

(10) Efforts by the People's Republic of China to develop highly accurate and stealthy ballistic and cruise missiles, including sea-launched cruise missiles, particularly in numbers sufficient to conduct

attacks capable of overwhelming projected defense capabilities in the Asia-Pacific region.

(11) Development by the People's Republic of China of command and control networks, particularly those capable of battle management of long-range precision strikes.

(12) Efforts by the People's Republic of China in the area of telecommunications, including common channel signaling and synchronous digital hierarchy technologies.

(13) Development by People's Republic of China of advanced aerospace technologies with military applications (including gas turbine ''hot section'' technologies).

(14) Programs of the People's Republic of China involving unmanned aerial vehicles, particularly those with extended ranges or loitering times or potential strike capabilities.

(15) Exploitation by the People's Republic of China for military purposes of the Global Positioning System or other similar systems (including commercial land surveillance satellites), with such analysis and forecasts focusing particularly on those signs indicative of an attempt to increase accuracy of

weapons or situational awareness of operating forces.

(16) Development by the People's Republic of China of capabilities for denial of sea control, including such systems as advanced sea mines, improved submarine capabilities, or land-based sea-denial systems.

(17) Efforts by the People's Republic of China to develop its anti-submarine warfare capabilities.

(18) Continued development by the People's Republic of China of follow-on forces, particularly forces capable of rapid air or amphibious assault.

(19) Efforts by the People's Republic of China to enhance its capabilities in such additional areas of strategic concern as the Secretary identifies.

(c) ANALYSIS OF IMPLICATIONS OF SALES OF PRODUCTS AND TECHNOLOGIES TO ENTITIES IN CHINA.—The report under subsection (a) shall include, with respect to each area for analyses and forecasts specified in subsection (b)—

(1) an assessment of the implications of sales of United States and foreign products and technologies to entities in the People's Republic of China; and

(2) the potential threat of developments in that area to United States strategic interests.

(d) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than March 15, 1998.

SEC. 1204. TEMPORARY USE OF GENERAL PURPOSE VEHICLES AND NONLETHAL MILITARY EQUIPMENT UNDER ACQUISITION AND CROSS SERVICING AGREEMENTS.

Section 2350(1) of title 10, United States Code, is amended by striking out ''other items'' in the second sentence and all that follows through ''United States Munitions List'' and inserting in lieu thereof ''other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List promulgated''.

SEC. 1205. DEFENSE BURDENSHARING.

(a) 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) For any nation in which United States military personnel are assigned to permanent duty ashore, 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 by September 30, 2000, 75 percent of such costs. 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 that of the United States by September 30, 1998.

(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, 1998.

(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.

(b) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (a) 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 to the extent otherwise authorized by law:

(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 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, consistent with the terms of such agreement.

(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.

(c) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (a);

(2) all measures taken by the President, including those authorized in subsection (b), to achieve the actions described in subsection (a);

(3) the difference between the amount allocated by other nations for each of the actions described in subsection (a) during the period beginning on March 1, 1996, and ending on February 28, 1997, and during the period beginning on March 1, 1997, and ending on February 28, 1998; and

(4) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(d) 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 con-

version, 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 relative 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, 1998, in classified and unclassified form.

SEC. 1206. PRESIDENTIAL CERTIFICATIONS CONCERNING DETARGETING OF RUSSIAN INTERCONTINENTAL BALLISTIC MISSILES.

(a) REQUIRED CERTIFICATIONS.—Not later than January 1, 1998, the President shall submit to Congress a report containing a certification by the President of each of the following:

(1) Whether it is possible for the United States to verify by technical means that a Russian ICBM is or is not targeted at a site in the United States.

(2) The length of time it would take for a Russian ICBM formerly, but no longer, targeted at a site in the United States to be retargeted at a site in the United States.

(3) Whether a Russian ICBM that was formerly, but is no longer, targeted at a site in the United States would be automatically retargeted at a site in the United States in the event of an accidental launch of such missile.

(b) RUSSIAN ICBMS DEFINED.—For purposes of subsection (a), the term ''Russian ICBM'' means an intercontinental ballistic missile of the Russian Federation.

SEC. 1207. LIMITATION ON PAYMENTS FOR COST OF NATO EXPANSION.

(a) The amount spent by the United States as its share of the total cost to North Atlantic Treaty Organization member nations of the admission of new member nations to the North American Treaty Organization may not exceed 10 percent of the cost of expansion or a total of $2,000,000,000, whichever is less, for fiscal years 1998 through 2010.

(b) If at any time during the period specified in subsection (a), the United States' share of the total cost of expanding the North Atlantic Treaty Organization exceeds 10 percent, no further United States funds may be ex-

pended for the costs of such expansion until that percentage is reduced to below 10 percent.

SEC. 1208. SENSE OF THE CONGRESS RELATING TO LEVEL OF UNITED STATES MILITARY PERSONNEL IN THE ASIA AND PACIFIC REGION.

(a) FINDINGS.—The Congress finds the following:

(1) The stability of the Asia-Pacific region is a matter of vital national interest affecting the well-being of all Americans.

(2) The nations of the Pacific Rim collectively represent the United States largest trading partner and are expected to account for almost one-third of the world's economic activity by the start of the next century.

(3) The increased reliance by the United States on trade and Middle East oil sources has reinforced United States security interests in the Southeast Asia shipping lanes through the South China Sea and the key straits of Malacca, Sunda, Lombok, and Makassar.

(4) The South China Sea is a vital conduit for United States Navy ships passing from the Pacific to the Indian Ocean and the Persian Gulf.

(5) Maintaining freedom of navigation in the South China Sea is a fundamental interest of the United States.

(6) The threats of proliferation of weapons of mass destruction, the emerging nationalism amidst long-standing ethnic and national rivalries, and the unresolved territorial disputes combine to create a political landscape of potential instability and conflict in this region that would jeopardize the interests of the United States and the safety of United States nationals.

(7) A critical component of the East Asia strategy of the United States is maintaining forward deployed forces in Asia to ensure broad regional stability, to help to deter aggression, to lessen the pressure for arms races, and to contribute to the political and economic advances of the region from which the United States benefits.

(8) The forward presence of the United States in Northeast Asia enables the United States to respond to regional contingencies, to protect sea lines of communication, to sustain influence, and to support operations as distant as operations in the Persian Gulf.

(9) The military forces of the United States serve to prevent the political or economic control of the Asia-Pacific region by a rival, hostile power or coalition of such powers, thus preventing any such group from obtaining control over the vast resources, enormous wealth, and advanced technology of the region.

(10) Allies of the United States in the region can base their defense planning on a reliable American security commitment, a reduction of which could stimulate an arms buildup in the region.

(11) The Joint Announcement of the United States-Japan Security Consultative Committee of December 1996, acknowledged that ''the forward presence of U.S. forces continues to be an essential element for pursuing our common security objectives''.

(12) The administration has committed itself on numerous occasions to maintain approximately 100,000 troops in the region, most recently by the President in Australia, the Secretary of Defense in the Quadrennial Defense Review, and the Secretary of State in the Republic of Korea.

(13) The United States and Japan signed the United States-Japan Security Declaration in April

1996, in which the United States reaffirmed its commitment to maintain this level of 100,000 United States military personnel in the region.

(14) The United States military presence is recognized by the nations of the region as serving stability and signaling United States engagement.

(15) The nations of East Asia and the Pacific consider the commitment of the forces of the United States to be so vital to their future that they scrutinize actions of the United States for any sign of weakened commitment to the security of the region.

(16) The reduction of forward-based military forces could negatively affect the ability of the United States to contribute to the maintenance of peace and stability of the Asia and Pacific region.

(17) Recognizing that while the United States must consider the overall capabilities of its forces in its decisions to deploy troops, nevertheless any reduction in the number of forward-based troops may reduce the perception of American capability and commitment in the region that cannot be completely offset by modernization of the remaining forces.

(18) During time of crisis, redeployment of forces previously removed from the area might itself be deemed an act of provocation that could be used

as a pretext by a hostile power for armed aggression within the region, and the existence of that possibility might hinder such a deployment.

(19) Proposals to reduce the forward presence of the United States in Asia or drastically subordinate security interests to United States domestic budgetary concerns can erode the perception of the commitment of the United States to its alliances and interests in the region.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should maintain approximately 100,000 United States military personnel in the Asia and Pacific region until such time as there is a peaceful and permanent resolution to the major security and political conflicts in the region.

SEC. 1209. SENSE OF THE CONGRESS ON NEED FOR RUSSIAN OPENNESS ON THE YAMANTAU MOUNTAIN PROJECT.

(a) FINDINGS.—Congress finds as follows:

(1) The United States and Russia have been working in the post-Cold War era to establish a new strategic relationship based on cooperation and openness between the two nations.

(2) This effort to establish a new strategic relationship has resulted in the conclusion or agreement

in principle on a number of far-reaching agreements, including START I, II, and III, a revision in the Conventional Forces in Europe Treaty, and a series of other agreements (such as the Comprehensive Test Ban Treaty and the Chemical Weapons Convention), designed to further reduce bilateral threats and limit the proliferation of weapons of mass destruction.

(3) These far-reaching agreements were based on the understanding between the United States and Russia that there would be a good faith effort on both sides to comply with the letter and spirit of the agreements, that both sides would end their Cold War competition, and that neither side would seek to gain or maintain unilateral strategic advantage over the other.

(4) Reports indicate that Russia has been pursuing construction of a massive underground facility of unknown purpose at Yamantau Mountain and the city of Mezhgorye (formerly the settlements of Beloretsk-15 and Beloretsk-16) that is designed to survive a nuclear war and appears to exceed reasonable defense requirements.

(5) The Yamantau Mountain project does not appear to be consistent with the lowering of strate-

gic threats, openness, and cooperation that is the basis of the post-Cold War strategic partnership between the United States and Russia.

(6) Russia appears to have engaged in a campaign to deliberately conceal and mislead the United States about the purpose of the Yamantau Mountain project, as shown by the following:

(A) General and Bashkortostan, People's Deputy Leonid Akimovich Tsirkunov, commandant of Beloretsk-15 and Beloretsk-16, stated in 1991 and 1992 that the purpose of the construction there was to build a mining and ore-processing complex, but later claimed that it was an underground warehouse for food and clothing.

(B) M.Z. Shakiorov, a former communist official in the region, alleged in 1992 that the Yamantau Mountain facility was to become a shelter for the Russian national leadership in case of nuclear war.

(C) Sources of the Segodnya newspaper in 1996 claimed that the Yamantau Mountain project was associated with the so-called ''Dead Hand'' nuclear retaliatory command and control system for strategic missiles.

(D) Then Commander-in-Chief of the Strategic Rocket Forces General Igor Sergeyev denied that the facility was associated with nuclear forces.

(E) R. Zhukov, a Deputy in the State Assembly, in 1996 claimed that the Yamantau Mountain facility belonged to ''atomic scientists'' and posed a serious environmental hazard.

(F) Russia's 1997 federal budget lists the project as a closed territory containing installations of the Ministry of Defense, while First Deputy Defense Minister Andrey Kokoshin recently stated that the Ministry of Defense has nothing to do with the project.

(7) Continued cooperation and progress on forging a new strategic relationship between the United States and Russia requires that both nations make transparent to one another major projects underway or plans under consideration that could alter the strategic balance sought in arms control agreements or otherwise be construed by the other side as an important new potential threat.

(8) The United States has allowed senior Russian military and government officials to have access

to key strategic facilities of the United States by providing tours of the North American Air Defense (NORAD) command at Cheyenne Mountain and the United States Strategic Command (STRACOM) headquarters in Omaha, Nebraska, among other sites, and by providing extensive briefings on the operations of those facilities.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that—

(1) the Russian government should provide to the United States a written explanation on the principal and secondary purposes of the Yamantau Mountain project, specifically identifying the intended end user and explaining the heavy investment in that project;

(2) the Russian government should allow a United States delegation, including officials of the executive branch, Members of Congress, and United States experts on underground facilities, to have access to the Yamantau Mountain project to inspect the facility and all rail-served buildings in the southern and northern settlements located near Yamantau; and

(3) the Russian government should direct senior officials responsible for the Yamantau Mountain

project to explain to such a United States delegation the purpose and operational concept of all completed and planned underground facilities at Yamantau Mountain in sufficient detail (including through the use of drawings and diagrams) to support a high-confidence judgment by the United States delegation that the design is consistent with the official explanations.

SEC. 1210. UNITED STATES ARMED FORCES IN BOSNIA.

(a) LIMITATION.—Funds appropriated or otherwise made available for the Department of Defense may not be obligated for the deployment of any ground elements of the United States Armed Forces in the Republic of Bosnia and Herzegovina after—

(1) June 30, 1998; or

(2) such later date as may be specifically prescribed by law after the date of the enactment of this Act, based upon a request from the President or otherwise as the Congress may determine.

(b) EXCEPTIONS.—The limitation in subsection (a) shall not apply to the extent necessary to support (1) a limited number of United States military personnel sufficient only to protect United States diplomatic facilities in existence on the date of the enactment of this Act, and (2) noncombat military personnel sufficient only to advise

the commanders North Atlantic Treaty Organization peacekeeping operations in the Republic of Bosnia and Herzegovina.

(c) CONSTRUCTION OF SECTION.—Nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

SEC. 1211. LIMITATION ON SUPPORT FOR LAW ENFORCEMENT ACTIVITIES IN BOSNIA.

None of the funds appropriated or otherwise made available to the Department of Defense may be obligated or expended after the date of the enactment of this Act for the conduct of, or direct support for, law enforcement activities in the Republic of Bosnia and Herzegovina, except for the training of law enforcement personnel or to prevent imminent loss of life.

SEC. 1212. PRESIDENTIAL REPORT ON POLITICAL AND MILITARY CONDITIONS IN BOSNIA.

(a) REPORT.—Not later than December 15, 1997, the President shall submit to Congress a report on the political and military conditions in the Republic of Bosnia and Herzegovina (hereafter in this section referred to as Bosnia-Herzegovina). Of the funds available to the Secretary of Defense for fiscal year 1998 for the operation of United States ground forces in Bosnia-Herzegovina

during that fiscal year, no more than 60 percent may be expended before the report is submitted.

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

(1) An identification of the specific steps taken by the United States Government to transfer the United States portion of the peacekeeping mission in the Republic of Bosnia and Herzegovina to European allied nations or organizations.

(2) A detailed discussion of the proposed role and involvement of the United States in supporting peacekeeping activities in the Republic of Bosnia and Herzegovina following the withdrawal of United States ground forces from the Republic of Bosnia and Herzegovina pursuant to section 1205.

(3) A detailed explanation and timetable for carrying out the President's commitment to withdraw all United States ground forces from Bosnia-Herzegovina by the end of June 1998, including the planned date of commencement and completion of the withdrawal.

(4) The date on which the transition from the multinational force known as the Stabilization Force to the planned multinational successor force to be known as the Deterrence Force will occur and how

the decision as to that date will impact the estimates of costs associated with the operation of United States ground forces in Bosnia-Herzegovina during fiscal year 1998 as contained in the President's budget for fiscal year 1998.

(5) The military and political considerations that will affect the decision to carry out such a transition.

(6) Any plan to maintain or expand other Bosnia-related operations (such as the operation designated as Operation Deliberate Guard) if tensions in Bosnia-Herzegovina remain sufficient to delay the transition from the Stabilization Force to the Deterrence Force and the estimated cost associated with each such operation.

(7) Whether allied nations participating in the Bosnia mission have similar plans to increase and maintain troop strength or maintain ground forces in Bosnia-Herzegovina and, if so, the identity of each such country and a description of that country's plans.

(c) STABILIZATION FORCE DEFINED.—As used in this section, the term "Stabilization Force" (referred to as "SFOR") means the follow-on force to the Implementation Force (known as "IFOR") in the Republic of Bosnia

and Herzegovina and other countries in the region, authorized under United Nations Security Council Resolution 1008 (December 12, 1996).

Subtitle B—Matters Relating To Prevention of Technology Diversion

SEC. 1231. FINDINGS.

Congress finds as follows:

(1) There have been numerous reports of United States-origin supercomputers being obtained by countries of proliferation concern for use in weapon development programs.

(2) China is considered by the United States Government to be a country of proliferation concern.

(3) According to United States officials, China has acquired at least 47 United States-origin supercomputers.

(4) Recent reports indicate that China has purchased hundreds of supercomputers for use in its weapons programs and that the United States is unsure of the location of those supercomputers or the purposes for which they are being used.

(5) China has refused to allow the United States to conduct post-shipment verifications of dual-use items exported from the United States to

ensure that those items are not diverted to military use.

(6) China has in the past diverted dual-use items intended for civilian use to military purposes.

SEC. 1232. EXPORT APPROVALS FOR SUPERCOMPUTERS.

(a) PRIOR APPROVAL OF EXPORTS AND REEXPORTS.—The President shall require that no digital computer with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) may be exported or reexported to a country specified in subsection (b) without the prior written approval of the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency.

(b) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as ''computer tier 3'' eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

(c) TIME LIMIT.—The Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency shall provide a written response to an application for export approval under subsection (a)

within 10 days after the application is received. If any such Secretary or the Director declines to approve the export of a computer, the computer may be exported or reexported only pursuant to a license issued by the Secretary of Commerce under the Export Administration Regulations of the Department of Commerce, and without regard to the licensing exceptions otherwise authorized under section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1233. REPORT ON EXPORTS OF SUPERCOMPUTERS.

(a) REPORT.—Not later than 30 days after the date of the enactment of this Act, the President shall provide to the congressional committees specified in subsection (d) a report identifying all exports of digital computers with a composite theoretical performance of over 2,000 millions of theoretical operations per second (MTOPS) to all countries since January 25, 1996. For each export, the report shall identify—

(1) whether an export license was applied for and whether one was granted;

(2) the date of the transfer of the computer;

(3) the United States manufacturer and exporter of the computer;

(4) the MTOPS level of the computer; and

(5) the recipient country and end user.

(b) ADDITIONAL INFORMATION ON EXPORTS TO CERTAIN COUNTRIES.—In the case of exports to countries specified in subsection (c), the report under subsection (a) shall identify the intended end use for the exported computer and the assessment by the executive branch of whether the end user is a military end user or an end user involved in activities relating to nuclear, chemical, or biological weapons or missile technology. Information provided under this subsection may be submitted in classified form if necessary.

(c) COVERED COUNTRIES.—For purposes of subsection (b), the countries specified in this subsection are—

(1) the countries listed as ''computer tier 3'' eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997; and

(2) the countries listed in section 740.7(e) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

(d) CONGRESSIONAL COMMITTEES.—For purposes of subsection (a), the congressional committees specified in this subsection are the following:

(1) The Committee on Banking, Housing, and Urban Affairs and the Committee on Armed Services of the Senate.

(2) The Committee on International Relations and the Committee on National Security of the House of Representatives.

SEC. 1234. POST-SHIPMENT VERIFICATION OF EXPORT OF SUPERCOMPUTERS.

(a) REQUIRED POST-SHIPMENT VERIFICATION.—The Secretary of Commerce shall conduct post-shipment verification of each supercomputer that is exported from the United States, on or after the date of the enactment of this Act, to a country specified in subsection (c).

(b) COVERED SUPERCOMPUTERS.—Subsection (a) applies with respect to a digital computer with a composite theoretical performance in excess of 2,000 millions of theoretical operations per second (MTOPS).

(c) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as ''computer tier 3'' eligible countries in section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

(d) ANNUAL REPORT.—The Secretary of Commerce shall submit to the congressional committees specified in subsection (f) an annual report on the results of post-shipment verifications conducted under this section during the preceding year. Each such report shall include a list of all such items exported from the United States to such

countries during the previous year and, with respect to each such export, the following:

(1) The destination country.

(2) The date of export.

(3) The intended end use and intended end user.

(4) The results of the post-shipment verification.

(e) EXPLANATION WHEN VERIFICATION NOT CONDUCTED.—If a post-shipment verification has not been conducted in accordance with subsection (a) with respect to any such export during the period covered by a report, the Secretary shall include in the report for that period a detailed explanation of the reasons why such a post-shipment verification was not conducted.

(f) CONGRESSIONAL COMMITTEES.—For purposes of subsection (a), the congressional committees specified in this subsection are the following:

(1) The Committee on National Security and the Committee on International Relations of the House of Representatives.

(2) The Committee on Armed Services and the Committee on Banking, Housing, and Urban Affairs of the Senate.

TITLE XIII—DEFENSE PERSONNEL REFORMS

SEC. 1301. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 3 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 130a. Management headquarters and headquarters support activities personnel: limitation

''(a) LIMITATION.—Effective October 1, 2001, the number of management headquarters and headquarters support activities personnel in the Department of Defense may not exceed the 75 percent of the baseline number.

''(b) PHASED REDUCTION.—The number of management headquarters and headquarters support activities personnel in the Department of Defense—

''(1) as of October 1, 1998, may not exceed 90 percent of the baseline number;

''(2) as of October 1, 1999, may not exceed 85 percent of the baseline number; and

''(3) as of October 1, 2000, may not exceed 80 percent of the baseline number.

''(c) BASELINE NUMBER.—In this section, the term 'baseline number' means the number of management

headquarters and headquarters support activities personnel in the Department of Defense as of October 1, 1997.

"(d) MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES PERSONNEL DEFINED.—In this section:

"(1) The term 'management headquarters and headquarters support activities personnel' means military and civilian personnel of the Department of Defense who are assigned to, or employed in, functions in management headquarters activities or in management headquarters support activities.

"(2) The terms 'management headquarters activities' and 'management headquarters support activities' have the meanings given those terms in Department of Defense Directive 5100.73, entitled 'Department of Defense Management Headquarters and Headquarters Support Activities', as in effect on November 12, 1996.

"(e) LIMITATION ON REASSIGNMENT OF FUNCTIONS.—In carrying out reductions in the number of personnel assigned to, or employed in, management headquarters and headquarters support activities in order to comply with this section, the Secretary of Defense and the Secretaries of the military departments may not reassign

functions in order to evade the requirements of this section.

"(f) FLEXIBILITY.—If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (b) with respect to any fiscal year would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (a) during fiscal year 2001 would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. The authority under this subsection may be used only once, with respect to a single fiscal year.".

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

"130a. Management headquarters and headquarters support activities personnel: limitation.".

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to achieve the personnel reductions required by section 130a of title 10, United States Code, as added by subsection (a); and

(2) including the recommendations of the Secretary regarding—

(A) the revision, replacement, or augmentation of Department of Defense Directive 5100.73, entitled ''Department of Defense Management Headquarters and Headquarters Support Activities'', as in effect on November 12, 1996; and

(B) the revision of the definitions of the terms ''management headquarters activities'' and ''management headquarters support activities'' under that Directive so that those terms apply uniformly throughout the Department of Defense.

(c) CODIFICATION OF PRIOR PERMANENT LIMITATION ON OSD PERSONNEL.—(1) Chapter 4 of title 10, United States Code, is amended by adding at the end a new section 143 consisting of—

(A) a heading as follows:

''§ 143. Office of the Secretary of Defense personnel: limitation'';

and

(B) a text consisting of the text of subsections (a) through (f) of section 903 of the National De-

fense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617).

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

"143. Office of the Secretary of Defense personnel: limitation.".

(3) Section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617) is repealed.

SEC. 1302. ADDITIONAL REDUCTION IN DEFENSE ACQUISITION WORKFORCE.

(a) IN GENERAL.—(1) Chapter 87 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1765. Limitations on number of personnel

"(a) LIMITATION.—Effective October 1, 2001, the number of defense acquisition personnel may not exceed the baseline number reduced by 124,000.

"(b) PHASED REDUCTION.—The number of the number of defense acquisition personnel—

"(1) as of October 1, 1998, may not exceed the baseline number reduced by 40,000;

"(2) as of October 1, 1999, may not exceed the baseline number reduced by 80,000; and

"(3) as of October 1, 2000, may not exceed the baseline number reduced by 102,000.

"(c) BASELINE NUMBER.—For purposes of this section, the baseline number is the total number of defense acquisition personnel as of October 1, 1997.

"(d) DEFENSE ACQUISITION PERSONNEL DEFINED.—(1) In this section, the term 'defense acquisition personnel' means military and civilian personnel (other than civilian personnel described in paragraph (2)) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58 dated January 14, 1992).

"(2) Such term does not include civilian employees of the Department of Defense who are employed at a maintenance depot.".

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

"1765. Limitations on number of personnel.".

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to achieve the personnel reductions required by section 1765 of title 10, United States Code, as added by subsection (a); and

(2) containing any recommendations (including legislative proposals) that the Secretary considers necessary to fully achieve such reductions.

(c) TECHNICAL REFERENCE CORRECTION.—Section 1721(c) of title 10, United States Code, is amended by striking out ''November 25, 1988'' and inserting in lieu thereof ''November 12, 1996''.

SEC. 1303. AVAILABILITY OF FUNDS FOR SEPARATION PAY FOR DEFENSE ACQUISITION PERSONNEL.

Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $100,000,000 shall be available only for the payment of separation pay under section 5597 of title 5, United States Code, to civilian employees of the Department of Defense who are defense acquisition personnel (as defined in section 1765(d) of title 10, United States Code).

SEC. 1304. PERSONNEL REDUCTIONS IN UNITED STATES TRANSPORTATION COMMAND.

(a) PURPOSE OF REDUCTION.—The purpose of the reduction in the number of United States Transportation Command personnel is to recognize and continue the effort of the Secretary of Defense to achieve the United States Transportation Command reengineering reform

plan to eliminate administrative duplication and process inefficiencies.

(b) REDUCTION IN UNITED STATES TRANSPORTATION COMMAND PERSONNEL.—(1) Effective October 1, 1998, the number of United States Transportation Command personnel may not exceed the number equal to the baseline number reduced by 1,000.

(2) For purposes of this section, the baseline number is the total number of United States Transportation Command personnel as of September 30, 1997.

(c) UNITED STATES TRANSPORTATION COMMAND PERSONNEL DEFINED.—For purposes of this section, the term ''United States Transportation Command personnel'' means military and civilian personnel who are assigned to, or employed in, the United States Transportation Command Headquarters, Air Force Air Mobility Command, Navy Military Sealift Command, Army Military Traffic Management Command, and Defense Courier Service.

(d) SOURCE OF REDUCTIONS.—In reducing the number of United States Transportation Command personnel as required by subsection (b), the Secretary of Defense shall limit such reductions to the United States Transportation Command personnel who are in the following occupational classifications established to group similar occupations and work positions into a consistent structure:

(1) Enlisted members in the Functional Support and Administration classification (designated as occupational code 5XX), as described in Department of Defense Instruction 1312.1, dated August 9, 1995, regarding ''Department of Defense Occupational Information Collection and Reporting''.

(2) Officers in the General Officers and Executives classification (designated as occupational code 1XX), Administrators (designated as occupational code 7XX), and Supply, Procurement, and Allied Officers classification (designated as occupational code 8XX), as described in such instruction.

(3) Civilian personnel in the Program Management classification (designated as occupational code GS–0340), Accounting and Budget classification (designated as occupational code GS–0500 and related codes), Business and Industry classification (designated as occupational code GS–1100 and related codes), and Supply classification (designated as occupational code GS–2000 and related codes), as described in Office of Personnel Management document El–12, dated November 1, 1995, entitled ''Federal Occupational Groups''.

(e) WAIVER AUTHORITY.—The Secretary of Defense may waive or suspend operation of this section in the event of a war or national emergency.

TITLE XIV—DEFENSE BUSINESS PRACTICES REFORMS

Subtitle A—Competitive Procurement Requirements

SEC. 1401. COMPETITIVE PROCUREMENT OF FINANCE AND ACCOUNTING SERVICES.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2784. Competitive procurement of finance and accounting services

''(a) STUDY AND REPORT.—(1) Not later than December 1, 1997, the Secretary of Defense shall initiate a study regarding the competitive procurement of finance and accounting services for the Department of Defense, including non-appropriated fund instrumentalities of the Department of Defense. The study shall analyze the conduct of competitions among private-sector sources and the Defense Finance and Accounting Service and other interested Federal agencies.

"(2) Not later than June 1, 1998, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under paragraph (1).

"(b) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1999, the Secretary of Defense shall competitively procure finance and accounting services for the Department of Defense, including nonappropriated fund instrumentalities of the Department of Defense. The Secretary shall conduct competitions among private-sector sources and the Defense Finance and Accounting Service and other interested Federal agencies. Such a competition shall not involve competition between components of the Defense Finance and Accounting Service.

"(c) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (b) for the procurement of finance and accounting services that are being provided by a component of the Defense Finance and Accounting Service, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.".

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

"2784. Competitive procurement of finance and accounting services.".

SEC. 1402. COMPETITIVE PROCUREMENT OF SERVICES TO DISPOSE OF SURPLUS DEFENSE PROPERTY.

(a) COMPETITIVE PROCUREMENT REQUIRED.—(1) Chapter 153 of title 10, United States Code, is amended by inserting after section 2572 the following new section:

"§ 2573. Competitive procurement of services to dispose of surplus property

"(a) COMPETITIVE PROCUREMENT OF SERVICES.—Beginning not later than October 1, 1998, the Secretary of Defense shall competitively procure services for the Department of Defense in connection with the disposal of surplus property at each site at which the Defense Reutilization and Marketing Service operates. The Secretary shall conduct competitions among private-sector sources and the Defense Reutilization and Marketing Service and other interested Federal agencies for the performance of all such services at a particular site.

"(b) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (a) for the procurement of services described in such subsection that are being provided by a component of the Defense Reutilization and Marketing Service, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

"(c) REPORTING REQUIREMENTS.—Not later than 90 days after the end of each fiscal year in which services

for the disposal of surplus property are competitively procured under subsection (a), the Secretary of Defense shall submit to Congress a report specifying—

"(1) the type and volume of such services procured by the Department of Defense during that fiscal year from the Defense Reutilization and Marketing Service and from other sources;

"(2) the former sites of the Defense Reutilization and Marketing Service operated during that fiscal year by contractors (other than the Defense Reutilization and Marketing Service); and

"(3) the total amount of any fees paid by such contractors in connection with the performance of such services during that fiscal year.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter the requirements regarding the identification or demilitarization of an item of excess property or surplus property of the Department of Defense before the disposal of the item.

"(e) DEFINITIONS.—In this section:

"(1) The term 'surplus property' means any personal excess property which is not required for the needs and the discharge of the responsibilities of all Federal agencies and the disposal of which is the responsibility of the Department of Defense.

"(2) The term 'excess property' means any personal property under the control of the Department of Defense which is not required for its needs and the discharge of its responsibilities, as determined by the Secretary of Defense.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2572 the following new item:

"2573. Competitive procurement of services to dispose of surplus property.".

(b) IMPLEMENTATION REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to implement the competitive procurement requirements of section 2573 of title 10, United States Code, as added by subsection (a); and

(2) identifying other functions of the Defense Reutilization and Marketing Service that the Secretary considers suitable for performance by private-sector sources.

SEC. 1403. COMPETITIVE PROCUREMENT OF FUNCTIONS PERFORMED BY DEFENSE INFORMATION SYSTEMS AGENCY.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2474. Competitive procurement of information services

"(a) STUDY AND REPORT.—(1) Not later than December 1, 1997, the Secretary of Defense shall initiate a study regarding the competitive procurement of those commercial and industrial type functions performed before the date of the enactment of this Act by the Defense Information Systems Agency, with particular regard to the functions performed at the entities known as megacenters. The study shall analyze the conduct of competitions among private-sector sources and the Defense Information Systems Agency and other interested Federal agencies.

"(2) Not later than June 1, 1998, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under paragraph (1).

"(b) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1999, the Secretary of Defense shall competitively procure those commercial and industrial type functions performed before that date by the Defense Information Systems Agency. The Secretary shall conduct competitions among private-sector sources and the Defense Information Systems Agency and other interested Federal agencies.

"(c) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (b) for the procurement of information services that are being pro-

vided by a component of the Defense Information Systems Agency, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

"(d) EXCEPTION FOR CLASSIFIED FUNCTIONS.—(1) The requirement of subsection (b) shall not apply to the procurement of services involving a classified function performed by the Defense Information Systems Agency.

"(2) In this subsection, the term 'classified function' means any telecommunications or information services that—

"(A) involve intelligence activities;

"(B) involve cryptologic activities related to national security;

"(C) involve command and control of military forces;

"(D) involve equipment that is an integral part of a weapon or weapons system; or

"(E) are critical to the direct fulfillment of military or intelligence missions (other than routine administrative and business applications, such as payroll, finance, logistics, and personnel management applications).".

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

"2474. Competitive procurement of information services.".

SEC. 1404. COMPETITIVE PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

(a) EXTENSION.—Subsection (a) of section 351 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 266) is amended—

(1) by striking out "and 1997" and inserting in lieu thereof "through 1998"; and

(2) by striking out "Defense Printing Service" and inserting in lieu thereof "Defense Automation and Printing Service".

(b) PROHIBITION ON SURCHARGE FOR SERVICES.—Such section is further amended by adding at the end the following new subsection:

"(d) PROHIBITION ON IMPOSITION OF SURCHARGE.—The Defense Automation and Printing Service may not impose a surcharge on any printing and duplication service for the Department of Defense that is procured from a source outside of the Department.".

SEC. 1405. COMPETITIVE PROCUREMENT OF CERTAIN OPHTHALMIC SERVICES.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1998, the Secretary of

Defense shall competitively procure from private-sector sources, or other sources outside of the Department of Defense, all ophthalmic services related to the provision of single vision and multivision eyeware for members of the Armed Forces, retired members, and certain covered beneficiaries under chapter 55 of title 10, United States Code, who would otherwise receive such ophthalmic services through the Department of Defense.

(b) EXCEPTION.—Subsection (a) shall not apply to the extent that the Secretary of Defense determines that the use of sources within the Department of Defense to provide such ophthalmic services—

(1) is necessary to meet the readiness requirements of the Armed Forces; or

(2) is more cost effective.

(c) COMPLETION OF EXISTING ORDERS.—Subsection (a) shall not apply to orders for ophthalmic services received on or before September 30, 1998.

SEC. 1406. COMPETITIVE PROCUREMENT OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS BY DEFENSE AGENCIES.

(a) COMPETITION REQUIRED.—Section 2461 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

''(g) COMPETITIVE PROCUREMENT BY DEFENSE AGENCIES.—(1) Beginning not later than September 30, 1999 (unless an earlier effective date is otherwise required for a specific Defense Agency), the Secretary of Defense shall competitively procure those commercial and industrial type functions performed before that date by a Defense Agency. The Secretary shall conduct competitions among private-sector sources and the Defense Agency involved and other interested Federal agencies.

''(2) Before conducting a competition under subsection (a) for the procurement of a commercial or industrial type function that is being performed by a component of a Defense Agency, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

''(3) In this subsection, the term 'Defense Agency' means a program activity specified in the table entitled 'Program and Financing' for operation and maintenance, Defense-wide activities, in the budget of the President transmitted to Congress for fiscal year 1998 pursuant to section 1105 of title 31 (and any successor of such activity).''.

(b) IMPLEMENTATION REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to implement the competitive procurement requirements of section 2461(g) of title 10, United States Code, as added by subsection (a).

Subtitle B—Reform of Conversion Process

SEC. 1411. DEVELOPMENT OF STANDARD FORMS REGARDING PERFORMANCE WORK STATEMENT AND REQUEST FOR PROPOSAL FOR CONVERSION OF CERTAIN OPERATIONAL FUNCTIONS OF MILITARY INSTALLATIONS.

(a) STANDARD FORMS REQUIRED.—Chapter 146 of title 10, United States Code, is amended by inserting after section 2474, as added by section 1403, the following new section:

"§ 2475. Military installations: use of standard forms in conversion process

"(a) STANDARDIZATION OF REQUIREMENTS.—(1) The Secretary of Defense shall develop standard forms (to be known as a 'standard performance work statement' and a 'standard request for proposal') to be used in the consideration for conversion to contractor performance of those commercial services and functions at military installations that have been converted to contractor performance at a

rate of 50 percent or more, as determined under subsection (c).

"(2) A separate standard form shall be developed for each service and function covered by paragraph (1) and the forms shall be used throughout the Department of Defense in lieu of the performance work statement and request for proposal otherwise required under the procedures and requirements of Office of Management and Budget Circular A–76 (or any successor administrative regulation or policy).

"(3) The Secretary shall develop and implement the standard forms not later than October 1, 1998.

"(b) INAPPLICABILITY OF ELEMENTS OF OMB CIRCULAR A–76.—On and after October 1, 1998, the procedures and requirements of Office of Management and Budget Circular A–76 regarding performance work statements and requests for proposals shall not apply with respect to the conversion to contractor performance at a military installation of a service or function for which a standard form is required under subsection (a).

"(c) DETERMINATION OF CONTRACTOR PERFORMANCE PERCENTAGE.—In determining the percentage at which a particular commercial service or function at military installations has been converted to contractor performance, the Secretary of Defense shall take into consid-

eration all military installations and use the final estimate of the percentage of contractor performance of services and functions contained in the most recent commercial and industrial activity inventory database established under Office of Management and Budget Circular A–76.

"(d) EXCLUSION OF MULTI-FUNCTION CONVERSION.—If a commercial service or function for which a standard form is developed under subsection (a) is combined with another service or function (for which such a form is not required) for purposes of considering the services and functions at the military installation for conversion to contractor performance, a standard form developed under subsection (a) may not be used in the conversion process in lieu of the procedures and requirements of Office of Management and Budget Circular A–76 regarding performance work statements and requests for proposals.

"(e) EFFECT ON OTHER LAWS.—Nothing in this section shall be construed to supersede any other requirements or limitations, specifically contained in this chapter, on the conversion to contractor performance of activities performed by civilian employees of the Department of Defense.

"(f) MILITARY INSTALLATION DEFINED.—In this section, the term 'military installation' means a base, camp, post, station, yard, center, homeport facility for any

ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2474, as added by section 1403, the following new item:

''2475. Military installations: use of standard forms in conversion process.''.

SEC. 1412. STUDY AND NOTIFICATION REQUIREMENTS FOR CONVERSION OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

(a) NOTIFICATION.—Section 2461 of title 10, United States Code, is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

''(a) NOTIFICATION OF CONVERSION STUDY.—(1) In the case of a commercial or industrial type function of the Department of Defense that on October 1, 1980, was being performed by Department of Defense civilian employees, the Secretary of Defense shall notify Congress of any decision to study the function for possible conversion to performance by a private contractor. The notification shall include information regarding the anticipated length and cost of the study.

"(2) A study of a commercial or industrial type function for possible conversion to contractor performance shall include the following:

"(A) A comparison of the performance of the function by Department of Defense civilian employees and by private contractor to determine whether contractor performance will result in savings to the Government over the life of the contract.

"(B) An examination of the potential economic effect on employees who would be affected by the conversion, and the potential economic effect on the local community and the United States if more than 75 employees perform the function.

"(C) An examination of the effect of contracting for performance of the function on the military mission of the function.

"(b) NOTIFICATION OF CONVERSION DECISION.—If, as a result of the completion of a study under subsection (a) regarding the possible conversion of a function to performance by a private contractor, a decision is made to convert the function to contractor performance, the Secretary of Defense shall notify Congress of the conversion decision. The notification shall—

"(1) indicate that the study conducted regarding conversion of the function to performance by a private contractor has been completed;

"(2) certify that the comparison required by subsection (a)(2)(A) as part of the study demonstrates that the performance of the function by a private contractor will result in savings to the Government over the life of the contract;

"(3) certify that the entire comparison is available for examination; and

"(4) contain a timetable for completing conversion of the function to contractor performance.".

(b) WAIVER FOR SMALL FUNCTIONS.—Subsection (d) of such section is amended by striking out "45 or fewer" and inserting in lieu thereof "20 or fewer".

SEC. 1413. COLLECTION AND RETENTION OF COST INFORMATION DATA ON CONTRACTED OUT SERVICES AND FUNCTIONS.

(a) COLLECTION AND RETENTION REQUIRED.—Section 2463 of title 10, United States Code, is amended—

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

(2) by inserting after the section heading the following new subsection:

"(a) REQUIREMENTS IN CONNECTION WITH CONVERSION TO CONTRACTOR PERFORMANCE.—With respect to each contract converting the performance of a service or function of the Department of Defense to contractor performance (and any extension of such a contract), the Secretary of Defense shall collect, during the term of the contract or extension, but not to exceed five years, cost information data regarding performance of the service or function by private contractor employees. The Secretary shall provide for the permanent retention of information collected under this subsection.".

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

(1) in subsection (b), as redesignated by subsection (a)(1)—

(A) by striking out the subsection heading and inserting in lieu thereof "REQUIREMENTS IN CONNECTION WITH RETURN TO EMPLOYEE PERFORMANCE.—"; and

(B) by striking out "to which this section applies" and inserting in lieu thereof "described in subsection (c),"; and

(2) in subsection (c), as redesignated by subsection (a)(1)—

(A) by striking out the subsection heading and inserting in lieu thereof ''COVERED FISCAL YEARS.—''; and

(B) by striking out ''This section'' and inserting in lieu thereof ''Subsection (b)''.

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

''§ 2463. Collection and retention of cost information data on contracted out services and functions

(2) The item relating to such section in the table of sections at the beginning of chapter 146 of title 10, United States Code, is amended to read as follows:

''2463. Collection and retention of cost information data on contracted out services and functions.''.

Subtitle C—Other Reforms

SEC. 1421. REDUCTION IN OVERHEAD COSTS OF INVENTORY CONTROL POINTS.

(a) REDUCTION IN COSTS REQUIRED.—The Secretary of Defense shall take such actions as may be necessary to reduce the annual overhead costs of the supply management activities of the Defense Logistics Agency and the military departments (known as Inventory Control Points) so that the annual overhead costs are not more than eight percent of annual net sales at standard price by the Inventory Control Points.

(b) TIME TO ACHIEVE REDUCTION.—The Secretary shall achieve the cost reductions required by subsection (a) not later than September 30, 2000.

(c) IMPLEMENTATION PLAN.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a plan to achieve the reduction in overhead costs required by subsection (a).

(d) DEFINITIONS.—For purposes of this section:

(1) The term ''overhead costs'' means the total expenses of the Inventory Control Points, excluding—

(A) annual materiel costs; and

(B) military and civilian personnel related costs, defined as personnel compensation and benefits under the March 1996 Department of Defense Financial Management Regulations, Volume 2A, Chapter 1, Budget Account Title File (Object Classification Name/Code), object classifications 200, 211, 220, 221, 222, and 301.

(2) The term ''net sales at standard price'' has the meaning given that term in the March 1996 Department of Defense Financial Management Regulations, Volume 2B, Chapter 9, and displayed in ''Ex-

hibit Fund—14 Revenue and Expenses'' for the supply management business areas.

SEC. 1422. CONSOLIDATION OF PROCUREMENT TECHNICAL ASSISTANCE AND ELECTRONIC COMMERCE TECHNICAL ASSISTANCE.

(a) CONSOLIDATION OF ASSISTANCE.—Chapter 142 of title 10, United States Code, is amended as follows:

(1) Sections 2412, 2414, 2417, and 2418 are each amended by inserting ''and electronic commerce'' after ''procurement'' each place it appears.

(2) Section 2413 is amended—

(A) in subsection (b), by striking out ''procurement technical assistance'' and inserting in lieu thereof ''both procurement technical assistance and electronic commerce technical assistance''; and

(B) in subsection (c), by inserting ''and electronic commerce'' after ''procurement''.

(b) REQUIREMENT TO USE COMPETITIVE PROCEDURES.—Section 2413 of such title is amended by adding at the end the following new subsection:

''(d) The Secretary shall use competitive procedures in entering into cooperative agreements under subsection (a).''.

(c) LIMITATION ON USE OF FUNDS.—Section 2417 of such title is amended—

(1) by striking out ''The Director'' and inserting in lieu thereof the following: ''(b) ADMINISTRATIVE COSTS.—The Director''; and

(2) by inserting before subsection (b) (as designated by paragraph (1)) the following:

''(a) LIMITATION ON USE OF FUNDS.—In any fiscal year the Secretary of Defense may use for the program authorized by this chapter only funds specifically appropriated for the program for that fiscal year.''.

(d) CLERICAL AMENDMENTS.—(1) The heading for chapter 142 of such title is amended to read as follows:

"CHAPTER 142—PROCUREMENT AND ELECTRONIC COMMERCE TECHNICAL ASSISTANCE PROGRAM".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are each amended by striking out the item relating to chapter 142 and inserting in lieu thereof the following:

"142. Procurement and Electronic Commerce Technical Assistance Program ..... 2411".

(3) The heading for section 2417 of such title is amended to read as follows:

"§ 2417. Funding provisions".

(4) The table of sections at the beginning of chapter 142 of such title is amended by striking out the item relating to section 2417 and inserting in lieu thereof the following:

"2417. Funding provisions.".

SEC. 1423. PERMANENT AUTHORITY REGARDING CONVEYANCE OF UTILITY SYSTEMS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2687 the following new section:

"§ 2688. Utility systems: permanent conveyance authority.

"(a) CONVEYANCE AUTHORITY.—The Secretary of a military department may convey a utility system, or part of a utility system, under the jurisdiction of the Secretary to a municipal, private, regional, district, or cooperative utility company or other entity. The conveyance may consist of all right, title, and interest of the United States in the utility system or such lesser estate as the Secretary considers appropriate to serve the interests of the United States.

"(b) UTILITY SYSTEM DEFINED.—In this section, the term 'utility system' includes the following:

"(1) Electrical generation and supply systems.

"(2) Water supply and treatment systems.

"(3) Wastewater collection and treatment systems.

"(4) Steam or hot or chilled water generation and supply systems.

"(5) Natural gas supply systems.

"(6) Sanitary landfills or lands to be used for sanitary landfills.

"(7) Similar utility systems.

"(c) CONSIDERATION.—(1) The Secretary of a military department may accept consideration received for a conveyance under subsection (a) in the form of a cash payment or a reduction in utility rate charges for a period of time sufficient to amortize the monetary value of the utility system, including any real property interests, conveyed.

"(2) Cash payments received shall be credited to an appropriation account designated as appropriate by the Secretary of Defense. Amounts so credited shall be available for the same time period as the appropriation credited and shall be used only for the purposes authorized for that appropriation.

"(d) CONGRESSIONAL NOTIFICATION.—A conveyance may not be made under subsection (a) until—

"(1) the Secretary of the military department concerned submits to the appropriate committees of

Congress (as defined in section 2801(c)(4) of this title) a report containing an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) which demonstrates that the full cost to the United States of the proposed conveyance is cost-effective when compared with alternative means of furnishing the same utility systems; and

''(2) a period of 21 days has elapsed after the date on which the report is received by the committees.

''(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the military department concerned may require such additional terms and conditions in a conveyance entered into under subsection (a) as the Secretary considers appropriate to protect the interests 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 2687 the following new item:

''2688. Utility systems: permanent conveyance authority.''.

TITLE XV—MISCELLANEOUS ADDITIONAL DEFENSE REFORMS

SEC. 1501. LONG-TERM CHARTER CONTRACTS FOR ACQUISITION OF AUXILIARY VESSELS FOR THE DEPARTMENT OF DEFENSE.

(a) PROGRAM AUTHORIZATION.—Chapter 631 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7233. Auxiliary vessels: authority for long-term charter contracts

''(a) AUTHORIZED CONTRACTS.—After September 30, 1998, the Secretary of the Navy, subject to subsection (b), may enter into a contract for the long-term lease or charter of a newly built surface vessel, under which the contractor agrees to provide a crew for the vessel for the term of the long-term lease or charter, for any of the following:

''(1) The combat logistics force of the Navy.

''(2) The strategic sealift program of the Navy.

''(3) Other auxiliary support vessels for the Department of Defense.

''(b) CONTRACTS REQUIRED TO BE AUTHORIZED BY LAW.—A contract may be entered into under this section with respect to specific vessels only if the Secretary is spe-

cifically authorized by law to enter into such a contract with respect to those vessels.

"(c) FUNDS FOR CONTRACT PAYMENTS.—The Secretary may make payments for contracts entered into under this section using funds available for obligation during the fiscal year for which the payments are required to be made. Any such contract shall provide that the United States will not be required to make a payment under the contract (other than a termination payment, if required) before October 1, 2000.

"(d) BUDGETING PROVISIONS.—Any contract entered into under this section shall be treated as a multiyear service contract and as an operating lease for purposes of any provision of law relating to the Federal budget and Federal budget accounting procedures, including part C of title II of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.), and any regulation or directive (including any directive of the Office of Management and Budget) prescribed with respect to the Federal budget and Federal budget accounting procedures.

"(e) TERM OF CONTRACT.—In this section, the term 'long-term lease or charter' means a lease, charter, service contract, or conditional sale agreement with respect to a

vessel the term of which (including any option period) is for a period of 20 years or more.

"(f) OPTION TO BUY.—A contract entered into under the authority of this section may contain options for the United States to purchase one or more of the vessels covered by the contract at any time during, or at the end of, the contract period (including any option period) upon payment of an amount not in excess of the unamortized portion of the cost of the vessels plus amounts incurred in connection with the termination of the financing arrangements associated with the vessels.

"(g) DOMESTIC CONSTRUCTION.—The Secretary shall require in any contract entered into under this section that each vessel to which the contract applies—

"(1) shall have been constructed in a shipyard within the United States; and

"(2) upon delivery, shall be documented under the laws of the United States.

"(h) VESSEL CREWING.—The Secretary shall require in any contract entered into under this section that the crew of any vessel to which the contract applies be comprised of private sector commercial mariners.

"(i) CONTINGENT WAIVER OF OTHER PROVISIONS OF LAW.—A contract authorized by this section may be entered into without regard to section 2401 or 2401a of

this title if the Secretary of Defense makes the following findings with respect to that contract:

"(1) The need for the vessels or services to be provided under the contract is expected to remain substantially unchanged during the contemplated contract or option period.

"(2) There is a reasonable expectation that throughout the contemplated contract or option period the Secretary of the Navy (or, if the contract is for services to be provided to, and funded by, another military department, the Secretary of that military department) will request funding for the contract at the level required to avoid contract cancellation.

"(3) The use of such contract or the exercise of such option is in the interest of the national defense.

"(j) SOURCE OF FUNDS FOR TERMINATION LIABILITY.—If a contract entered into under this section is terminated, the costs of such termination may be paid from—

"(1) amounts originally made available for performance of the contract;

"(2) amounts currently available for operation and maintenance of the type of vessels or services concerned and not otherwise obligated; or

"(3) funds appropriated for those costs.".

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

"7233. Auxiliary vessels: authority for long-term charter contracts.".

SEC. 1502. FIBER-OPTICS BASED TELECOMMUNICATIONS LINKAGE OF MILITARY INSTALLATIONS.

(a) INSTALLATION REQUIRED.—In at least one metropolitan area of the United States containing multiple military installations of one or more military department or Defense Agency, the Secretary of Defense shall provide for the installation of fiber-optics based telecommunications technology to link as many of the installations in the area as practicable in a privately dedicated telecommunications network. The Secretary shall use a competitive process to provide for the installation of the telecommunications network through one or more new contracts.

(b) FEATURES OF NETWORK.—The telecommunications network shall provide direct access to local and long distance telephone carriers, allow for transmission of both classified and unclassified information, and take advantage of the various capabilities of fiber-optics based telecommunications technology.

(c) TIME FOR INSTALLATION.—The telecommunications network or networks to be installed under this sec-

tion shall be installed and operational not later than September 30, 1999.

(d) REPORT ON IMPLEMENTATION.—Not later than March 1, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the implementation of subsections (a) and (b), including the metropolitan area or areas selected for the telecommunications network, the estimated cost of the network, and potential areas for the future use of such fiber-optics based telecommunications technology.

SEC. 1503. REPEAL OF REQUIREMENT FOR CONTRACTOR GUARANTEES ON MAJOR WEAPON SYSTEMS.

(a) REPEAL.—Section 2403 of title 10, United States Code, is repealed.

(b) CLERICAL AND CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2403.

(2) Section 803 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2604; 10 U.S.C. 2430 note) is amended—

(A) in subsection (a), by striking out ''2403,'';

(B) by striking out subsection (c); and

(C) by redesignating subsection (d) as subsection (c).

SEC. 1504. REQUIREMENTS RELATING TO MICRO-PURCHASES OF COMMERCIAL ITEMS.

(a) IN GENERAL.—Section 2304 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(l) MICRO-PURCHASES.—(1) A contracting officer may not award a contract or issue a purchase order to buy commercial items for an amount equal to or less than the micro-purchase threshold unless a member of the Senior Executive Service or a general or flag officer makes a written determination that—

"(A) the source or sources available for the commercial item do not accept a preferred micro-purchase method, and the contracting officer is seeking a source that does accept such a method; or

"(B) the nature of the commercial item necessitates a contract or purchase order so that terms and conditions can be specified.

"(2) In this subsection:

"(A) The term 'micro-purchase threshold' has the meaning provided in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

"(B) The term 'preferred micro-purchase method' means the use of the Government-wide commercial purchase card or any other method for carrying out micro-purchases that the Secretary of Defense

prescribes in the regulations implementing this subsection.

"(3) The Secretary of Defense shall prescribe regulations to implement this subsection. The regulations shall include such additional preferred methods of carrying out micro-purchases, and such exceptions to the requirement of paragraph (1), as the Secretary considers appropriate.".

(b) EFFECTIVE DATE.—Subsection (l) of section 2304 of title 10, United States Code, as added by subsection (a), shall apply with respect to micro-purchases made on or after October 1, 1997.

SEC. 1505. AVAILABILITY OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEM PROCUREMENTS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304(g) of title 10, United States Code, is amended in paragraph (1)(B) by striking out "only".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)) is amended in paragraph (1)(B) by striking out "only".

SEC. 1506. TERMINATION OF THE ARMED SERVICES PATENT ADVISORY BOARD.

(a) TERMINATION OF BOARD.—The organization within the Department of Defense known as the Armed

Services Patent Advisory Board is terminated. No funds available for the Department of Defense may be used for the operation of that Board after the date specified in subsection (c).

(b) TRANSFER OF FUNCTIONS.—All functions performed on the day before the date of the enactment of this Act by the Armed Services Patent Advisory Board (including performance of the responsibilities of the Department of Defense for security review of patent applications under chapter 17 of title 35, United States Code) shall be transferred to the Defense Technology Security Administration.

(c) EFFECTIVE DATE.—Subsection (a) shall take effect at the end of the 120-day period beginning on the date of the enactment of this Act.

SEC. 1507. COORDINATION OF DEPARTMENT OF DEFENSE CRIMINAL INVESTIGATIONS AND AUDITS.

(a) BOARD ON CRIMINAL INVESTIGATIONS.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 182. Board on Criminal Investigations

''(a) ESTABLISHMENT.—(1) There is in the Department of Defense a Board on Criminal Investigations. The Board consists of the following officials:

"(A) The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

"(B) The head of the Army Criminal Investigation Command.

"(C) The head of the Naval Criminal Investigative Service.

"(D) The head of the Air Force Office of Special Investigations.

"(2) To ensure cooperation between the military department criminal investigative organizations and the Defense Criminal Investigative Service, the Inspector General of the Department of Defense shall serve as a nonvoting member of the Board.

"(b) FUNCTIONS OF BOARD.—The Board shall provide for coordination and cooperation between the military department criminal investigative organizations so as to avoid duplication of effort and maximize resources available to the military department criminal investigative organizations.

"(c) REGIONAL WORKING GROUPS.—The Board shall establish working groups at the regional level to address and resolve issues of jurisdictional responsibility that may arise regarding criminal investigations involving a military department criminal investigative organization. A

working group shall consist of managers or supervisors of the military department criminal investigative organizations who have the authority to make binding decisions regarding which organization will conduct a particular criminal investigation or whether a criminal investigation should be conducted jointly.

''(d) AUTHORITY OF ASSISTANT SECRETARY.—In the event that a regional working group or the Board is unable to resolve an issue of investigative responsibility, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall have the responsibility to make a final determination regarding the issue.

''(e) MILITARY DEPARTMENT CRIMINAL INVESTIGATIVE ORGANIZATION DEFINED.—In this section, the term 'military department criminal investigative organization' means any of the following:

''(1) The Army Criminal Investigation Command.

''(2) The Naval Criminal Investigative Service.

''(3) The Air Force Office of Special Investigations.''.

(b) BOARD ON AUDITS.—Such chapter is further amended by inserting after section 182, as added by subsection (a), the following new section:

"§ 183. Board on Audits

''(a) ESTABLISHMENT.—(1) There is in the Department of Defense a Board on Audits. The Board consists of the following officials:

''(A) The Under Secretary of Defense (Comptroller).

''(B) The Auditor General of the Army.

''(C) The Auditor General of the Navy.

''(D) The Auditor General of the Air Force.

''(E) The director of the Defense Contract Audit Agency.

''(2) To ensure cooperation between the defense auditing organizations and the Office of the Inspector General of the Department of Defense, the Inspector General of the Department of Defense shall serve as a nonvoting member of the Board.

''(b) FUNCTIONS OF BOARD.—The Board shall provide for coordination and cooperation between the defense auditing organizations so as to avoid duplication of effort and maximize resources available to the defense auditing organizations.

''(c) REGIONAL WORKING GROUPS.—The Board shall establish working groups at the regional level to address and resolve issues of jurisdictional responsibility that may arise regarding audits involving a defense auditing organization. A working group shall consist of managers

or supervisors of the defense auditing organizations who have the authority to make binding decisions regarding which defense auditing organization will conduct a particular audit or whether an audit should be conducted jointly.

"(d) AUTHORITY OF UNDER SECRETARY OF DEFENSE (COMPTROLLER).—In the event that a regional working group or the Board is unable to resolve an issue of jurisdictional responsibility, the Under Secretary of Defense (Comptroller) shall have the responsibility to make a final determination regarding the issue.

"(e) DEFENSE AUDITING ORGANIZATION DEFINED.—In this section, the term 'defense auditing organization' means any of the following:

"(1) The Army Audit Agency.

"(2) The Naval Audit Service.

"(3) The Air Force Audit Agency.

"(4) The Defense Contract Audit Agency.".

(c) WORKING GUIDANCE.—Not later than December 31, 1997, the Secretary of Defense shall prescribe such policies as may be necessary for the operation of the Board on Criminal Investigations and the Board on Audits established pursuant to the amendments made by this section.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"182. Board on Criminal Investigations.
"183. Board on Audits.".

SEC. 1508. DEPARTMENT OF DEFENSE BOARDS, COMMISSIONS, AND ADVISORY COMMITTEES.

(a) TERMINATION OF EXISTING ADVISORY COMMITTEES.—(1) Effective December 31, 1998, any advisory committee established in, or administered or funded (in whole or in part) by, the Department of Defense that (A) is in existence on the day before the date of the enactment of this Act, and (B) was not established by law, or expressly continued by law, after January 1, 1995, is terminated.

(2) For purposes of this section, the term "advisory committee" means an entity that is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(b) REPORT ON COMMITTEES FOR WHICH CONTINUATION IS REQUESTED.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report setting forth those advisory committees subject to subsection (a) that the Secretary proposes to continue. The Secretary shall include in the report, for each such committee, the justification for continuing the committee and

a statement of the costs of such continuation over the next four fiscal years. The Secretary shall include in the report a proposal for any legislation that may be required for the continuations proposed in the report.

(c) POLICY FOR FUTURE DOD ADVISORY COMMITTEES.—(1) Chapter 7 of title 10, United States Code, is amended by inserting after section 183, as added by section 1507(b), the following new section:

"§ 184. Boards, commissions, and other advisory committees: limitations

''(a) LIMITATION ON ESTABLISHMENT.—No advisory committee may be established in, or administered or funded (in whole or in part) by, the Department of Defense except as specifically provided by law after the date of the enactment of this section.

''(b) TERMINATION OF ADVISORY COMMITTEES.—Each advisory committee of the Department of Defense (whether established by law, by the President, or by the Secretary of Defense) shall terminate not later than the expiration of the four-year period beginning on the date of its establishment or on the date of the most recent continuation of the advisory committee by law.

''(c) EXCEPTION FOR TEMPORARY ADVISORY COMMITTEES.—Subsection (a) does not apply to an advisory committee established for a period of one year or less for

the purpose (as set forth in the charter of the advisory committee) of examining a matter that is critical to the national security of the United States.

"(d) ANNUAL REPORT.—Not later than March 1 of each year (beginning in 1999), the Secretary of Defense shall submit to Congress a report on advisory committees of the Department of Defense. In each such report, the Secretary shall identify each advisory committee that the Secretary proposes to support during the next fiscal year and shall set forth the justification for each such committee and the projected costs for that committee for the next fiscal year. In the case of any advisory committee that is to terminate in the year following the year in which the report is submitted pursuant to subsection (b) and that the Secretary proposes be continued by law, the Secretary shall include in the report a request for continuation of the committee and a justification and cost estimate for such continuation.

"(e) ADVISORY COMMITTEE DEFINED.—In this section, the term 'advisory committee' means an entity that is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating

to section 183, as added by section 1507(d), the following new item:

"184. Boards, commissions, and other advisory committees: limitations.".

SEC. 1509. ADVANCES FOR PAYMENT OF PUBLIC SERVICES.

(a) IN GENERAL.—Subsection (a) of section 2396 of title 10, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (2);

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

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

"(4) public service utilities.".

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

"§ 2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries".

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries.".

TITLE XVI—COMMISSION ON DEFENSE ORGANIZATION AND STREAMLINING

SEC. 1601. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the ''Commission on Defense Organization and Streamlining'' (hereinafter in this title referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of nine members, appointed as follows:

(1) Two members shall be appointed by the chairman of the Committee on National Security of the House of Representatives.

(2) Two members shall be appointed by the ranking minority party member of the Committee on National Security of the House of Representatives.

(3) Two members shall be appointed by the chairman of the Committee on Armed Services of the Senate.

(4) Two members shall be appointed by the ranking minority party member of the Committee on Armed Services of the Senate.

(5) One member, who shall serve as chairman of the Commission, shall be appointed by at least

three of the Members of Congress referred to paragraphs (1) through (4) acting jointly.

(c) QUALIFICATIONS.—Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in organization and management matters.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(e) INITIAL ORGANIZATION REQUIREMENTS.—(1) All appointments to the Commission shall be made not later than 30 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 30 days after the date on which all members of the Commission have been appointed.

(f) SECURITY CLEARANCES.—The Secretary of Defense shall expedite the processing of appropriate security clearances for members of the Commission.

SEC. 1602. DUTIES OF COMMISSION.

(a) IN GENERAL.—(1) The Commission shall examine the missions, functions, and responsibilities of the Office of the Secretary of Defense, the management headquarters and headquarters support activities of the military departments and Defense Agencies, and the various

acquisition organizations of the Department of Defense (and the relationships among such Office, activities, and organizations).

(2) On the basis of such examination, the Commission shall propose alternative organizational structures and alternative allocations of authorities as it considers appropriate.

(b) DUPLICATION AND REDUNDANCY.— In carrying out its duties, the Commission shall identify areas of duplication and recommend options to streamline, reduce, and eliminate redundancies.

(c) SPECIAL REQUIREMENTS REGARDING OFFICE OF SECRETARY.—The examination of the missions, functions, and responsibilities of the Office of the Secretary of Defense shall include the following:

(1) An assessment of the appropriate functions of the Office and whether the Office of the Secretary of Defense or some of its component parts should be organized along mission lines.

(2) An assessment of the adequacy of the present organizational structure to efficiently and effectively support the Secretary in carrying out responsibilities in a manner that ensures civilian authority in the Department of Defense.

(3) An assessment of the extent of unnecessary duplication of functions between the Office of the Secretary of Defense and the Joint Staff.

(4) An assessment of the extent of unnecessary duplication of functions between the Office of the Secretary of Defense and the military departments.

(5) An assessment of the appropriate number of Under Secretaries of Defense, Assistant Secretaries of Defense, Deputy Under Secretaries of Defense, and Deputy Assistant Secretaries of Defense.

(6) An assessment of any benefits or efficiencies derived from decentralizing certain functions currently performed by the Office of the Secretary of Defense.

(d) SPECIAL REQUIREMENTS REGARDING HEADQUARTERS.—The examination of the missions, functions, and responsibilities of the management headquarters and headquarters support activities of the military departments and Defense Agencies shall include the following:

(1) An assessment on the adequacy of the present headquarters organization structure to efficiently and effectively support the mission of the military departments and the Defense Agencies.

(2) An assessment of options to reduce the number of personnel assigned to such headquarters staffs and headquarters support activities.

(3) An assessment of the extent of unnecessary duplication of functions between the Office of the Secretary of Defense and headquarters staffs of the military departments and the Defense Agencies.

(4) An assessment of the possible benefits that could be derived from further functional consolidation between the civilian secretariat of the military departments and the staffs of the military service chiefs.

(5) An assessment of the possible benefits that could be derived from reducing the number of civilian officers in the military departments who are appointed by and with the advice and consent of the Senate.

(e) SPECIAL REQUIREMENTS REGARDING ACQUISITION ORGANIZATIONS.—The examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense shall include the following:

(1) An assessment of benefits of consolidation or selected elimination of Department of Defense acquisition organizations.

(2) An assessment of the opportunities to streamline the defense acquisition infrastructure that were realized as a result of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) or as result of other acquisition reform initiatives implemented administratively during the period from 1993 through 1997.

(3) An assessment of such other defense acquisition infrastructure streamlining or restructuring options as the Commission considers appropriate.

(f) COOPERATION FROM GOVERNMENT OFFICIALS.—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

SEC. 1603. REPORTS.

The Commission shall submit to Congress an interim report containing its preliminary findings and conclusions not later than March 15, 1998, and a final report containing its findings and conclusions not later than July 15, 1998.

SEC. 1604. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION.—The Commission may secure directly from the Department of Defense and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this title.

SEC. 1605. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of the Chairman.

(b) QUORUM.—(1) Five members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) COMMISSION.—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be con-

sidered the findings and determinations of the Commission unless approved by the Commission.

(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

SEC. 1606. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission 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 Commission.

(c) STAFF.—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel 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 fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS–15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 1607. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission 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.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—The Secretary of Defense shall furnish the Commission, on a reimbursable basis, any administrative and support services requested by the Commission.

SEC. 1608. FUNDING.

Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense for operation and maintenance for Defense-wide activities for fiscal year 1998. Upon receipt of a written certification from the Chairman of the Commission specifying the funds required for the activities of the Commission, the Secretary of Defense shall promptly disburse to the Commission, from such amounts, the funds required by the Commission as stated in such certification.

SEC. 1609. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the date of the submission of its final report under section 1603.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1998''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Arizona	Fort Huachuca	$20,000,000
California	Fort Irwin	$11,150,000
	Naval Weapons Station, Concord	$23,000,000
Colorado	Fort Carson	$47,300,000
Georgia	Fort Gordon	$22,000,000
	Hunter Army Air Field, Fort Stewart	$54,000,000
Hawaii	Schofield Barracks	$44,000,000
Indiana	Crane Army Ammunition Activity	$7,700,000
Kansas	Fort Leavenworth	$63,000,000
	Fort Riley	$25,800,000
Kentucky	Fort Campbell	$43,700,000
	Fort Knox	$7,200,000
Missouri	Fort Leonard Wood	$3,200,000
New Jersey	Fort Monmouth	$2,050,000
New Mexico	White Sands Missile Range	$6,900,000
New York	Fort Drum	$24,400,000
North Carolina	Fort Bragg	$61,900,000
Oklahoma	Fort Sill	$25,000,000
South Carolina	Fort Jackson	$5,400,000

Army: Inside the United States—Continued

State	Installation or Location	Amount
	Naval Weapons Station, Charleston	$7,700,000
Texas	Fort Bliss	$7,700,000
	Fort Hood	$27,200,000
	Fort Sam Houston	$16,000,000
Virginia	Fort A.P. Hill	$5,400,000
	Fort Myer	$8,200,000
	Fort Story	$2,050,000
Washington	Fort Lewis	$33,000,000
CONUS Classified	Classified Location	$6,500,000
	Total	$614,900,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Ansbach	$22,000,000
	Heidelberg	$8,800,000
	Mannheim	$6,200,000
	Military Support Group, Kaiserslautern	$6,000,000
Korea	Camp Casey	$5,100,000
	Camp Castle	$8,400,000
	Camp Humphreys	$32,000,000
	Camp Red Cloud	$23,600,000
	Camp Stanley	$7,000,000
Overseas Classified	Overseas Classified	$37,000,000
	Total	$156,100,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (in-

cluding land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Arizona	Fort Huachuca	55 Units	$8,000,000
Hawaii	Schofield Barracks	132 Units	$26,600,000
Maryland	Fort George Meade	56 Units	$7,900,000
New Jersey	Picatinny Arsenal	35 Units	$7,300,000
North Carolina	Fort Bragg	174 Units	$20,150,000
Texas	Fort Bliss	91 Units	$12,900,000
	Fort Hood	130 Units	$18,800,000
		Total	$103,950,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $9,550,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $89,200,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September

30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,055,364,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $425,850,000.

(2) For the military construction projects outside the United States authorized by section 2101(b), $162,600,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $6,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,577,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $200,400,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,148,937,000.

(6) For the construction of the National Range Control Center, White Sands Missile Range, New

Mexico, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $18,000,000.

(7) For the construction of the whole barracks complex renewal, Fort Knox, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $22,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $14,400,000 (the balance of the amount authorized under section 2101(a) for the construction of the Force XXI Soldier Development School at Fort Hood, Texas);

(3) $24,000,000 (the balance of the amount authorized under section 2101(a) for rail yard expansion at Fort Carson, Colorado);

(4) $43,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a disciplinary barracks at Fort Leavenworth, Kansas);

(5) $36,500,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Hunter Army Airfield, Fort Stewart, Georgia);

(6) $44,200,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Fort Bragg, North Carolina); and

(7) $17,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Fort Sill, Oklahoma).

SEC. 2105. CORRECTION IN AUTHORIZED USES OF FUNDS, FORT IRWIN, CALIFORNIA.

In the case of amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3029) and section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 524) for a military construction project for Fort Irwin, California, involving the construction of an air field for the National Training Cen-

ter at Barstow-Daggett, California, the Secretary of the Army may use such amounts for the construction of a heliport at the same location.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$12,250,000
	Navy Detachment, Camp Navajo	$11,426,000
California	Marine Corps Air Station, Camp Pendleton	$24,150,000
	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$3,810,000
	Marine Corps Base, Camp Pendleton	$60,069,000
	Naval Air Facility, El Centro	$11,000,000
	Naval Air Station, North Island	$19,600,000
	Naval Amphibious Base, Coronado	$10,100,000
	Naval Construction Battalion Center, Port Hueneme	$3,200,000
Connecticut	Naval Submarine Base, New London	$18,300,000
Florida	Naval Air Station, Jacksonville	$3,480,000
	Naval Air Station, Whiting Field	$1,300,000
	Naval Station, Mayport	$17,940,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	$19,000,000
	Naval Communications and Telecommunications Area Master Station Eastern Pacific, Honolulu	$3,900,000
	Naval Station, Pearl Harbor	$25,000,000
Illinois	Naval Training Center, Great Lakes	$41,220,000
Indiana	Naval Surface Warfare Center, Crane	$4,120,000

Navy: Inside the United States—Continued

State	Installation or Location	Amount
Maryland	Naval Electronics System Command, St. Ingoes	$2,610,000
Mississippi	Naval Air Station, Meridian	$7,050,000
North Carolina	Marine Corps Air Station, Cherry Point	$8,800,000
	Marine Corps Air Station, New River	$19,900,000
Rhode Island	Naval Undersea Warfare Center Division, Newport	$8,900,000
South Carolina	Marine Corps Air Station, Beaufort	$17,730,000
	Marine Corps Reserve Detachment Parris Island	$3,200,000
Texas	Naval Air Station, Corpus Christi	$800,000
Virginia	AEGIS Training Center, Dahlgren	$6,600,000
	Fleet Combat Training Center, Dam Neck	$7,000,000
	Naval Air Station, Norfolk	$18,240,000
	Naval Air Station, Oceana	$34,000,000
	Naval Amphibious Base, Little Creek	$8,685,000
	Naval Shipyard, Norfolk, Portsmouth	$29,410,000
	Naval Station, Norfolk	$18,850,000
	Naval Surface Warfare Center, Dahlgren	$13,880,000
	Naval Weapons Station, Yorktown	$14,547,000
Washington	Naval Air Station, Whidbey Island	$1,100,000
	Puget Sound Naval Shipyard, Bremerton	$4,400,000
	Total	$524,267,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Bahrain	Administrative Support Unit, Bahrain	$30,100,000
Guam	Naval Communications and Telecommunications Area Master Station Western Pacific, Guam	$4,050,000
Italy	Naval Air Station, Sigonella	$21,440,000

Navy: Outside the United States—Continued

Country	Installation or Location	Amount
	Naval Support Activity, Naples	$8,200,000
Puerto Rico	Naval Station, Roosevelt Roads	$500,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$2,330,000
	Total	$66,620,000

1 **SEC. 2202. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using
3 amounts appropriated pursuant to the authorization of ap-
4 propriations in section 2204(a)(5)(A), the Secretary of the
5 Navy may construct or acquire family housing units (in-
6 cluding land acquisition) at the installations, for the pur-
7 poses, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Air Station, Miramar	166 Units	$28,881,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	132 Units	$23,891,000
	Marine Corps Base, Camp Pendleton	171 Units	$22,518,000
	Naval Air Station, Lemoore	128 Units	$23,226,000
	Naval Complex, San Diego	94 Units	$13,500,000
Hawaii	Naval Complex, Pearl Harbor	84 Units	$17,900,000
Louisiana	Naval Complex, New Orleans	100 Units	$11,930,000
Texas	Naval Complex, Kingsville and Corpus Christi	212 Units	$22,250,000
Washington	Naval Complex, Bangor	118 Units	$15,700,000
		Total	$179,796,000

8 (b) PLANNING AND DESIGN.—Using amounts appro-
9 priated pursuant to the authorization of appropriation in
10 section 2204(a)(5)(A), the Secretary of the Navy may

carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $15,100,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $214,282,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,053,025,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $524,267,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $66,120,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,960,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $46,659,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $409,178,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $976,504,000.

(6) For construction of bachelor enlisted quarters at Naval Hospital, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766), $5,200,000.

(7) For construction of bachelor enlisted quarters at Naval Station, Roosevelt Roads, Puerto Rico, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767), $14,600,000.

(8) For construction of a large anecohic chamber facility at Patuxent River Naval Air Warfare Center, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $9,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $8,463,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2205. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT NAVAL AIR STATION, PASCAGOULA, MISSISSIPPI, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof "$594,982,000"; and

(2) by inserting after the item relating to Stennis Space Center, Mississippi, the following new item:

	"Naval Air Station, Pascagoula	$4,990,000".

(b) CONFORMING AMENDMENTS.—Section 2204(a) of such Act (110 Stat. 2769) is amended—

(1) in the matter preceding the paragraphs, by striking out "$2,213,731,000" and inserting in lieu thereof "$2,218,721,000"; and

(2) in paragraph (1), by striking out "$579,312,000" and inserting in lieu thereof "$584,302,000".

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$14,874,000
Alaska	Clear Air Station	$67,069,000
	Eielson Air Force Base	$7,764,000
	Indian Mountain	$1,991,000
Arizona	Luke Air Force Base	$10,000,000
Arkansas	Little Rock Air Force Base	$3,400,000
California	Edwards Air Force Base	$2,887,000
	Vandenberg Air Force Base	$26,876,000
Colorado	Buckley Air National Guard Base	$6,718,000
	Falcon Air Force Station	$10,551,000
	Peterson Air Force Base	$4,081,000
	United States Air Force Academy	$15,229,000
Florida	Eglin Auxiliary Field 9	$6,470,000
	MacDill Air Force Base	$1,543,000
Georgia	Moody Air Force Base	$9,100,000
	Robins Air Force Base	$27,763,000
Idaho	Mountain Home Air Force Base	$17,719,000
Kansas	McConnell Air Force Base	$11,669,000
Louisiana	Barksdale Air Force Base	$19,410,000
Mississippi	Keesler Air Force Base	$30,855,000
Missouri	Whiteman Air Force Base	$40,419,000
Nevada	Nellis Air Force Base	$1,950,000
New Jersey	McGuire Air Force Base	$18,754,000
North Carolina	Pope Air Force Base	$20,656,000
North Dakota	Grand Forks Air Force Base	$8,560,000
	Minot Air Force Base	$5,200,000
Ohio	Wright-Patterson Air Force Base	$19,350,000
Oklahoma	Tinker Air Force Base	$9,655,000
	Vance Air Force Base	$6,700,000
South Carolina	Shaw Air Force Base	$6,072,000
South Dakota	Ellsworth Air Force Base	$6,600,000
Tennessee	Arnold Air Force Base	$20,650,000
Texas	Dyess Air Force Base	$10,000,000
	Laughlin Air Force Base	4,800,000
	Randolph Air Force Base	$2,488,000
Utah	Hill Air Force Base	$6,470,000
Virginia	Langley Air Force Base	$4,031,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
Washington	Fairchild Air Force Base	$7,366,000
	McChord Air Force Base	$9,655,000
CONUS Classified	Classified Location	$6,175,000
	Total	$511,520,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2304(a)(2), the Secretary of the Air Force
4 may acquire real property and carry out military construc-
5 tion projects for the installations and locations outside the
6 United States, and in the amounts, set forth in the follow-
7 ing table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$18,500,000
Italy	Aviano Air Base	$15,220,000
Korea	Kunsan Air Base	$10,325,000
	Osan Air Base	$11,100,000
Portugal	Lajes Field, Azores	$4,800,000
United Kingdom	Royal Air Force, Lakenheath	$11,400,000
Overseas Classified	Classified Location	$31,100,000
	Total	$102,445,000

8 **SEC. 2302. FAMILY HOUSING.**

9 (a) CONSTRUCTION AND ACQUISITION.—Using
10 amounts appropriated pursuant to the authorization of ap-
11 propriations in section 2304(a)(5)(A), the Secretary of the
12 Air Force may construct or acquire family housing units
13 (including land acquisition) at the installations, for the
14 purposes, and in the amounts set forth in the following
15 table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	70 Units	$9,800,000
California	Edwards Air Force Base	95 Units	$16,800,000
	Travis Air Force Base	70 Units	$9,714,000
	Vandenberg Air Force Base	108 Units	$17,100,000
Delaware	Dover Air Force Base	Ancillary Facility	$831,000
District of Columbia	Bolling Air Force Base	46 Units	$5,100,000
Florida	MacDill Air Force Base	58 Units	$10,000,000
	Tyndall Air Force Base	32 Units	$4,200,000
Georgia	Robins Air Force Base	60 Units	$6,800,000
Idaho	Mountain Home Air Force Base	60 Units	$11,032,000
Kansas	McConnell Air Force Base	19 Units	$2,951,000
	McConnell Air Force Base	Ancillary Facility	$581,000
Mississippi	Columbus Air Force Base	50 Units	$6,200,000
	Keesler Air Force Base	40 Units	$5,000,000
Montana	Malmstrom Air Force Base	28 Units	$4,842,000
New Mexico	Kirtland Air Force Base	180 Units	$20,900,000
North Dakota	Grand Forks Air Force Base	42 Units	$7,936,000
Texas	Dyess Air Force Base	70 Units	$10,503,000
	Goodfellow Air Force Base	3 Units	$500,000
	Lackland Air Force Base	50 Units	$7,400,000
	Sheppard Air Force Base	40 Units	$7,400,000
Wyoming	F. E. Warren Air Force Base	52 Units	$6,853,000
		Total	$172,443,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,971,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2835 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $156,995,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,810,090,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $505,435,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $102,445,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,545,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $45,880,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $341,409,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $830,234,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $11,000,000 (the balance of the amount authorized under section 2301(a) for the construction of a B–2 low observability restoration facility at Whiteman Air Force Base, Missouri).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $23,858,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT MCCONNELL AIR FORCE BASE, KANSAS, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2771) is amended in the item relating to McConnell Air Force Base, Kansas, by striking out ''$19,130,000'' in the amount column and inserting in lieu thereof ''$25,830,000''.

(b) CONFORMING AMENDMENTS.—Section 2304 of such Act (110 Stat. 2774) is amended—

(1) in the matter preceding the paragraph, by striking out ''$1,894,594,000'' and inserting in lieu thereof ''$1,901,294,000'' and

(2) in paragraph (1), by striking out "$603,834,000" and inserting in lieu thereof "$610,534,000".

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or Location	Amount
Defense Commissary Agency	Fort Lee, Virginia	$9,300,000
Defense Finance and Accounting Service	Columbus Center, Ohio	$9,722,000
	Naval Air Station, Millington, Tennessee	$6,906,000
	Naval Station, Norfolk, Virginia	$12,800,000
	Naval Station, Pearl Harbor, Hawaii	$10,000,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$7,000,000
	Redstone Arsenal, Alabama	$32,700,000
Defense Logistics Agency	Defense Distribution Depot—DDNV, Virginia	$16,656,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or Location	Amount
	Defense Distribution New Cumberland—DDSP, Pennsylvania	$15,500,000
	Defense Fuel Support Point, Craney Island, Virginia	$22,100,000
	Defense General Supply Center, Richmond (DLA), Virginia	$5,200,000
	Elmendorf Air Force Base, Alaska	$21,700,000
	Naval Air Station, Jacksonville, Florida	$9,800,000
	Truax Field, Wisconsin	$4,500,000
	Westover Air Reserve Base, Massachusetts	$4,700,000
	CONUS Various, CONUS Various	$11,275,000
Defense Medical Facilities Office	Fort Campbell, Kentucky	$13,600,000
	Fort Detrick, Maryland	$5,300,000
	Fort Lewis, Washington	$5,000,000
	Hill Air Force Base, Utah	$3,100,000
	Holloman Air Force Base, New Mexico	$3,000,000
	Lackland Air Force Base, Texas	$3,000,000
	Marine Corps Combat Dev Com, Quantico, Virginia	$19,000,000
	McGuire Air Force Base, New Jersey	$35,217,000
	Naval Air Station, Pensacola, Florida	$2,750,000
	Naval Station, Everett, Washington	$7,500,000
	Naval Station, San Diego, California	$2,100,000
	Naval Submarine Base, New London, Connecticut	$2,300,000
	Robins Air Force Base, Georgia	$19,000,000
	Tinker Air Force Base, Oklahoma	$6,500,000
	Wright-Patterson Air Force Base, Ohio	$2,750,000
National Security Agency	Fort Meade, Maryland	$29,800,000
Special Operations Command	Eglin Auxiliary Field 3, Florida	$6,100,000
	Fort Benning, Georgia	$12,314,000
	Fort Bragg, North Carolina	$1,500,000
	Hurlburt Field, Florida	$2,450,000
	Naval Amphibious Base, Coronado, California	$7,400,000
	Total	$389,440,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the

United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Ballistic Missile Defense Organization.	Pacific Missile Range, Kwajalein Atoll	$4,565,000
Defense Logistics Agency	Defense Fuel Support Point, Guam	$16,000,000
	Moron Air Base, Spain	$14,400,000
Defense Medical Facilities Office	Andersen Air Force Base, Guam	$3,700,000
	Total	$38,665,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $50,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(12)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $4,900,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(10), the Sec-

retary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $2,711,761,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $382,390,000

(2) For military construction projects outside the United States authorized by section 2401(a), $34,965,000.

(3) For military construction projects at Anniston Army Depot, Alabama, ammunition demilitarization facility, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of the Public Law 102–484; 106 Stat. 2587), which was originally authorized as an Army construction project, but which became a Defense Agencies construction project by reason of

the amendments made by section 142 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2689), $9,900,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $20,000,000.

(5) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (110 Stat. 539) and section 2407(2) of this Act, $57,427,000.

(6) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 535), $14,200,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $9,844,000.

(8) For unspecified minor construction projects under section 2805 of title 10, United States Code, $25,257,000.

(9) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $34,350,000.

(10) For Energy Conservation projects authorized by section 2403, $25,000,000.

(11) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,060,854,000.

(12) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,950,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $32,724,000 of which not more than $27,673,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2406. CORRECTION IN AUTHORIZED USES OF FUNDS, MCCLELLAN AIR FORCE BASE, CALIFORNIA.

In the case of amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3041) for a military construction project involving the upgrade of the hospital facility at McClellan Air Force Base, California, the Secretary of Defense may use such amounts for the following medical construction projects authorized by section 2401 of this Act:

(1) The Aeromedical Clinic Addition at Andersen Air Base, Guam, in the amount of $3,700,000.

(2) The Occupational Health Clinic Facility at Tinker Air Force Base, Oklahoma, in the amount of $6,500,000.

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), under the agency heading relating to Chemical Weapons and Munitions Destruction, is further amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out ''$115,000,000'' in the amount column and inserting in lieu thereof ''$134,000,000''; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out ''$186,000,000'' in the amount column and inserting in lieu thereof ''$187,000,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Invest-

ment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $166,300,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) IN GENERAL.—There are authorized to be appropriated for fiscal years beginning after September 30, 1997, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (in-

cluding the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $45,098,000; and

(B) for the Army Reserve, $69,831,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $40,561,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $137,275,000; and

(B) for the Air Force Reserve, $34,443,000.

(b) ADJUSTMENT.—The amount authorized to be appropriated pursuant to subsection (a)(1)(B) is reduced by $7,900,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) ARMY NATIONAL GUARD, HILO, HAWAII.—Paragraph (1)(A) of section 2601 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2780) is amended by

striking out ''$59,194,000'' and inserting in lieu thereof ''$65,094,000'' to account for a project involving additions and alterations to an Army aviation support facility in Hilo, Hawaii.

(b) NAVAL AND MARINE CORPS RESERVE, NEW ORLEANS.—Paragraph (2) of such section is amended by striking out ''$32,779,000'' and inserting in lieu thereof ''$37,579,000'' to account for a project for the construction of bachelor enlisted quarters at Naval Air Station, New Orleans, Louisiana.

SEC. 2603. ARMY RESERVE CONSTRUCTION PROJECT, SALT LAKE CITY, UTAH.

With regard to the military construction project for the Army Reserve concerning construction of a reserve center and organizational maintenance shop in Salt Lake City, Utah, to be carried out using funds appropriated pursuant to the authorization of appropriations in section 2601(1)(B), the Secretary of the Army may enter into an agreement with the State of Utah under which the State agrees to provide financial or in-kind contributions toward land acquisition, site preparation, environmental assessment and remediation, relocation, and other costs in connection with the project.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2000; or

(2) the date for the enactment of an Act authorizing funds for military construction for fiscal year 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2001 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1995 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337, 108 Stat. 3046), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2201, 2202, 2301, 2302, 2401, or 2601 of that Act, shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1995 Project Authorization

State	Installation or Location	Project	Amount
California	Fort Irwin	National Training Center Airfield Phase I	$10,000,000

Navy: Extension of 1995 Project Authorizations

State	Installation or Location	Project	Amount
Maryland	Indian Head Naval Surface Warfare Center	Upgrade Power Plant	$4,000,000
	Indian Head Naval Surface Warfare Center	Denitrification/ Acid Mixing Facility	$6,400,000
Virginia	Norfolk Marine Corps Security Force Battalion Atlantic	Bachelor Enlisted Quarters	$6,480,000
Washington	Naval Station Puget Sound, Everett	New Construction (Housing Office)	$780,000
CONUS Classified	Classified Location	Aircraft Fire/ Rescue & Vehicle Maintenance Facility	$2,200,000

Air Force: Extension of 1995 Project Authorizations

State	Installation or Location	Project	Amount
California	Beale Air Force Base	Consolidated Support Center	$10,400,000
	Los Angeles Air Force Station	Family Housing (50 Units)	$8,962,000
North Carolina	Pope Air Force Base	Combat Control Team Facility	$2,400,000
	Pope Air Force Base	Fire Training Center	$1,100,000

Defense Agencies: Extension of 1995 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Anniston Army Depot	Carbon Filtration System	$5,000,000
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Facility	$115,000,000
California	Defense Contract Management Office, El Segundo	Administrative Facility	$5,100,000
Oregon	Umatilla Army Depot	Ammunition Demilitarization Facility	$186,000,000

Army National Guard: Extension of 1995 Project Authorization

State	Installation or Location	Project	Amount
California	Camp Roberts	Combat Pistol Range	$952,000
	Camp Roberts	Modify Record Fire Range/ Maintenance Shop Construction Project	$3,910,000
Pennsylvania	Fort Indiantown Gap	Barracks Construction Project	$6,200,000

Naval Reserve: Extension of 1995 Project Authorization

State	Installation or Location	Project	Amount
Georgia	Naval Air Station Marietta	Training Center	$2,650,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160, 107 Stat. 1880), authorizations for the projects set forth in the table in subsection (b), as provided in section 2201 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2783), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Navy: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Facility	$1,450,000

1 **SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
2 **FISCAL YEAR 1993 PROJECTS.**

3 (a) EXTENSION.—Notwithstanding section 2701 of
4 the Military Construction Authorization Act for Fiscal
5 Year 1993 (division B of Public Law 102–484; 106 Stat.
6 2602), the authorizations for the projects set forth in the
7 tables in subsection (b), as provided in section 2101 or
8 2601 of that Act and extended by section 2702 of the Mili-
9 tary Construction Authorization Act for Fiscal Year 1996
10 (division B of Public Law 104–106; 110 Stat. 541) and
11 section 2703 of the Military Construction Authorization
12 Act for Fiscal Year 1997 (division B of Public Law 104–
13 201; 110 Stat. 2784), shall remain in effect until October
14 1, 1998, or the date of the enactment of an Act authoriz-
15 ing funds for military construction for fiscal year 1999,
16 whichever is later.

17 (b) TABLES.—The tables referred to in subsection (a)
18 are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility	$15,000,000

Army National Guard: Extension of 1993 Project Authorization

State	Installation or Location	Project	Amount
Alabama	Union Springs	Armory	$813,000

SEC. 2705. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), section 2703 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), and section 2704 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2784), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility	$3,600,000

Army: Extension of 1992 Project Authorizations—Continued

State	Installation or location	Project	Amount
	Umatilla Army Depot	Ammunition Demilitarization Utilities	$7,500,000

SEC. 2706. EXTENSION OF AVAILABILITY OF FUNDS FOR CONSTRUCTION OF OVER-THE-HORIZON RADAR IN PUERTO RICO.

Amounts appropriated under the heading ''DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE'' in the Department of Defense Appropriations Act, 1995 (Public Law 103–335; 108 Stat. 2615), and transferred to the ''Military Construction, Navy'' appropriation for construction of a Relocatable Over-the-Horizon Radar at Naval Station Roosevelt Roads, Puerto Rico, shall remain available for obligation until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

SEC. 2707. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1997; or

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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. USE OF MOBILITY ENHANCEMENT FUNDS FOR UNSPECIFIED MINOR CONSTRUCTION.

(a) CONGRESSIONAL NOTIFICATION.—Subsection (b)(2) of section 2805 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This paragraph shall apply even though the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.''.

(b) RESTRICTION ON USE OF OPERATION AND MAINTENANCE FUNDS.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking out ''paragraph (2)'' and inserting in lieu thereof ''paragraphs (2) and (3)''; and

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

''(3) The limitations specified in paragraph (1) shall not apply if the unspecified minor military construction project is to be carried out using funds made available

to enhance the deployment and mobility of military forces and supplies.''.

(c) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a)(1)—

(A) by striking out ''minor military construction projects'' in the first sentence and inserting in lieu thereof ''unspecified minor military construction projects'';

(B) by striking out ''A minor'' in the second sentence and inserting in lieu thereof ''An unspecified minor''; and

(C) by striking out ''a minor'' in the last sentence and inserting in lieu thereof ''an unspecified minor'';

(2) in subsection (b)(1), by striking out ''A minor'' and inserting in lieu thereof ''An unspecified minor'';

(3) in subsection (b)(2), by striking out ''a minor'' and inserting in lieu thereof ''an unspecified minor''; and

(4) in subsection (c), by striking out ''unspecified military'' each place it appears and inserting in lieu thereof ''unspecified minor military''.

SEC. 2802. LIMITATION ON USE OF OPERATION AND MAINTENANCE FUNDS FOR FACILITY REPAIR PROJECTS.

Section 2811 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(d) CONGRESSIONAL NOTIFICATION.—When a decision is made to carry out a repair project under this section with an estimated cost in excess of $10,000,000, the Secretary concerned shall submit to the appropriate committees of Congress a report containing—

''(1) the justification for the repair project and the current estimate of the cost of the project; and

''(2) the justification for carrying out the project under this section.

''(e) REPAIR PROJECT DEFINED.—In this section, the term 'repair project' means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose.''.

SEC. 2803. LEASING OF MILITARY FAMILY HOUSING, UNITED STATES SOUTHERN COMMAND, MIAMI, FLORIDA.

(a) LEASES TO EXCEED MAXIMUM RENTAL.—Section 2828(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out ''paragraph (3)'' and inserting in lieu thereof ''paragraphs (3) and (4)'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) The Secretary of the Army may lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel, as designated by the Secretary, for the United States Southern Command for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation, including security enhancements) exceeds the expenditure limitations in paragraphs (2) and (3). The total amount for all leases under this paragraph may not exceed $280,000 per year, and no lease on any individual housing unit may exceed $60,000 per year.''.

(b) CONFORMING AMENDMENT.—Paragraph (5) of such section, as redesignated by subsection (a)(2), is amended by striking out ''paragraphs (2) and (3)'' and inserting in lieu thereof ''paragraphs (2), (3), and (4)''.

SEC. 2804. USE OF FINANCIAL INCENTIVES PROVIDED AS PART OF ENERGY SAVINGS AND WATER CONSERVATION ACTIVITIES.

(a) ENERGY SAVINGS.—Section 2865 of title 10, United States Code, is amended—

(1) in subsection (b)(1), by striking out ''and financial incentives described in subsection (d)(2)'';

(2) in subsection (d)(2), by adding at the end the following new sentence: ''Financial incentives received under this paragraph or section 2866(a)(2) of this title shall be credited to an appropriation account designated by the Secretary of Defense.''; and

(3) in subsection (f), by adding at the end the following new sentence: ''Each report shall also describe the types and amount of financial incentives received under subsection (d)(2) and section 2866(a)(2) of this title during the period covered by the report and the appropriation account or accounts to which the incentives were credited.''.

(b) WATER CONSERVATION.—Section 2866(b) of such title is amended—

(1) by striking out ''SAVINGS.—'' in the subsection heading and inserting in lieu thereof ''SAVINGS AND FINANCIAL INCENTIVES.—(1)''; and

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

"(2) Financial incentives received under this section shall be used as provided in section 2865(d)(2) of this title.".

SEC. 2805. CONGRESSIONAL NOTIFICATION REQUIREMENTS REGARDING USE OF DEPARTMENT OF DEFENSE HOUSING FUNDS FOR INVESTMENTS IN NONGOVERNMENTAL ENTITIES.

Section 2875 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) CONGRESSIONAL NOTIFICATION REQUIRED.—Amounts in the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund may be used to make a cash investment under this section in a nongovernmental entity only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the investment to the appropriate committees of Congress.".

Subtitle B—Real Property And Facilities Administration

SEC. 2811. INCREASE IN CEILING FOR MINOR LAND ACQUISITION PROJECTS.

(a) INCREASE.—Section 2672 of title 10, United States Code, is amended by striking out "$200,000" both

places it appears in subsection (a) and inserting in lieu thereof "$500,000".

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

"§ 2672. Acquisition: interests in land when cost is not more than $500,000".

(2) The table of sections at the beginning of chapter 159 of such title is amended by striking out the item relating to section 2672 and inserting in lieu thereof the following new item:

"2672. Acquisition: interests in land when cost is not more than $500,000.".

SEC. 2812. ADMINISTRATIVE EXPENSES FOR CERTAIN REAL PROPERTY TRANSACTIONS.

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

"§ 2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions

"(a) AUTHORITY TO ACCEPT.—In connection with a real property transaction described in subsection (b) with a non-Federal person or entity, the Secretary of a military department may accept amounts provided by the person or entity to cover administrative expenses incurred by the Secretary in entering into the transaction.

"(b) COVERED TRANSACTIONS.—Subsection (a) applies to the following transactions:

"(1) The conveyance or exchange of real property.

"(2) The grant of an easement over, in, or upon real property of the United States.

"(3) The lease or license of real property of the United States.

"(c) USE OF AMOUNTS COLLECTED.—Amounts collected under subsection (a) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by adding at the end the following:

"2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions.".

SEC. 2813. DISPOSITION OF PROCEEDS FROM SALE OF AIR FORCE PLANT 78, BRIGHAM CITY, UTAH.

Notwithstanding subparagraph (A) of section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)), the entire

amount derived from the sale of Air Force Plant 78 in Brigham City, Utah, and deposited in the special account in the Treasury established pursuant to such section shall, to the extent provided in appropriations Acts, be available to the Secretary of the Air Force for facility maintenance, repair, or environmental restoration at other industrial plants of the Department of the Air Force.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. CONSIDERATION OF MILITARY INSTALLATIONS AS SITES FOR NEW FEDERAL FACILITIES.

(a) 1988 LAW.—Section 204(b)(5) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out ''subparagraph (B)'' and inserting in lieu thereof ''subparagraphs (B) and (C)''; and

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

''(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property

or facilities at a military installation to be closed or realigned under this title as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall consult with the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

''(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.''.

(b) 1990 LAW.—Section 2905(b)(5) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out ''subparagraph (B)'' and inserting in lieu thereof ''subparagraphs (B) and (C)''; and

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

''(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation to be closed or realigned under this part as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall consult with the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

''(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever

area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.''.

SEC. 2822. PROHIBITION AGAINST CONVEYANCE OF PROPERTY AT MILITARY INSTALLATIONS TO STATE-OWNED SHIPPING COMPANIES.

(a) PROHIBITION AGAINST DIRECT CONVEYANCE.—In disposing of real property in connection with the closure of a military installation 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), the Secretary of Defense may not convey any portion of the property (by sale, lease, or other method) to a State-owned shipping company.

(b) PROHIBITION AGAINST INDIRECT CONVEYANCE.—The Secretary of Defense shall impose as a condition on each conveyance of real property located at such an installation the requirement that the property may not be subsequently conveyed (by sale, lease, or other method) to a State-owned shipping company.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that real property located at such an installation and conveyed under the Defense Base Closure and Realignment Act of 1990 has been conveyed to a State-owned shipping company in violation of subsection (b) or is otherwise being used by a State-owned shipping

company in violation of such subsection, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have immediate right of entry thereon.

(d) DEFINITION.—In this section, the term ''State-owned shipping company'' means a commercial shipping company owned or controlled by a foreign country.

Subtitle D—Land Conveyances

Part I—Army Conveyances

SEC. 2831. LAND CONVEYANCE, JAMES T. COKER ARMY RESERVE CENTER, DURANT, OKLAHOMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Big Five Community Services, Incorporated, a nonprofit organization operating in Durant, Oklahoma, all right, title, and interest of the United States in and to a parcel of real property located at 1500 North First Street in Durant, Oklahoma, and containing the James T. Coker Army Reserve Center, if the Secretary determines that the Reserve Center is excess to the needs of the Armed Forces.

(b) 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 Secretary. The cost of the survey shall be borne by Big Five Community Services, Incorporated.

(c) CONDITION ON CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that Big Five Community Services, Incorporated, retain the conveyed property for educational purposes.

(d) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for the purpose specified in subsection (c), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, FORT A. P. HILL, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Caroline County, Virginia (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 10 acres located at Fort A. P. Hill, Virginia. The purpose of the

conveyance is to permit the County to establish a solid waste transfer and recycling facility on the property.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the County shall permit the Army, at no cost, to dispose of not less than 1,800 tons of solid waste annually at the facility established on the conveyed property. The obligation of the County to accept solid waste under this subsection shall not commerce until after the solid waste transfer and recycling facility on the conveyed property becomes operational, and the establishment of a solid waste collection and transfer site on the .36-acre parcel described in subsection (d)(2) shall not be construed to impose the obligation.

(c) DISCLAIMER.—The United States shall not be responsible for the provision or cost of utilities or any other improvements necessary to carry out the conveyance under subsection (a) or to establish or operate the solid waste transfer and recycling facility intended for the property.

(d) REVERSION.—(1) Except as provided in paragraph (2), if the Secretary determines that a solid waste transfer and recycling facility is not operational, before December 31, 1999, on the real property conveyed under subsection (a), all right, title, and interest in and to such real property, including any improvements thereon, shall

revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) Paragraph (1) shall not apply with respect to a parcel of approximately .36 acres of the approximately 10-acre parcel to be conveyed under subsection (a), which is included in the larger conveyance to permit the County to establish a solid waste collection and transfer site for residential waste.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. EXPANSION OF LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) ADDITIONAL CONVEYANCE.—Subsection (a) of section 2858 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 571) is amended—

(1) by inserting ''(1)'' before ''The Secretary of the Army''; and

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

"(2) The Secretary may also convey to the State, without consideration, an additional parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 500 acres located along the Ohio River.".

(b) CONFORMING AMENDMENTS.—Such section is further amended by striking out "conveyance" both places it appears in subsections (b) and (d) and inserting in lieu thereof "conveyances".

SEC. 2834. MODIFICATION OF LAND CONVEYANCE, LOMPOC, CALIFORNIA.

(a) CHANGE IN AUTHORIZED USES OF LAND.—Section 834(b)(1) of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1526), is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following new subparagraphs:

"(A) for educational and recreational purposes;

"(B) for open space; or".

(b) CONFORMING DEED CHANGES.—With respect to the land conveyance made pursuant to section 834 of the Military Construction Authorization Act, 1985, the Secretary of the Army shall execute and file in the appropriate office or offices an amended deed or other appropriate instrument effectuating the changes to the authorized uses of the conveyed property resulting from the amendment made by subsection (a).

SEC. 2835. MODIFICATION OF LAND CONVEYANCE, ROCKY MOUNTAIN ARSENAL, COLORADO.

Section 5(c) of Public Law 102–402 (106 Stat. 1966) is amended by striking out ''The transferred property shall be sold in advertised sales'' and inserting in lieu thereof ''The Administrator shall convey the transferred property to Commerce City, Colorado, in a negotiated sale,''.

SEC. 2836. CORRECTION OF LAND CONVEYANCE AUTHORITY, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) IDENTIFICATION OF RECIPIENT.—Subsection (a) of section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2793) is amended by striking out ''County of Anderson, South Carolina (in this section referred to as the 'County')'' and inserting in lieu thereof ''Board of Education, Anderson County, South Carolina (in this section referred to as the 'Board')''.

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are amended by striking out ''County'' each place it appears and inserting in lieu thereof ''Board''.

SEC. 2837. LAND CONVEYANCE, FORT BRAGG, NORTH CAROLINA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Town of Spring Lake, North Carolina (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 50 acres located at Fort Bragg, North Carolina. The purpose of the conveyance is to improve access by the Town to a waste treatment facility and to permit economic development.

(b) 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 Secretary. The cost of the survey shall be borne by the Town.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2838. LAND CONVEYANCE, GIBSON ARMY RESERVE CENTER, CHICAGO, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Lawndale Business and Local Development Corporation

(in this section referred to as the ''Corporation''), a nonprofit organization organized in the State of Illinois, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 4454 West Cermak Road in Chicago, Illinois, and contains the Gibson Army Reserve Center.

(b) 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 Secretary. The cost of the survey shall be borne by the Corporation.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, FORT DIX, NEW JERSEY.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Borough of Wrightstown, New Jersey (in this section referred to as the ''Borough''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 39.69 acres located at Fort Dix, New Jersey, for

the purpose of permitting the Borough to develop the parcel for economic purposes.

(2) The Secretary may convey, without consideration, to the New Hanover Board of Education (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to an additional parcel of real property (including improvements thereon) at Fort Dix consisting of approximately five acres for the purpose of permitting the Board to develop the parcel for educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Borough, and the cost of the survey in connection with the conveyance under subsection (a)(2) shall be borne by the Board.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Part II—Navy Conveyances

SEC. 2851. CORRECTION OF LEASE AUTHORITY, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

(a) CORRECTION OF LESSEE.—Subsection (a) of section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2798) is amended—

(1) by striking out ''State of Mississippi (in this section referred to as the 'State')'' and inserting in lieu thereof ''County of Lauderdale, Mississippi (in this section referred to as the 'County')''; and

(2) by striking out ''The State'' and inserting in lieu thereof ''The County''.

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are amended by striking out ''State'' each place it appears and inserting in lieu thereof ''County''.

Part III—Air Force Conveyances

SEC. 2861. LAND TRANSFER, EGLIN AIR FORCE BASE, FLORIDA.

(a) TRANSFER.—Jurisdiction over the real property withdrawn by Executive Order 4525, dated October 1, 1826, which consists of approximately 440 acres of land at Cape San Blas, Gulf County, Florida, and any improvements thereon, is transferred from the administrative jurisdiction of the Secretary of Transportation to the admin-

istrative jurisdiction of the Secretary of the Air Force, without reimbursement. Executive Order 4525 is revoked, and the transferred real property shall be administered by the Secretary of the Air Force pursuant to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and such other laws as may be applicable to Federal real property.

(b) USE OF PROPERTY.—The real property transferred under subsection (a) may be used in conjunction with operations at Eglin Air Force Base, Florida.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by a survey satisfactory to the Secretary of the Air Force. The cost of the survey shall be borne by the Secretary of the Air Force.

SEC. 2862. STUDY OF LAND EXCHANGE OPTIONS, SHAW AIR FORCE BASE, SOUTH CAROLINA.

Section 2874 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 583) is amended by adding at the end the following new subsection:

"(g) STUDY OF EXCHANGE OPTIONS.—To facilitate the use of a land exchange to acquire the real property described in subsection (a), the Secretary of the Air Force shall conduct a study to identify real property in the pos-

session of the Air Force (located in the State of South Carolina or elsewhere) that satisfies the requirements of subsection (b)(2), is acceptable to the party holding the property to be acquired, and is otherwise suitable for exchange under this section. Not later than three months after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the Secretary shall submit to Congress a report containing the results of the study.''.

SEC. 2863. LAND CONVEYANCE, MARCH AIR FORCE BASE, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey to Air Force Village West, Incorporated (in this section referred to as the ''Corporation''), of Riverside, California, all right, title, and interest of the United States in and to a parcel of real property located at March Air Force Base, California, and consisting of approximately 75 acres, as more fully described in subsection (c).

(2) If the Secretary does not make the conveyance authorized by paragraph (1) to the Corporation on or before January 1, 2006, the Secretary shall convey the real property instead to the March Joint Powers Authority, the redevelopment authority established for March Air Force Base.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the Corporation shall pay to the United States an amount equal to the fair market value of the real property, as determined by the Secretary.

(c) LAND DESCRIPTION.—The real property to be conveyed under this section is contiguous to land conveyed to the Corporation pursuant to section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), and lies within sections 27, 28, 33, and 34 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, County of Riverside, California. The exact acreage and legal description of the real property shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the party receiving the property.

(d) TECHNICAL CORRECTIONS REGARDING PREVIOUS CONVEYANCE.—Section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), is amended—

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

(2) in subsection (c), by striking out ''Clark Street,'' and all that follows through the period and inserting in lieu thereof ''Village West Drive, on the

west by Allen Avenue, on the south by 8th Street, and the north is an extension of 11th Street between Allen Avenue and Clark Street.''.

SEC. 2864. LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) CONVEYANCE REQUIRED.—The Secretary of the Air Force may convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to the parcels of real property located at Ellsworth Air Force Base, South Dakota, referred to in subsection (b).

(b) COVERED PROPERTY.—(1) Subject to paragraph (2), the real property referred to in subsection (a) is the following:

(A) A parcel of real property, together with any improvements thereon, consisting of approximately 53.32 acres and comprising the Skyway Military Family Housing Area.

(B) A parcel of real property, together with any improvements thereon, consisting of approximately 137.56 acres and comprising the Renal Heights Military Family Housing Area.

(C) A parcel of real property, together with any improvements thereon, consisting of approximately 14.92 acres and comprising the East Nike Military Family Housing Area.

(D) A parcel of real property, together with any improvements thereon, consisting of approximately 14.69 acres and comprising the South Nike Military Family Housing Area.

(E) A parcel of real property, together with any improvements thereon, consisting of approximately 14.85 acres and comprising the West Nike Military Family Housing Area.

(2) The real property referred to in subsection (a) does not include the portion of real property referred to in paragraph (1)(B) that the Secretary determines to be required for the construction of an access road between the main gate of Ellsworth Air Force Base and an interchange on Interstate Route 90 located in the vicinity of mile marker 67 in South Dakota.

(c) CONDITIONS OF CONVEYANCE.—The conveyance of the real property referred to in subsection (b) shall be subject to the following conditions:

(1) That the Corporation, and any person or entity to which the Corporation transfers the property, comply in the use of the property with the ap-

plicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study.

(2) That the Corporation convey a portion of the real property referred to in paragraph (1)(A) of that subsection, together with any improvements thereon, consisting of approximately 20 acres to the Douglas School District, South Dakota, for use for education purposes.

(d) REVERSIONARY INTEREST.—If the Secretary determines that any portion of the real property conveyed under subsection (a) is not being utilized in accordance with the applicable provision of subsection (c), all right, title, and interest in and to that portion of the real property shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2881. REPEAL OF REQUIREMENT TO OPERATE NAVAL ACADEMY DAIRY FARM.

(a) OPERATION.—(1) Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6976. Operation of Naval Academy dairy farm

''(a) DISCRETION REGARDING CONTINUED OPERATION.—(1) Subject to paragraph (2), the Secretary of the Navy may terminate or reduce the dairy or other operations conducted at the Naval Academy dairy farm located in Gambrills, Maryland.

''(2) Notwithstanding the termination or reduction of operations at the Naval Academy dairy farm under paragraph (1), the real property containing the dairy farm (consisting of approximately 875 acres)—

''(A) may not be declared to be excess real property to the needs of the Navy or transferred or otherwise disposed of by the Navy or any Federal agency; and

''(B) shall be maintained in its rural and agricultural nature.

''(b) LEASE AUTHORITY.—(1) Subject to paragraph (2), to the extent that the termination or reduction of operations at the Naval Academy dairy farm permit, the Sec-

retary of the Navy may lease the real property containing the dairy farm, and any improvements and personal property thereon, to such persons and under such terms as the Secretary considers appropriate. In leasing any of the property, the Secretary may give a preference to persons who will continue dairy operations on the property.

''(2) Any lease of property at the Naval Academy dairy farm shall be subject to a condition that the lessee maintain the rural and agricultural nature of the leased property.

''(c) EFFECT OF OTHER LAWS.—Nothing in section 6971 of this title shall be construed to require the Secretary of the Navy or the Superintendent of the Naval Academy to operate a dairy farm for the Naval Academy in Gambrills, Maryland, or any other location.''.

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

''6976. Operation of Naval Academy dairy farm.''.

(b) CONFORMING REPEAL OF EXISTING REQUIREMENTS.—Section 810 of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 309), is repealed.

SEC. 2882. LONG-TERM LEASE OF PROPERTY, NAPLES ITALY.

(a) AUTHORITY.—Subject to subsection (d), the Secretary of the Navy may acquire by long-term lease structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvement Initiative.

(b) LEASE TERM.—Notwithstanding section 2675 of title 10, United States Code, the lease authorized by subsection (a) shall be for a term of not more than 20 years.

(c) EXPIRATION OF AUTHORITY.—The authority of the Secretary to enter into a lease under subsection (a) shall expire on September 30, 2002.

(d) AUTHORITY CONTINGENT ON APPROPRIATIONS ACTS.—The authority of the Secretary to enter into a lease under subsection (a) is available only to the extent or in the amount provided in advance in appropriations Acts.

SEC. 2883. DESIGNATION OF MILITARY FAMILY HOUSING AT LACKLAND AIR FORCE BASE, TEXAS, IN HONOR OF FRANK TEJEDA, A FORMER MEMBER OF THE HOUSE OF REPRESENTATIVES.

The military family housing developments to be constructed at two locations on Government property at Lackland Air Force Base, Texas, under the authority of

subchapter IV of chapter 169 of title 10, United States Code, shall be designated by the Secretary of the Air Force, at an appropriate time, as follows:

(1) The northern development shall be designated as ''Frank Tejeda Estates North''.

(2) The southern development shall be designated as ''Frank Tejeda Estates South''.

TITLE XXIX—SIKES ACT IMPROVEMENT

SEC. 2901. SHORT TITLE.

This title may be cited as the ''Sikes Act Improvement Amendments of 1997''.

SEC. 2902. DEFINITION OF SIKES ACT FOR PURPOSES OF AMENDMENTS.

In this title, the term ''Sikes Act'' means the Act entitled ''An Act to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations'', approved September 15, 1960 (16 U.S.C. 670a et seq.), commonly referred to as the ''Sikes Act''.

SEC. 2903. CODIFICATION OF SHORT TITLE OF ACT.

The Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting before title I the following new section:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Sikes Act'.''.

SEC. 2904. INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) PLANS REQUIRED.—Subsection (a) of section 101 of the Sikes Act (16 U.S.C. 670a) is amended to read as follows:

"(a) INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.—

"(1) PLANS REQUIRED.—The Secretary of Defense shall carry out a program to provide for the conservation and rehabilitation of natural resources on military installations. To facilitate the program, the Secretary of each military department shall prepare and implement an integrated natural resources management plan for each military installation in the United States under the jurisdiction of the Secretary, unless the Secretary determines that the absence of significant natural resources on a particular installation makes preparation of such a plan inappropriate.

"(2) COOPERATIVE PREPARATION.—The Secretary of a military department shall prepare the integrated natural resources management plans for which the Secretary is responsible in cooperation with the Secretary of the Interior, acting through the Director of the Fish and Wildlife Service, and the head of the appropriate State fish and wildlife

agency or agencies for the State in which the military installation involved is located. The resulting plan for a military installation consistent with paragraph (4) shall reflect the mutual agreement of the parties concerning conservation, protection, and management of fish and wildlife resources.

"(3) PURPOSE OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, the Secretaries of the military departments shall carry out the program required by this subsection to provide for—

"(A) the conservation and rehabilitation of natural resources on military installations;

"(B) the sustained multipurpose use of these resources, to include hunting, fishing, trapping, and nonconsumptive uses; and

"(C) subject to safety requirements and military security, public access to military installations to facilitate these uses.

"(4) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed as modifying or repealing the provisions of any Federal law governing the conservation or protection of fish and wildlife resources, nor as enlarging or diminishing the responsibility and authority of the States for the protection and

management of fish and resident wildlife. Except as elsewhere specifically provided in this section and section 102, nothing in this Act shall be construed as authorizing the Secretary of a military department to require a Federal license or permit to hunt, fish, or trap on a military installation.

(b) CONFORMING AMENDMENTS.—Title I of the Sikes Act is amended—

(1) in section 101(b)(4) (16 U.S.C. 670a(b)(4)), by striking out ''cooperative plan'' each place it appears and inserting in lieu thereof ''integrated natural resource management plan'';

(2) in section 101(c) (16 U.S.C. 670a(c)), in the matter preceding paragraph (1) by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(3) in section 101(d) (16 U.S.C. 670a(d)), in the matter preceding paragraph (1) by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans'';

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking out ''Cooperative plans'' and inserting in lieu thereof ''Integrated natural resource management plans'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(6) in section 103 (16 U.S.C. 670c), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(7) in section 106(a) (16 U.S.C. 670f(a)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''; and

(8) in section 106(c) (16 U.S.C. 670f(c)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''.

(c) CONTENTS OF PLANS.—Section 101(b) of the Sikes Act (16 U.S.C. 670a(b)) is amended—

(1) by striking out ''Each cooperative plan'' and all that follows through paragraph (1) and inserting in lieu thereof the following:

''(b) REQUIRED ELEMENTS OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, each integrated natural

resources management plan prepared under subsection (a)—

"(1) shall, where appropriate and applicable, provide for—

"(A) fish and wildlife management, land management, forest management, and fish and wildlife-oriented recreation;

"(B) fish and wildlife habitat enhancement or modifications;

"(C) wetland protection, enhancement, and restoration, where necessary for support of fish or wildlife;

"(D) integration of, and consistency among, the various activities conducted under the plan;

"(E) establishment of specific natural resource management objectives and time frames for proposed action;

"(F) sustained use by the public of natural resources to the extent such use is not inconsistent with the needs of fish and wildlife resources management;

"(G) public access to the military installation that is necessary or appropriate for the use described in subparagraph (F), subject to re-

quirements necessary to ensure safety and military security;

"(H) enforcement of natural resource laws and regulations;

"(I) no net loss in the capability of military installation lands to support the military mission of the installation; and

"(J) such other activities as the Secretary of the military department considers appropriate;"

(2) by striking out paragraph (3);

(3) by redesignating paragraph (4) as paragraph (3); and

(4) in paragraph (3)(A) (as so redesignated), by striking out "collect the fees therefor," and inserting in lieu thereof "collect, spend, administer, and account for fees therefor,".

SEC. 2905. REVIEW FOR PREPARATION OF INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) REVIEW OF MILITARY INSTALLATIONS.—

(1) REVIEW.—The Secretary of each military department shall, by not later than nine months after the date of the enactment of this Act—

(A) review each military installation in the United States that is under the jurisdiction of

that Secretary to determine the military installations for which the preparation of an integrated natural resource management plan under section 101 of the Sikes Act, as amended by this title, is appropriate; and

(B) submit to the Secretary of Defense a report on those determinations.

(2) REPORT TO CONGRESS.—The Secretary of Defense shall, by not later than 12 months after the date of the enactment of this Act, submit to the Congress a report on the reviews conducted under paragraph (1). The report shall include—

(A) a list of those military installations reviewed under paragraph (1) for which the Secretary of the military department concerned determines the preparation of an integrated natural resource management plan is not appropriate; and

(B) for each of the military installations listed under subparagraph (A), an explanation of the reasons such a plan is not appropriate.

(b) DEADLINE FOR INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.—Not later than two years after the date of the submission of the report required under subsection (a)(2), the Secretary of each military de-

partment shall, for each military installation for which the Secretary has not determined under subsection (a)(2)(A) that preparation of an integrated natural resource management plan is not appropriate—

(1) prepare and begin implementing such a plan in accordance with section 101(a) of the Sikes Act, as amended by section 2904; or

(2) in the case of a military installation for which there is in effect a cooperative plan under section 101(a) of the Sikes Act on the day before the date of the enactment of this Act, complete negotiations with the Secretary of the Interior and the heads of the appropriate State agencies regarding changes to that plan that are necessary for the plan to constitute an integrated natural resource plan that complies with that section, as amended by section 2904.

(c) PUBLIC COMMENT.—The Secretary of each military department shall provide an opportunity for the submission of public comments on—

(1) integrated natural resource management plans proposed pursuant to subsection (b)(1); and

(2) changes to cooperative plans proposed pursuant to subsection (b)(2).

SEC. 2906. ANNUAL REVIEWS AND REPORTS.

Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

"(f) REVIEWS AND REPORTS.—

"(1) SECRETARY OF DEFENSE.—The Secretary of Defense shall, by not later than March 1 of each year, review the extent to which integrated natural resource management plans were prepared or in effect and implemented in accordance with this Act in the preceding year, and submit a report on the findings of that review to the committees. Each report shall include—

"(A) the number of integrated natural resource management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;

"(B) the amount of moneys expended on conservation activities conducted pursuant to those plans in the year covered by the report; and

"(C) an assessment of the extent to which the plans comply with the requirements of this Act.

"(2) SECRETARY OF THE INTERIOR.—The Secretary of the Interior, by not later than March 1 of each year and in consultation with State agencies responsible for conservation or management of fish or wildlife, shall submit a report to the committees on the amount of moneys expended by the Department of the Interior and those State agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resource management plans.

"(3) COMMITTEES DEFINED.—For purposes of this subsection, the term 'committees' means the Committee on Resources and the Committee on National Security of the House of Representatives and the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.".

SEC. 2907. TRANSFER OF WILDLIFE CONSERVATION FEES FROM CLOSED MILITARY INSTALLATIONS.

Subsection (b)(3)(B) of section 101(b) of the Sikes Act (16 U.S.C. 670a(b)), as redesignated and amended by section 2904, is further amended by inserting before the period at the end the following: ", unless that military installation is subsequently closed, in which case the fees

may be transferred to another military installation to be used for the same purposes''.

SEC. 2908. FEDERAL ENFORCEMENT.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended—

(1) by redesignating section 106, as amended by section 2904(b), as section 109; and

(2) by inserting after section 105 the following new section:

''SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

''All Federal laws relating to the conservation of natural resources on Federal lands may be enforced by the Secretary of Defense with respect to violations of those laws that occur on military installations within the United States.''.

SEC. 2909. NATURAL RESOURCE MANAGEMENT SERVICES.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 106 (as added by section 2908) the following new section:

''SEC. 107. NATURAL RESOURCE MANAGEMENT SERVICES.

''The Secretary of each military department shall ensure, within available resources, that sufficient numbers of professionally trained natural resource management personnel and natural resource law enforcement personnel are available and assigned responsibility to perform tasks

necessary to comply with this Act, including the preparation and implementation of integrated natural resource management plans.''.

SEC. 2910. DEFINITIONS.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 107 (as added by section 2909) the following new section:

"SEC. 108. DEFINITIONS.

''In this title:

''(1) MILITARY INSTALLATION.—(A) The term 'military installation' means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department (except civil works lands). The term includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department.

''(B) The term does not include any lands otherwise covered by subparagraph (A) that are subject to an approved recommendation for closure 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) STATE FISH AND WILDLIFE AGENCY.—The term 'State fish and wildlife agency' means an agency or agencies of State government that is responsible under State law for managing fish or wildlife resources.

"(3) UNITED STATES.—The term 'United States' means the States, the District of Columbia, and the territories and possessions of the United States.".

SEC. 2911. COOPERATIVE AGREEMENTS.

Section 103a of the Sikes Act (16 U.S.C. 670c–1) is amended—

(1) in subsection (a) by striking out "Secretary of Defense" and inserting "Secretary of a military department";

(b) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Funds appropriated to the Department of Defense for a fiscal year may be obligated to cover the cost of goods and services provided either under a cooperative agreement entered into under subsection (a) or through an agency agreement under section 1535 of title 31, United States Code, during any 18-month period beginning in that fiscal year, without regard to whether the agreement crosses fiscal years.".

SEC. 2912. REPEAL OF SUPERSEDED PROVISION.

Section 2 of the Act of October 27, 1986 (Public Law 99–561; 16 U.S.C. 670a–1), is repealed.

SEC. 2913. CLERICAL AMENDMENTS.

Title I of the Sikes Act, as amended by this title, is amended—

(1) in the heading for the title by striking out ''MILITARY RESERVATIONS'' and inserting in lieu thereof ''MILITARY INSTALLATIONS'';

(2) in section 101(b)(3) (16 U.S.C. 670a(b)(3)), as redesignated and amended by section 2904—

(A) in subparagraph (A), by striking out ''the reservation'' and inserting in lieu thereof ''the installation''; and

(B) in subparagraph (B), by striking out ''the military reservation'' and inserting in lieu thereof ''the military installation'';

(4) in section 101(c) (16 U.S.C. 670a(c))—

(A) in paragraph (1), by striking out ''a military reservation'' and inserting in lieu thereof ''a military installation''; and

(B) in paragraph (2), by striking out ''the reservation'' and inserting in lieu thereof ''the installation'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(6) in section 103 (16 U.S.C. 670c)—

(A) by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(B) by striking out ''such reservations'' and inserting in lieu thereof ''such installations''.

SEC. 2914. AUTHORIZATIONS OF APPROPRIATIONS.

(a) PROGRAMS ON MILITARY INSTALLATIONS.—Subsections (b) and (c) of section 109 of the Sikes Act (as redesignated by section 1408) are each amended by striking out ''1983'' and all that follows through ''1993,'' and inserting in lieu thereof ''1983 through 2000,''.

(b) PROGRAMS ON PUBLIC LANDS.—Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) in subsection (a), by striking out ''the sum of $10,000,000'' and all that follows through ''to enable the Secretary of the Interior'' and inserting in lieu thereof ''$4,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of the Interior''; and

(2) in subsection (b), by striking out ''the sum of $12,000,000'' and all that follows through ''to enable the Secretary of Agriculture'' and inserting in lieu thereof ''$5,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of Agriculture''.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,733,400,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,257,100,000, to be allocated as follows:

(A) For operation and maintenance, $1,158,290,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $98,810,000, to be allocated as follows:

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $46,300,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,810,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $13,400,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $19,300,000.

(2) For inertial fusion, $414,800,000, to be allocated as follows:

(A) For operation and maintenance, $217,000,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $197,800,000, to be allocated as follows:

Project 96–D–111, national ignition facility, location to be determined, $197,800,000.

(3) For technology transfer and education, $61,500,000, to be allocated as follows:

(A) For technology transfer, $52,500,000.

(B) For education, $9,000,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,024,150,000, to be allocated as follows:

(1) For operation and maintenance, $1,868,265,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of

projects authorized in prior years, and land acquisition related thereto), $155,885,000, to be allocated as follows:

Project 98–D–123, stockpile management restructuring initiative, tritium factory modernization and consolidation, Savannah River Site, Aiken, South Carolina, $11,000,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $6,450,000.

Project 98–D–125, tritium extraction facility, Savannah River Site, Aiken, South Carolina, $9,650,000.

Project 98–D–126, accelerator production of tritium, various locations, $67,865,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,200,000.

Project 97–D–124, steam plant wastewater treatment facility upgrade, Y–12 Plant, Oak Ridge, Tennessee, $1,900,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $6,900,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $2,700,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $12,600,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $1,400,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $2,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $2,100,000.

Project 92–D–126, replace emergency notification system, various locations, $3,200,000.

Project 88–D–122, facilities capability assurance program, various locations, $18,920,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out

weapons activities necessary for national security programs in the amount of $208,500,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,000,973,000, of which $388,000,000 shall be allocated to the uranium enrichment decontamination and decommissioning fund.

(b) CLOSURE PROJECTS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7274n) in the amount of $905,800,000.

(c) WASTE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,536,344,000, to be allocated as follows:

(1) For operation and maintenance, $1,455,576,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,768,000, to be allocated as follows:

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $1,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $13,961,000.

Project 96–D–408, waste management upgrades, various locations, $8,200,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $176,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $3,800,000.

Project 95–D–407, 219–S secondary containment upgrade, Richland, Washington, $2,500,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,219,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $15,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $17,520,000.

Project 92–D–172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas, $5,000,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $1,042,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $11,250,000.

(d) TECHNOLOGY DEVELOPMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $182,881,000.

(e) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,244,021,000, to be allocated as follows:

(1) For operation and maintenance, $1,159,114,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $84,907,000, to be allocated as follows:

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $8,136,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 97–D–450, Actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $18,000,000.

Project 97–D–451, B-Plant safety class ventilation upgrades, Richland, Washington, $2,000,000.

Project 97–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $5,600,000.

Project 97–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $4,200,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $16,744,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $2,927,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $14,985,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,500,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River Site, South Carolina, $2,713,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $602,000.

(f) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $288,251,000.

(g) POLICY AND MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for policy and management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $20,000,000.

(h) ENVIRONMENTAL SCIENCE PROGRAM.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for the environmental science program in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $55,000,000.

(i) HANFORD TANK WASTE VITRIFICATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for the Hanford Tank Waste Vitrification project, subject to the provisions of section 3145, in the amount of $70,000,000.

(j) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (h) reduced by the sum of $20,000,000, to be derived from non-safety-related contractor training expenses.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for other defense activities in carrying out programs necessary for national security in the amount of $1,512,551,000, to be allocated as follows:

(1) For verification and control technology, $428,600,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $190,000,000.

(B) For arms control, $205,000,000.

(C) For intelligence, $33,600,000.

(2) For nuclear safeguards and security, $47,200,000.

(3) For security investigations, $25,000,000.

(4) For emergency management, $17,000,000.

(5) For program direction, $68,900,000.

(6) For worker and community transition assistance, $22,000,000, to be allocated as follows:

(A) For worker and community transition, $20,000,000.

(B) For program direction, $2,000,000.

(7) For fissile materials control and disposition, $103,451,000, to be allocated as follows:

(A) For operation and maintenance, $99,451,000.

(B) For program direction, $4,000,000.

(8) For environment, safety, and health, defense, $73,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $63,000,000.

(B) For program direction, $10,000,000.

(9) For the Office of Hearings and Appeals, $1,900,000.

(10) For nuclear energy, $47,000,000, to be allocated as follows:

(A) For nuclear technology research and development (electrometallurgical), $12,000,000.

(B) For international nuclear safety (Soviet-designed reactors), $25,000,000.

(C) For Russian plutonium reactor core conversion, $10,000,000.

(11) For naval reactors development, $678,500,000, to be allocated as follows:

(A) For operation and maintenance, $648,920,000.

(B) For program direction, $20,080,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $9,500,000, to be allocated as follows:

Project 98–D–200, site laboratory/facility upgrade, various locations, $1,200,000.

Project 97–D–201, advanced test reactor secondary coolant refurbishment, Idaho National Engineering Laboratory, Idaho, $4,100,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $1,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,100,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $190,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost

of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of author-

izations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

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

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

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

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in para-

graph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project. The Secretary shall submit to Congress a report on each conceptual design completed under this paragraph.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, de-

sign, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AUTHORITY RELATING TO TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project. Any such transfer may be made only once in a fiscal year to or from a program or project, and the amount transferred to or from a program or project may not exceed $5,000,000 in a fiscal year.

(b) DETERMINATION.—A transfer may not be carried out by a manager of a field office pursuant to the authority provided under subsection (a) unless the manager determines that such transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at that field office.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary of Energy, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such a transfer occurs.

(e) LIMITATION.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(f) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A project listed in subsection (b) or (e) of section 3102 being carried out by the office.

(B) A program referred to in subsection (a), (b), (c), (e), or (g) of section 3102 being carried out by the office.

(C) A project or program not described in subparagraph (A) or (B) that is for environmental restoration or waste management activities necessary for national security programs of the Department of Energy, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(g) DURATION OF AUTHORITY.—The authority provided under subsection (a) to a manager of a field office shall be in effect for the period beginning on October 1, 1997, and ending on September 30, 1998.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. BALLISTIC MISSILE DEFENSE NATIONAL LABORATORY PROGRAM.

(a) PROGRAM.—The Secretary of Energy shall establish a program for purposes of making available to the Secretary of Defense the expertise of the national laboratories for the ballistic missile defense programs of the Department of Defense.

(b) TASK FORCE.—The Secretary of Energy shall conduct the program through a task force consisting of the directors of the Los Alamos National Laboratory, the Sandia National Laboratories, and the Lawrence Livermore National Laboratory. The chairmanship of the task force shall rotate each year among the directors of the laboratories. The director of the Lawrence Livermore National Laboratory shall serve as the first chairman.

(c) ACTIVITIES.—Under the program, the national laboratories shall carry out those activities necessary to respond to requests for assistance from the Secretary of Defense with respect to the ballistic missile defense programs of the Department of Defense. Such activities may include the identification of technical modifications and test techniques, the analysis of physics problems, the con-

solidation of range and test activities, and the analysis and simulation of theater missile defense deployment problems.

(d) FUNDING.—Of the amounts authorized to be appropriated by section 3101(a)(1), $50,000,000 shall be available only for the program authorized by this section.

Subtitle D—Other Matters

SEC. 3141. PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

(a) PLAN REQUIREMENT.—The Secretary of Energy shall develop and annually update a plan for maintaining the nuclear weapons stockpile. The plan shall cover, at a minimum, stockpile stewardship, stockpile management, and program direction and shall be consistent with the programmatic and technical requirements of the most recent annual Nuclear Weapons Stockpile Memorandum.

(b) PLAN ELEMENTS.—The plan and each update of the plan shall set forth the following:

(1) The number of warheads (including active and inactive warheads) for each type of warhead in the nuclear weapons stockpile.

(2) The current age of each warhead type, and any plans for stockpile lifetime extensions and modifications or replacement of each warhead type.

(3) The process by which the Secretary of Energy is assessing the lifetime, and requirements for lifetime extension or replacement, of the nuclear and nonnuclear components of the warheads (including active and inactive warheads) in the nuclear weapons stockpile.

(4) The process used in recertifying the safety, security, and reliability of each warhead type in the nuclear weapons stockpile.

(5) Any concerns which would affect the ability of the Secretary of Energy to recertify the safety, security, or reliability of warheads in the nuclear weapons stockpile (including active and inactive warheads).

(c) ANNUAL SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Energy shall submit to Congress the plan developed under subsection (a) not later than March 15, 1998, and shall submit an updated version of the plan not later than March 15 of each year thereafter. The plan shall be submitted in both classified and unclassified form.

(d) REPEAL OF SUPERSEDED REQUIREMENTS.—The following provisions of law are repealed:

(1) Subsection (d) of section 3138 of the National Defense Authorization Act for Fiscal Year

1994 (Public Law 103–160; 107 Stat. 1947; 42 U.S.C. 2121 note).

(2) Section 3153 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624; 42 U.S.C. 2121 note).

(3) Section 3159 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626; 42 U.S.C. 7271b note).

(4) Section 3156 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2841; 42 U.S.C. 7271c).

SEC. 3142. REPEAL OF OBSOLETE REPORTING REQUIREMENTS.

The following provisions of law are repealed:

(1) Subsection (e) of section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075; 42 U.S.C. 2121 note).

(2) Section 3143 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271a).

(3) Section 3134 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2639).

SEC. 3143. STUDY AND FUNDING RELATING TO IMPLEMENTATION OF WORKFORCE RESTRUCTURING PLANS.

(a) STUDY REQUIREMENT.—The Secretary of Energy shall conduct a study on the effects of workforce restructuring plans for defense nuclear facilities developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(b) MATTERS COVERED BY STUDY.— The study shall cover the four-year period preceding the date of the enactment of this Act and shall include the following:

(1) An analysis of the number of jobs created under workforce restructuring plans developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(2) An analysis of other benefits provided pursuant to such plans and through community reuse organizations.

(3) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(4) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(5) A comparison of the benefits provided pursuant to such plans—

(A) to employees whose employment at facilities covered by such plans is terminated; and

(B) to employees whose employment at facilities where more than 50 percent of the revenues are derived from contracts with the Department of Defense is terminated.

(c) CONDUCT OF STUDY.—(1) The study shall be conducted through a contract with a private auditing firm with which the Department of Energy has no other auditing contracts.

(2)(A) The Secretary of Energy may not enter into the contract for the conduct of the study until—

(i) the Secretary submits a notification of the proposed contract award to the congressional defense committees; and

(ii) a period of 30 days of continuous session of Congress has expired following the date on which the notification is submitted.

(B) For purposes of subparagraph (A)(ii), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and 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 such 30-day period.

(3) The Secretary of Energy shall ensure that the firm conducting the study is provided access to all documents in the possession of the Department of Energy that are relevant to the study, including documents in the possession of the Inspector General of the Department of Energy.

(d) REPORT ON STUDY.—The Secretary of Energy shall submit a report to Congress on the results of the study not later than January 30, 1998.

(e) FUNDING.—In addition to amounts available pursuant to the authorization of appropriations in section 3103(6), the Secretary of Energy may use an amount not exceeding $44,000,000 for implementation of the workforce restructuring plans for contractor employees, to be derived from excess unobligated and available funds.

(f) REVISIONS TO DEFENSE NUCLEAR FACILITIES WORKFORCE RESTRUCTURING PLAN REQUIREMENTS.—

(1) REVISION OF PERIOD FOR NOTIFICATION OF CHANGES IN WORKFORCE.—Section 3161(c)(1)(B) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(1)(B)) is amended by striking out ''120'' and inserting in lieu thereof ''90''.

(2) REPEAL OF REQUIREMENT FOR SUBMISSION TO CONGRESS.—Subsection (f) of section 3161 of such Act is repealed.

(3) PROHIBITION ON USE OF FUNDS FOR LOCAL IMPACT ASSISTANCE.—None of the funds authorized to be appropriated to the Department of Energy pursuant to section 3103(6) may be used for local impact assistance from the Department of Energy under section 3161(c)(6) of such Act (42 U.S.C. 7274h(c)(6)) until—

(A) with respect to assistance referred to in section 3161(c)(6)(A) of such Act, the Secretary of Energy coordinates with and obtains approval of the Secretary of Labor; and

(B) with respect to assistance referred to in section 3161(c)(6)(C) of such Act, the Secretary of Energy coordinates with and obtains approval of the Secretary of Commerce.

(4) SEMIANNUAL REPORT TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—Every six months the Secretary of Energy shall submit to Congress a report setting forth a description of, and the value of, all local impact assistance provided under section 3161(c)(6) of such Act.

(g) EFFECT ON USEC PRIVATIZATION ACT.—Nothing in this section shall be construed as diminishing the obligations of the Secretary of Energy under section 3110(a)(5) of the USEC Privatization Act (Public Law 104–134; 110 Stat. 1321–341; 42 U.S.C. 2297h–8(a)(5)).

(h) DEFINITIONS.—In this section:

(1) The term ''defense nuclear facility'' has the meaning provided the term ''Department of Energy defense nuclear facility'' in section 3163 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274j).

(2) The term ''contractor employee'' means an employee of a contractor or subcontractor of the Department of Energy at a defense nuclear facility.

SEC. 3144. EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095; 42 U.S.C. 7231 note) is amended—

(1) by striking out subsection (c); and

(2) in subsection (d)(1), by striking out ''1997'' and inserting in lieu thereof ''1999''.

SEC. 3145. REPORT ON PROPOSED CONTRACT FOR HANFORD TANK WASTE VITRIFICATION PROJECT.

(a) PRIOR NOTICE TO CONGRESSIONAL DEFENSE COMMITTEES BEFORE ENTERING INTO CONTRACT.—(1) The Secretary of Energy may not enter into a contract for the Hanford Tank Waste Vitrification project until—

(A) the Secretary submits a report on the proposed contract to the congressional defense committees; and

(B) a period of 30 days of continuous session of Congress has expired following the date on which the report is submitted.

(2) For purposes of paragraph (1)(B), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and 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 such 30-day period.

(b) REPORT.—A report under subsection (a)(1) shall include the following:

(A) A description of the activities to be carried out under the contract.

(B) A description of the funds expended, and the funds obligated but not expended, as of the date of the report on remediation of Hanford tank waste since 1989.

(C) A description of the contractual and financial aspects of the contract, including any provisions relating to the risk of nonperformance and risk assumption by the United States and the contractor or contractors.

(D) An analysis of the cost to the United States of the proposed contract, including a detailed analysis of the annual budget authority and outlay requirements for the life of the project.

(E) If the proposed contract contemplates construction of two projects, an analysis of the basis for the selection of the two projects, and a detailed analysis of the costs to the United States of two projects compared to the costs to the United States of one project.

(F) If the proposed contract provides for financing of the project (or projects) by an entity or entities other than the United States, a detailed analysis of the costs of such financing compared to the costs of financing the project (or projects) by the United States.

SEC. 3146. LIMITATION ON CONDUCT OF SUBCRITICAL NUCLEAR WEAPONS TESTS.

The Secretary of Energy may not conduct any subcritical nuclear weapons tests using funds available to the

Secretary for fiscal year 1998 until 30 days after the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a detailed report on the manner in which funds available to the Secretary for fiscal years 1996 and 1997 to conduct such tests were used.

SEC. 3147. LIMITATION ON USE OF CERTAIN FUNDS UNTIL FUTURE USE PLANS ARE SUBMITTED.

(a) LIMITATION.—The Secretary of Energy may not use more than 80 percent of the funds available to the Secretary pursuant to the authorization of appropriations in section 3102(f) (relating to policy and management) until the Secretary submits the plans described in subsection (b).

(b) PLANS.—The plans referred to in subsection (a) are the draft future use plan and the final future use plan required under section 3153(f) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2840; 42 U.S.C. 7274k).

SEC. 3148. PLAN FOR EXTERNAL OVERSIGHT OF NATIONAL LABORATORIES.

(a) PLAN REQUIREMENT.—The Secretary of Energy, acting through the Assistant Secretary for Defense Programs, shall develop a plan for the external oversight of the national laboratories.

(b) PLAN ELEMENTS.—The plan shall—

(1) provide for the establishment of an external oversight committee comprised of representatives of industry and academia for the purpose of making recommendations to the Secretary of Energy and the congressional defense committees on the productivity of the laboratories and on the excellence, relevance, and appropriateness of the research conducted by the laboratories; and

(2) provide for the establishment of a competitive peer review process for funding basic research at the laboratories.

(c) SUBMISSION TO CONGRESS.—The Secretary of Energy shall submit the plan to the congressional defense committees not later than 120 days after the date of the enactment of this Act.

(d) NATIONAL LABORATORIES COVERED.—For purposes of this section, the national laboratories are—

(1) the Lawrence Livermore National Laboratory, Livermore, California;

(2) the Los Alamos National Laboratory, Los Alamos, New Mexico;

(3) the Sandia National Laboratories, Albuquerque, New Mexico; and

(4) the Nevada Test Site.

SEC. 3149. UNIVERSITY-BASED RESEARCH CENTER.

(a) FINDINGS.—The Congress finds the following:

(1) The maintenance of scientific and engineering competence in the United States is vital to long-term national security and the defense and national security missions of the Department of Energy.

(2) Engaging the universities and colleges of the Nation in research on long-range problems of vital national security interest will be critical to solving the technology challenges faced within the defense and national programs of the Department of Energy in the next century.

(3) Enhancing collaboration among the national laboratories, universities and colleges, and industry will contribute significantly to the performance of these Department of Energy missions.

(b) CENTER.—The Secretary of Energy shall establish a university-based research center at a location that can develop the most effective collaboration among national laboratories, universities and colleges, and industry in support of scientific and engineering advancement in key Department of Energy defense program areas.

(c) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy in fiscal year 1998, the Secretary shall make $5,000,000 available for the establishment and operation of the Center.

SEC. 3150. STOCKPILE STEWARDSHIP PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Eliminating the threat posed by nuclear weapons to the United States is an important national security goal.

(2) As long as nuclear threats remain, the nuclear deterrent of the United States must be effective and reliable.

(3) A safe, secure, effective, and reliable United States nuclear stockpile is central to the current nuclear deterrence strategy of the United States.

(4) The Secretary of Energy has undertaken a stockpile stewardship and management program to ensure the safety, security, effectiveness, and reliability of the nuclear weapons stockpile of the United States, consistent with all United States treaty requirements and the requirements of the nuclear deterrence strategy of the United States.

(5) It is the policy of the current administration that new nuclear weapon designs are not required to effectively implement the nuclear deterrence strategy of the United States.

(b) POLICY.—It is the policy of the United States that—

(1) activities of the stockpile stewardship program shall be directed toward ensuring that the

United States possesses a safe, secure, effective, and reliable nuclear stockpile, consistent with the national security requirements of the United States; and

(2) stockpile stewardship activities of the United States shall be conducted in conformity with the terms of the Treaty on the Non-Proliferation of Nuclear Weapons (TIAS 6839) and the Comprehensive Test Ban Treaty signed by the President on September 24, 1996, when and if that treaty enters into force.

SEC. 3151. REPORTS ON ADVANCED SUPERCOMPUTER SALES TO CERTAIN FOREIGN NATIONS.

(a) REPORTS.—The Secretary of Energy shall require that any company that is a participant in the Accelerated Strategic Computing Initiative (ASCI) program of the Department of Energy report to the Secretary and to the Secretary of Defense each sale by that company to a country designated as a Tier III country of a computer capable of operating at a speed in excess of 2,000 millions theoretical operations per second (MTOPS). The report shall include a description of the following with respect to each such sale:

(1) The anticipated end-use of the computer sold.

(2) The software included with the computer.

(3) Any arrangement under the terms of the sale regarding—

(A) upgrading the computer;

(B) servicing of the computer; or

(C) the furnishing of spare parts for the computer.

(b) COVERED COUNTRIES.—For purposes of this section, the countries designated as Tier III countries are the countries listed as ''computer tier 3'' eligible countries in part 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997 (or any successor list).

(c) QUARTERLY SUBMISSION OF REPORTS.—The Secretary of Energy shall require that reports under subsection (a) be submitted quarterly.

(d) ANNUAL REPORT.—The Secretary of Energy shall submit to Congress an annual report containing all information received under subsection (a) during the preceding year. The first annual report shall be submitted not later than July 1, 1998.

SEC. 3152. TRANSFERS OF REAL AND PERSONAL PROPERTY AT CERTAIN DEPARTMENT OF ENERGY FACILITIES.

(a) TRANSFER GUIDELINES.—(1) The Secretary of Energy shall issue guidelines for the transfer by sale or

lease of real and personal property at Department of Energy defense nuclear facilities in consultation with the community reuse organizations associated with the facilities and the local governments within whose jurisdiction the facilities are located. The Secretary shall issue the guidelines not later than 90 days after the date of the enactment of this Act.

(2)(A) The Secretary of Energy may not transfer real or personal property under the guidelines issued under paragraph (1) until—

(i) the Secretary submits a notification of the proposed transfer to the congressional defense committees; and

(ii) a period of 30 days of continuous session of Congress has expired following the date on which the notification is submitted.

(B) For purposes of subparagraph (A)(ii), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and 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 such 30-day period.

(b) INDEMNIFICATION.—(1) In the sale or lease of real or personal property pursuant to the guidelines issued under subsection (a), the Secretary of Energy may indem-

nify a transferee against an action for injury to person or property resulting from the release or threatened release of a hazardous substance or pollutant or contaminant as a result of Department of Energy activities. Before such a sale or lease, the Secretary shall notify the transferee that the Secretary has authority to provide indemnification to the transferee under this subsection. The Secretary shall include in an agreement for such a sale or lease a provision addressing indemnification for such an action.

(2) Nothing in this section shall be construed as affecting or modifying in any way section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

(c) DEFINITIONS.—In this section:

(1) The term ''Department of Energy defense nuclear facility'' has the meaning provided by section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(2) The term ''transferee'' means a person to which real property is transferred pursuant to the guidelines issued under subsection (a).

(3) The terms ''hazardous substance'', ''release'', and ''pollutant or contaminant'' have the meanings provided by section 101 of the Comprehen-

sive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

SEC. 3153. REQUIREMENT TO DELEGATE CERTAIN AUTHORITIES TO SITE MANAGER OF HANFORD RESERVATION.

Section 3173(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2848; 42 U.S.C. 7274k) is amended—

(1) in paragraph (1), by striking out ''In addition'' and inserting in lieu thereof ''Except as provided in paragraph (5), in addition''; and

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

''(5) In the case of the Hanford Reservation, Richland, Washington, the Secretary shall delegate to the Site Manager the authority described in paragraph (1). The Secretary may withdraw the delegated authority if the Secretary—

''(A) determines that the Site Manager of the Hanford Reservation has misused or misapplied that authority; and

''(B) the Secretary submits to Congress a notification of the Secretary's intent to withdraw the authority.''.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1998, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. PLAN FOR TRANSFER OF FACILITIES FROM JURISDICTION OF DEFENSE NUCLEAR FACILITIES SAFETY BOARD TO JURISDICTION OF NUCLEAR REGULATORY COMMISSION.

(a) PLAN REQUIREMENT.—(1) The Defense Nuclear Facilities Safety Board (in this section referred to as the ''Board'') shall develop, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, a plan for—

(A) increasing the authority of the Nuclear Regulatory Commission to include the regulation of Department of Energy defense nuclear facilities; and

(B) decreasing or eliminating the functions of the Board with respect to such facilities under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

(2) The plan shall be submitted to Congress not later than six months after the date of the enactment of this Act.

(b) PLAN ELEMENTS.—The plan shall include the following:

(1) A list of facilities as described in subsection (c).

(2) A schedule for the orderly transfer of such facilities from the jurisdiction of the Board to the jurisdiction of the Nuclear Regulatory Commission.

(3) Recommendations on the order in which the facilities should be transferred, including such recommendations as the Board considers appropriate with respect to the suitability of the various facilities for transfer and the appropriateness for the various facilities of the schedule for conducting the transfer.

(4) Such other provisions as the Board considers necessary to carry out an orderly transfer under paragraph (2).

(c) LIST OF FACILITIES.—The plan shall contain a list of all Department of Energy defense nuclear facilities, grouped according to the following criteria:

(1) Facilities that are similar to facilities regulated by the Nuclear Regulatory Commission on the date of the enactment of this Act.

(2) Facilities that are in compliance with Department of Energy nuclear safety requirements and Board recommendations in existence on the date of the enactment of this Act.

(3) Facilities the regulation of which would involve the Nuclear Regulatory Commission in unique national security interests, including the classified design and configuration of a nuclear weapon or explosive device.

(d) FACILITY DEFINED.—In this section, the term ''Department of Energy defense nuclear facility'' has the meaning provided by section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g), except that the term includes such a facility that is under construction or is planned by the Secretary of Energy to be constructed.

(e) REPEAL OF PROHIBITION ON USE OF FUNDS.—Section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (42 U.S.C. 7272) is repealed.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1998, the National Defense Stockpile Manager may obligate up to $73,000,000 of the funds in the Na-

tional Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. DISPOSAL OF BERYLLIUM COPPER MASTER ALLOY IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZATION.—Pursuant to section 5(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98d(b)), the National Defense Stockpile Manager may dispose of all beryllium copper master alloy from the National Defense Stockpile provided for in section 4 of such Act (50 U.S.C. 98c) as part of continued efforts to modernize the Stockpile.

(b) PRECONDITION FOR DISPOSAL.—Before beginning the disposal of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall certify to Congress that the disposal of beryllium copper master alloy will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical material needs of the United States.

(c) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee established under section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1(c)) to ensure that the disposal of beryllium copper master alloy does not disrupt the domestic beryllium industry.

(d) EXTENDED SALES CONTRACTS.—The National Defense Stockpile Manager shall provide for the use of long-term sales contracts for the disposal of beryllium copper master alloy under subsection (a) so that the domestic beryllium industry can re-absorb this material into the market in a gradual and nondisruptive manner. However, no such contract shall provide for the disposal of beryllium copper master alloy over a period longer than eight years, beginning on the date of the commencement of the first contract under this section.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding beryllium copper master alloy.

(f) BERYLLIUM COPPER MASTER ALLOY DEFINED.—For purposes of this section, the term ''beryllium copper master alloy'' means an alloy of nominally four percent beryllium in copper.

SEC. 3303. DISPOSAL OF TITANIUM SPONGE IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (b), the National Defense Stockpile Manager shall dispose of 34,800 short tons of titanium sponge contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) and excess to stockpile requirements.

(b) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of titanium sponge under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee established under section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1(c)) to ensure that the disposal of titanium sponge does not disrupt the domestic titanium industry.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding titanium sponge.

SEC. 3304. CONDITIONS ON TRANSFER OF STOCKPILED PLATINUM RESERVES FOR TREASURY USE.

(a) IMPOSITION OF CONDITIONS.—Any transfer of platinum contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) to the Secretary of the Treasury for use to mint and issue bullion and proof platinum coins or for any other purpose shall be subject to the conditions contained in this section.

(b) YEARLY LIMITATION.—The quantity of platinum transferred from the stockpile to the Secretary of the Treasury may not exceed 200,000 troy ounces during any fiscal year, of which not more than 81,600 troy ounces per year may be platinum of the highest quality specification.

(c) REPLACEMENT UPON NOTICE.—The Secretary of the Treasury shall replace platinum received from the stockpile within one year after receiving notice from the Secretary of Defense specifying the quantity and quality

of transferred platinum to be replaced and the need for replacement.

(d) COSTS.—Any transfer of platinum from the stockpile to the Secretary of the Treasury shall be made without the expenditure of any funds available to the Department of Defense. The Secretary of the Treasury shall be responsible for all costs incurred in connection with the transfer, subsequent to the transfer, or in connection with the replacement of the transferred platinum, such as transportation, storage, testing, refining, or casting costs.

SEC. 3305. RESTRICTIONS ON DISPOSAL OF CERTAIN MANGANESE FERRO.

(a) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—High carbon manganese ferro in the National Defense Stockpile that does not meet the National Defense Stockpile classification of Grade One, Specification 30(a), as revised May 22, 1992, may be sold only for remelting by a domestic ferroalloy producer unless the President determines that a domestic ferroalloy producer is not available to acquire the material. After the date of the enactment of this Act, the President may not reclassify high carbon manganese ferro stored in the National Defense Stockpile as of that date.

(b) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term ''domestic ferroalloy

producer'' means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

(c) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of high carbon manganese ferro in the National Defense Stockpile, the National Defense Stockpile Manager shall consult with the Market Impact Committee established under section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1(c)) to ensure that the disposal of high carbon manganese ferro does not disrupt the domestic manganese ferro industry.

(d) CONFORMING REPEAL.—Section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 629) is repealed.

SEC. 3306. REQUIRED PROCEDURES FOR DISPOSAL OF STRATEGIC AND CRITICAL MATERIALS.

Section 6(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(b)) is amended in the first sentence by striking out ''materials from the stockpile shall be made by formal advertising or competitive nego-

tiation procedures.'' and inserting in lieu thereof ''strategic and critical materials from the stockpile shall be made in accordance with the next sentence.''.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $117,000,000 for fiscal year 1998 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1998.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1998, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. TERMINATION OF ASSIGNMENT OF NAVY OFFICERS TO OFFICE OF NAVAL PETROLEUM AND OIL SHALE RESERVES.

(a) TERMINATION OF ASSIGNMENT REQUIREMENT.—Section 2 of Public Law 96–137 (42 U.S.C. 7156a) is repealed.

(b) EFFECT ON EXISTING ASSIGNMENTS.—In the case of an officer of the Navy assigned, as of the date of the enactment of this Act, to a management position within the Office of Naval Petroleum and Oil Shale Reserves, the Secretary of the Navy may continue such assignment notwithstanding the repeal of section 2 of Public Law 96–137 (42 U.S.C. 7156a), except that such assignment may not extend beyond the date of the sale of Naval Petroleum Reserve Numbered 1 (Elk Hills) pursuant to subtitle B of title XXXIV of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 7420 note).

SEC. 3404. TRANSFER OF JURISDICTION, NAVAL OIL SHALE RESERVES NUMBERED 1 AND 3.

(a) TRANSFER REQUIRED.—Chapter 641 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production

''(a) TRANSFER REQUIRED.—(1) Upon the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over all public domain lands included within Oil Shale Reserve Numbered 1 and those public domain lands included within the undeveloped tracts of Oil Shale Reserve Numbered 3.

''(2) Not later than one year after the date of the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over those public domain lands included within the developed tract of Oil Shale Reserve Numbered 3, which consists of approximately 6,000 acres and 24 natural gas wells, together with pipelines and associated facilities.

''(3) Notwithstanding the transfer of jurisdiction, the Secretary of Energy shall continue to be responsible for all environmental restoration, waste management, and environmental compliance activities that are required under Federal and State laws with respect to conditions existing on the lands at the time of the transfer.

''(4) Upon the transfer to the Secretary of the Interior of jurisdiction over public domain lands under this

subsection, the other provisions of this chapter shall cease to apply with respect to the transferred lands.

"(b) AUTHORITY TO LEASE.—(1) Beginning on the date of the enactment of this section, or as soon thereafter as practicable, the Secretary of the Interior shall enter into leases with one or more private entities for the purpose of exploration for, and development and production of, petroleum (other than in the form of oil shale) located on or in public domain lands in Oil Shale Reserves Numbered 1 and 3 (including the developed tract of Oil Shale Reserve Numbered 3). Any such lease shall be made in accordance with the requirements of the Mineral Leasing Act (30 U.S.C. 181 et seq.) regarding the lease of oil and gas lands and shall be subject to valid existing rights.

"(2) Notwithstanding the delayed transfer of the developed tract of Oil Shale Reserve Numbered 3 under subsection (a)(2), the Secretary of the Interior shall enter into a lease under paragraph (1) with respect to the developed tract before the end of the one-year period beginning on the date of the enactment of this section.

"(c) MANAGEMENT.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall manage the lands transferred under subsection (a) in accordance with the Federal Land Policy

and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other laws applicable to the public lands.

"(d) TRANSFER OF EXISTING EQUIPMENT.—The lease of lands by the Secretary of the Interior under this section may include the transfer, at fair market value, of any well, gathering line, or related equipment owned by the United States on the lands transferred under subsection (a) and suitable for use in the exploration, development, or production of petroleum on the lands.

"(e) COST MINIMIZATION.—The cost of any environmental assessment required pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in connection with a proposed lease under this section shall be paid out of unobligated amounts available for administrative expenses of the Bureau of Land Management.

"(f) DISTRIBUTION OF RECEIPTS.—Notwithstanding any other provision of law, all moneys received from a lease under this section (including sales, bonuses, royalties (including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.)), and rentals) shall be paid and distributed under section 35 of the Mineral Leasing Act (30 U.S.C. 191) in the same manner as moneys derived from other oil and gas leases involving public domain lands other than naval petroleum reserves.".

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

"7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production.".

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Expenditures From Revolving Fund

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1998".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1998.

(b) LIMITATIONS.—For fiscal year 1998, the Panama Canal Commission may expend from funds in the Panama

Canal Revolving Fund not more than $85,000 for official reception and representation expenses, of which—

(1) not more than $23,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $12,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $50,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Commission shall be available for the purchase and transportation to the Republic of Panama of passenger motor vehicles built in the United States, the purchase price of which shall not exceed $22,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Facilitation of Panama Canal Transition

SEC. 3511. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the ''Panama Canal Transition Facilitation Act of 1997''.

(b) REFERENCES.—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 Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3512. DEFINITIONS RELATING TO CANAL TRANSITION.

Section 3 (22 U.S.C. 3602) is amended by adding at the end the following new subsection:

''(d) For purposes of this Act:

''(1) The term 'Canal Transfer Date' means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

''(2) The term 'Panama Canal Authority' means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.''.

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

SEC. 3521. AUTHORITY FOR THE ADMINISTRATOR OF THE COMMISSION TO ACCEPT APPOINTMENT AS THE ADMINISTRATOR OF THE PANAMA CANAL AUTHORITY.

(a) AUTHORITY FOR DUAL ROLE.—Section 1103 (22 U.S.C. 3613) is amended by adding at the end the following new subsection:

''(c) The Congress consents, for purposes of the 8th clause of article I, section 9 of the Constitution of the United States, to the acceptance by the individual serving as Administrator of the Commission of appointment by the Republic of Panama to the position of Administrator of the Panama Canal Authority. Such consent is effective only if that individual, while serving in both such positions, serves as Administrator of the Panama Canal Authority without compensation, except for payments by the Republic of Panama of travel and entertainment expenses, including per diem payments.''.

(b) WAIVER OF CERTAIN CONFLICT-OF-INTEREST STATUTES.—Such section is further amended by adding at the end the following new subsections:

''(d) The Administrator, with respect to participation in any matter as Administrator of the Panama Canal Commission (whether such participation is before, on, or

after the date of the enactment of the Panama Canal Transition Facilitation Act of 1997), shall not be subject to section 208 of title 18, United States Code, insofar as the matter relates to prospective employment as Administrator of the Panama Canal Authority.

"(e) If the Republic of Panama appoints as the Administrator of the Panama Canal Authority the individual serving as the Administrator of the Commission and if that individual accepts the appointment—

"(1) the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), shall not apply to that individual with respect to service as the Administrator of the Panama Canal Authority;

"(2) that individual, with respect to participation in any matter as the Administrator of the Panama Canal Commission, is not subject to section 208 of title 18, United States Code, insofar as the matter relates to service as, or performance of the duties of, the Administrator of the Panama Canal Authority; and

"(3) that individual, with respect to official acts performed as the Administrator of the Panama Canal Authority, is not subject to the following:

"(A) Sections 203 and 205 of title 18, United States Code.

"(B) Effective upon termination of the individual's appointment as Administrator of the Panama Canal Commission at noon on the Canal Transfer Date, section 207 of title 18, United States Code.

"(C) Sections 501(a) and 502(a)(4) of the Ethics in Government Act of 1978 (5 U.S.C. App.), with respect to compensation received for, and service in, the position of Administrator of the Panama Canal Authority.".

SEC. 3522. POST-CANAL TRANSFER PERSONNEL AUTHORITIES.

(a) WAIVER OF CERTAIN POST-EMPLOYMENT RESTRICTIONS FOR COMMISSION PERSONNEL BECOMING EMPLOYEES OF THE PANAMA CANAL AUTHORITY.—Section 1112 (22 U.S.C. 3622) is amended by adding at the end the following new subsection:

"(e) Effective as of the Canal Transfer Date, section 207 of title 18, United States Code, shall not apply to an individual who is an officer or employee of the Panama Canal Authority, but only with respect to official acts of that individual as an officer or employee of the Authority and only in the case of an individual who was an officer or employee of the Commission and whose employment

with the Commission was terminated at noon on the Canal Transfer Date.''.

(b) CONSENT OF CONGRESS FOR ACCEPTANCE BY RESERVE AND RETIRED MEMBERS OF THE ARMED FORCES OF EMPLOYMENT BY PANAMA CANAL AUTHORITY.—Such section is further amended by adding after subsection (e), as added by subsection (a), the following new subsection:

''(f)(1) The Congress consents to the following persons accepting civil employment (and compensation for that employment) with the Panama Canal Authority for which the consent of the Congress is required by the last paragraph of section 9 of article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government:

''(A) Retired members of the uniformed services.

''(B) Members of a reserve component of the armed forces.

''(C) Members of the Commisioned Reserve Corps of the Public Health Service.

''(2) The consent of the Congress under paragraph (1) is effective without regard to subsection (b) of section 908 of title 37, United States Code (relating to approval

required for employment of Reserve and retired members by foreign governments).''.

SEC. 3523. ENHANCED AUTHORITY OF COMMISSION TO ESTABLISH COMPENSATION OF COMMISSION OFFICERS AND EMPLOYEES.

(a) REPEAL OF LIMITATIONS ON COMMISSION AUTHORITY.—The following provisions are repealed:

(1) Section 1215 (22 U.S.C. 3655), relating to basic pay.

(2) Section 1219 (22 U.S.C. 3659), relating to salary protection upon conversion of pay rate.

(3) Section 1225 (22 U.S.C. 3665), relating to minimum level of pay and minimum annual increases.

(b) SAVINGS PROVISION.—Section 1202 (22 U.S.C. 3642) is amended by adding at the end the following new subsection:

''(c) In the case of an individual who is an officer or employee of the Commission on the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997 and who has not had a break in service with the Commission since that date, the rate of basic pay for that officer or employee on or after that date may not be less than the rate in effect for that officer or employee on the day before that date of enactment except—

"(1) as provided in a collective bargaining agreement;

"(2) as a result of an adverse action against the officer or employee; or

"(3) pursuant to a voluntary demotion.".

(c) CROSS-REFERENCE AMENDMENTS.—(1) Section 1216 (22 U.S.C. 3656) is amended by striking out "1215" and inserting in lieu thereof "1202".

(2) Section 1218 (22 U.S.C. 3658) is amended by striking out "1215" and "1217" and inserting in lieu thereof "1202" and "1217(a)", respectively.

SEC. 3524. TRAVEL, TRANSPORTATION, AND SUBSISTENCE EXPENSES FOR COMMISSION PERSONNEL NO LONGER SUBJECT TO FEDERAL TRAVEL REGULATION.

(a) REPEAL OF APPLICABILITY OF TITLE 5 PROVISIONS.—(1) Section 1210 (22 U.S.C. 3650) is amended by striking out subsections (a), (b), and (c).

(2) Section 1224 (22 U.S.C. 3664) is amended—

(A) by striking out paragraph (10); and

(B) by redesignating paragraphs (11) through (20) as paragraphs (10) through (19), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1210 is further amended—

(A) by redesignating subsection (d)(1) as subsection (a) and in that subsection striking out ''paragraph (2)'' and inserting in lieu thereof ''subsection (b)''; and

(B) by redesignating subsection (d)(2) as subsection (b) and in that subsection—

(i) striking out ''Notwithstanding paragraph (1), an'' and inserting in lieu thereof ''An''; and

(ii) striking out ''referred to in paragraph (1)'' and inserting in lieu thereof ''who is a citizen of the Republic of Panama''.

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

''AIR TRANSPORTATION''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 3525. ENHANCED RECRUITMENT AND RETENTION AUTHORITIES.

(a) RECRUITMENT, RELOCATION, AND RETENTION BONUSES.—Section 1217 (22 U.S.C. 3657) is amended—

(1) by redesignating subsection (c) as subsection (e);

(2) in subsection (e) (as so redesignated), by striking out ''for the same or similar work per-

formed in the United States by individuals employed by the Government of the United States'' and inserting in lieu thereof ''of the individual to whom the compensation is paid''; and

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

''(c)(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the Commission determines that the Commission would be likely, in the absence of such a bonus, to have difficulty in filling the position.

''(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment with the Commission established by the Commission. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

''(3) A relocation bonus under this subsection may be paid as a lump sum. A recruitment bonus under this subsection shall be paid on a pro rata basis over the period

of employment covered by the agreement under paragraph (2). A bonus under this subsection may not be considered to be part of the basic pay of an employee.

"(d)(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

"(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

"(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

"(2) A retention bonus under this subsection—

"(A) shall be in a fixed amount;

"(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments

to be made at the same time and in the same manner as basic pay; and

"(C) may not be considered to be part of the basic pay of an employee.

"(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.".

(b) EDUCATIONAL SERVICES.—Section 1321(e)(2) (22 U.S.C. 3731(e)(2)) is amended by striking out "and persons" and inserting in lieu thereof ", to other Commission employees when determined by the Commission to be necessary for their recruitment or retention, and to other persons".

SEC. 3526. TRANSITION SEPARATION INCENTIVE PAYMENTS.

Chapter 2 of title I (22 U.S.C. 3641 et seq.) is amended by adding at the end of subchapter III the following new section:

"TRANSITION SEPARATION INCENTIVE PAYMENTS

"SEC. 1233. (a) In applying to the Commission and employees of the Commission the provisions of section 663 of the Treasury, Postal Service, and General Government

Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208; 110 Stat. 3009–383), relating to voluntary separation incentives for employees of certain Federal agencies (in this section referred to as 'section 663')—

"(1) the term 'employee' shall mean an employee of the Commission who has served in the Republic of Panama in a position with the Commission for a continuous period of at least three years immediately before the employee's separation under an appointment without time limitation and who is covered under the Civil Service Retirement System or the Federal Employees' Retirement System under subchapter III of chapter 83 or chapter 84, respectively, of title 5, United States Code, other than—

"(A) an employee described in any of subparagraphs (A) through (F) of subsection (a)(2) of section 663; or

"(B) an employee of the Commission who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 1217(c) of this Act or who, within the 12-month period preceding the date of separation, received a retention bonus under section 1217(d) of this Act;

"(2) the strategic plan under subsection (b) of section 663 shall include (in lieu of the matter specified in subsection (b)(2) of that section)—

"(A) the positions to be affected, identified by occupational category and grade level;

"(B) the number and amounts of separation incentive payments to be offered; and

"(C) a description of how such incentive payments will facilitate the successful transfer of the Panama Canal to the Republic of Panama;

"(3) a separation incentive payment under section 663 may be paid to a Commission employee only to the extent necessary to facilitate the successful transfer of the Panama Canal by the United States of America to the Republic of Panama as required by the Panama Canal Treaty of 1977;

"(4) such a payment—

"(A) may be in an amount determined by the Commission not to exceed $25,000; and

"(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of an eligible employee who voluntarily separates (whether by retirement or resignation) during the 90-day period

beginning on the date of the enactment of this section or during the period beginning on October 1, 1998, and ending on December 31, 1998;

''(5) in the case of not more than 15 employees who (as determined by the Commission) are unwilling to work for the Panama Canal Authority after the Canal Transfer Date and who occupy critical positions for which (as determined by the Commission) at least two years of experience is necessary to ensure that seasoned managers are in place on and after the Canal Transfer Date, such a payment (notwithstanding paragraph (4))—

''(A) may be in an amount determined by the Commission not to exceed 50 percent of the basic pay of the employee; and

''(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of such an employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section; and

''(6) the provisions of subsection (f) of section 663 shall not apply.

"(b) A decision by the Commission to exercise or to not exercise the authority to pay a transition separation incentive under this section shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.".

SEC. 3527. LABOR-MANAGEMENT RELATIONS.

Section 1271 (22 U.S.C. 3701) is amended by adding at the end the following new subsection:

"(c)(1) This subsection applies to any matter that becomes the subject of collective bargaining between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this subsection and ending on the Canal Transfer Date.

"(2)(A) The resolution of impasses resulting from collective bargaining between the Commission and any such exclusive representative during that period shall be conducted in accordance with such procedures as may be mutually agreed upon between the Commission and the exclusive representative (without regard to any otherwise applicable provisions of chapter 71 of title 5, United States Code). Such mutually agreed upon procedures shall become effective upon transmittal by the Chairman of the Commission to the Congress of notice of the agreement

to use those procedures and a description of those procedures.

"(B) The Federal Services Impasses Panel shall not have jurisdiction to resolve any impasse between the Commission and any such exclusive representative in negotiations over a procedure for resolving impasses.

"(3) If the Commission and such an exclusive representative do not reach an agreement concerning a procedure for resolving impasses with respect to a bargaining unit and transmit notice of the agreement under paragraph (2) on or before July 1, 1998, the following shall be the procedure by which collective bargaining impasses between the Commission and the exclusive representative for that bargaining unit shall be resolved:

"(A) If bargaining efforts do not result in an agreement, the parties shall request the Federal Mediation and Conciliation Service to assist in achieving an agreement.

"(B) If an agreement is not reached within 45 days after the date on which either party requests the assistance of the Federal Mediation and Conciliation Service in writing (or within such shorter period as may be mutually agreed upon by the parties), the parties shall be considered to be at an impasse and shall request the Federal Services Im-

passes Panel of the Federal Labor Relations Authority to decide the impasse.

"(C) If the Federal Services Impasses Panel fails to issue a decision within 90 days after the date on which its services are requested (or within such shorter period as may be mutually agreed upon by the parties), the efforts of the Panel shall be terminated.

"(D) In such a case, the Chairman of the Panel (or another member in the absence of the Chairman) shall immediately determine the matter by a drawing (conducted in such manner as the Chairman (or, in the absence of the Chairman, such other member) determines appropriate) between the last offer of the Commission and the last offer of the exclusive representative, with the offer chosen through such drawing becoming the binding resolution of the matter.

"(4) In the case of a notice of agreement described in paragraph (2)(A) that is transmitted to the Congress as described in the second sentence of that paragraph after July 1, 1998, the impasse resolution procedures covered by that notice shall apply to any impasse between the Commission and the other party to the agreeement

that is unresolved on the date on which that notice is transmitted to the Congress.''.

SEC. 3528. AVAILABILITY OF PANAMA CANAL REVOLVING FUND FOR SEVERANCE PAY FOR CERTAIN EMPLOYEES SEPARATED BY PANAMA CANAL AUTHORITY AFTER CANAL TRANSFER DATE.

(a) AVAILABILITY OF REVOLVING FUND.—Section 1302(a) (22 U.S.C. 3712(a)) is amended by adding at the end the following new paragraph:

''(10) Payment to the Panama Canal Authority, not later than the Canal Transfer Date, of such amount as is computed by the Commission to be the future amount of severance pay to be paid by the Panama Canal Authority to employees whose employment with the Authority is terminated, to the extent that such severance pay is attributable to periods of service performed with the Commission before the Canal Transfer Date (and assuming for purposes of such computation that the Panama Canal Authority, in paying severance pay to terminated employees, will provide for crediting of periods of service with the Commission).''.

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

(1) by striking out ''for—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''for the following purposes:'';

(2) by capitalizing the initial letter of the first word in each of paragraphs (1) through (9);

(3) by striking out the semicolon at the end of each of paragraphs (1) through (7) and inserting in lieu thereof a period; and

(4) by striking out ''; and'' at the end of paragraph (8) and inserting in lieu thereof a period.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

SEC. 3541. ESTABLISHMENT OF PROCUREMENT SYSTEM AND BOARD OF CONTRACT APPEALS.

Title III of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after the title heading the following new chapter:

''CHAPTER 1—PROCUREMENT

''PROCUREMENT SYSTEM

''SEC. 3101. (a) PANAMA CANAL ACQUISITION REGULATION.—(1) The Commission shall establish by regulation a comprehensive procurement system. The regulation shall be known as the 'Panama Canal Acquisition Regulation' (in this section referred to as the 'Regulation') and

shall provide for the procurement of goods and services by the Commission in a manner that—

"(A) applies the fundamental operating principles and procedures in the Federal Acquisition Regulation;

"(B) uses efficient commercial standards of practice; and

"(C) is suitable for adoption and uninterrupted use by the Republic of Panama after the Canal Transfer Date.

"(2) The Regulation shall contain provisions regarding the establishment of the Panama Canal Board of Contract Appeals described in section 3102.

"(b) SUPPLEMENT TO REGULATION.—The Commission shall develop a Supplement to the Regulation (in this section referred to as the 'Supplement') that identifies both the provisions of Federal law applicable to procurement of goods and services by the Commission and the provisions of Federal law waived by the Commission under subsection (c).

"(c) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the Commission shall determine which provisions of Federal law should not apply to procurement by the Commission and may waive those laws for purposes of the Regulation and Supplement.

"(2) For purposes of paragraph (1), the Commission may not waive—

"(A) section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423);

"(B) the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), other than section 10(a) of such Act (41 U.S.C 609(a)); or

"(C) civil rights, environmental, or labor laws.

"(d) CONSULTATION WITH ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.—In establishing the Regulation and developing the Supplement, the Commission shall consult with the Administrator for Federal Procurement Policy.

"(e) EFFECTIVE DATE.—The Regulation and the Supplement shall take effect on the date of publication in the Federal Register, or January 1, 1999, whichever is earlier.

"PANAMA CANAL BOARD OF CONTRACT APPEALS

"SEC. 3102. (a) ESTABLISHMENT.—(1) The Secretary of Defense, in consultation with the Commission, shall establish a board of contract appeals, to be known as the Panama Canal Board of Contract Appeals, in accordance with section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607). Except as otherwise provided by this section, the Panama Canal Board of Contract Appeals (in this section referred to as the 'Board') shall be subject

to the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) in the same manner as any other agency board of contract appeals established under that Act.

"(2) The Board shall consist of three members. At least one member of the Board shall be licensed to practice law in the Republic of Panama. Individuals appointed to the Board shall take an oath of office, the form of which shall be prescribed by the Secretary of Defense.

"(b) EXCLUSIVE JURISDICTION TO DECIDE APPEALS.—Notwithstanding section 10(a)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other provision of law, the Board shall have exclusive jurisdiction to decide an appeal from a decision of a contracting officer under section 8(d) of such Act (41 U.S.C. 607(d)).

"(c) EXCLUSIVE JURISDICTION TO DECIDE PROTESTS.—The Board shall decide protests submitted to it under this subsection by interested parties in accordance with subchapter V of title 31, United States Code. Notwithstanding section 3556 of that title, section 1491(b) of title 28, United States Code, and any other provision of law, the Board shall have exclusive jurisdiction to decide such protests. For purposes of this subsection—

"(1) except as provided in paragraph (2), each reference to the Comptroller General in sections

3551 through 3555 of title 31, United States Code, is deemed to be a reference to the Board;

"(2) the reference to the Comptroller General in section 3553(d)(3)(C)(ii) of such title is deemed to be a reference to both the Board and the Comptroller General;

"(3) the report required by paragraph (1) of section 3554(e) of such title shall be submitted to the Comptroller General as well as the committees listed in such paragraph;

"(4) the report required by paragraph (2) of such section shall be submitted to the Comptroller General as well as Congress; and

"(5) section 3556 of such title shall not apply to the Board, but nothing in this subsection shall affect the right of an interested party to file a protest with the appropriate contracting officer.

"(d) PROCEDURES.—The Board shall prescribe such procedures as may be necessary for the expeditious decision of appeals and protests under subsections (b) and (c).

"(e) COMMENCEMENT.—The Board shall begin to function as soon as it has been established and has prescribed procedures under subsection (d), but not later than January 1, 1999.

"(f) TRANSITION.—The Board shall have jurisdiction under subsection (b) and (c) over any appeals and protests filed on or after the date on which the Board begins to function. Any appeals and protests filed before such date shall remain before the forum in which they were filed.

"(g) OTHER FUNCTIONS.—The Board may perform functions similar to those described in this section for such other matters or activities of the Commission as the Commission may determine and in accordance with regulations prescribed by the Commission.".

SEC. 3542. TRANSACTIONS WITH THE PANAMA CANAL AUTHORITY.

Section 1342 (22 U.S.C. 3752) is amended—

(1) by designating the text of the section as subsection (a); and

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

"(b) The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.

"(c) Any executive department or agency of the United States may, on a reimbursable basis, provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Author-

ity, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.''.

SEC. 3543. TIME LIMITATIONS ON FILING OF CLAIMS FOR DAMAGES.

(a) FILING OF ADMINISTRATIVE CLAIMS WITH COMMISSION.—Sections 1411(a) (22 U.S.C. 3771(a)) and 1412 (22 U.S.C. 3772) are each amended in the last sentence by striking out ''within 2 years after'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''within one year after the date of the injury or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

(b) FILING OF JUDICIAL ACTIONS.—The penultimate sentence of section 1416 (22 U.S.C. 3776) is amended—

(1) by striking out ''one year'' the first place it appears and inserting in lieu thereof ''180 days''; and

(2) by striking out ''claim, or'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''claim or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

SEC. 3544. TOLLS FOR SMALL VESSELS.

Section 1602(a) (22 U.S.C. 3792(a)) is amended—

(1) in the first sentence, by striking out ''supply ships, and yachts'' and inserting in lieu thereof ''and supply ships''; and

(2) by adding at the end the following new sentence: ''Tolls for small vessels (including yachts), as defined by the Commission, may be set at rates determined by the Commission without regard to the preceding provisions of this subsection.''.

SEC. 3545. DATE OF ACTUARIAL EVALUATION OF FECA LIABILITY.

Section 5(a) of the Panama Canal Commission Compensation Fund Act of 1988 (22 U.S.C. 3715c(a)) is amended by striking out ''Upon the termination of the Panama Canal Commission'' and inserting in lieu thereof ''By March 31, 1998''.

SEC. 3546. APPOINTMENT OF NOTARIES PUBLIC.

Section 1102a (22 U.S.C. 3612a) is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

''(g)(1) The Commission may appoint any United States citizen to have the general powers of a notary public to perform, on behalf of Commission employees and their dependents outside the United States, any notarial

act that a notary public is required or authorized to perform within the United States. Unless an earlier expiration is provided by the terms of the appointment, any such appointment shall expire three months after the Canal Transfer Date.

''(2) Every notarial act performed by a person acting as a notary under paragraph (1) shall be as valid, and of like force and effect within the United States, as if executed by or before a duly authorized and competent notary public in the United States.

''(3) The signature of any person acting as a notary under paragraph (1), when it appears with the title of that person's office, is prima facie evidence that the signature is genuine, that the person holds the designated title, and that the person is authorized to perform a notarial act.''.

SEC. 3547. COMMERCIAL SERVICES.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

''(e) The Commission may conduct and promote commercial activities related to the management, operation, or maintenance of the Panama Canal. Any such commercial activity shall be carried out consistent with the Panama Canal Treaty of 1977 and related agreements.''.

SEC. 3548. TRANSFER FROM PRESIDENT TO COMMISSION OF CERTAIN REGULATORY FUNCTIONS RELATING TO EMPLOYMENT CLASSIFICATION APPEALS.

Sections 1221(a) and 1222(a) (22 U.S.C. 3661(a), 3662(a)) are amended by striking out ''President'' and inserting in lieu thereof ''Commission''.

SEC. 3549. ENHANCED PRINTING AUTHORITY.

Section 1306(a) (22 U.S.C. 3714b(a)) is amended by striking out ''Section 501'' and inserting in lieu thereof ''Sections 501 through 517 and 1101 through 1123''.

SEC. 3550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CLERICAL AMENDMENTS.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 1210 and inserting in lieu thereof the following:

''Sec. 1210. Air transportation.'';

(2) by striking out the items relating to sections 1215, 1219, and 1225;

(3) by inserting after the item relating to section 1232 the following new item:

''Sec. 1233. Transition separation incentive payments.'';

and

(4) by inserting after the item relating to the heading of title III the following:

''CHAPTER 1—PROCUREMENT

"Sec. 3101. Procurement system.
"Sec. 3102. Panama Canal Board of Contract Appeals.".

(b) AMENDMENT TO REFLECT PRIOR CHANGE IN COMPENSATION OF ADMINISTRATOR.—Section 5315 of title 5, United States Code, is amended by striking out the following:

"Administrator of the Panama Canal Commission.".

(c) AMENDMENTS TO REFLECT CHANGE IN TRAVEL AND TRANSPORTATION EXPENSES AUTHORITY.—(1) Section 5724(a)(3) of title 5, United States Code, is amended by striking out ", the Commonwealth of Puerto Rico," and all that follows through "Panama Canal Act of 1979" and inserting in lieu thereof "or the Commonwealth of Puerto Rico".

(2) Section 5724a(j) of such title is amended—

(A) by inserting "and" after "Northern Mariana Islands,"; and

(B) by striking out "United States, and" and all that follows through the period at the end and inserting in lieu thereof "United States.".

(3) The amendments made by this subsection shall take effect on January 1, 1999.

(d) MISCELLANEOUS TECHNICAL AMENDMENTS.—

(1) Section 3(b) (22 U.S.C. 3602(b)) is amended by striking out "the Canal Zone Code" and all

that follows through ''other laws'' the second place it appears and inserting in lieu thereof ''laws of the United States and regulations issued pursuant to such laws''.

(2)(A) The following provisions are each amended by striking out ''the effective date of this Act'' and inserting in lieu thereof ''October 1, 1979'': sections 3(b), 3(c), 1112(b), and 1321(c)(1).

(B) Section 1321(c)(2) is amended by striking out ''such effective date'' and inserting in lieu thereof ''October 1, 1979''.

(C) Section 1231(c)(3)(A) (22 U.S.C. 3671(c)(3)(A)) is amended by striking out ''the day before the effective date of this Act'' and inserting in lieu thereof ''September 30, 1979''.

(3) Section 1102a(h), as redesignated by section 3546(1), is amended by striking out ''section 1102B'' and inserting in lieu thereof ''section 1102b''.

(4) Section 1110(b)(2) (22 U.S.C. 3620(b)(2)) is amended by striking out ''section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a),'' and inserting in lieu thereof ''section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)''.

(5) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out ''as last in effect before the effective date of section 3530 of the Panama Canal Act Amendments of 1996'' and inserting in lieu thereof ''as in effect on September 22, 1996''.

(6) Section 1243(c)(2) (22 U.S.C. 3681(c)(2)) is amended by striking out ''retroactivity'' and inserting in lieu thereof ''retroactively''.

(7) Section 1341(f) (22 U.S.C. 3751(f)) is amended by striking out ''sections 1302(c)'' and inserting in lieu thereof ''sections 1302(b)''.

TITLE XXXVI—MARITIME ADMINISTRATION

SEC. 3601. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.

Funds are hereby authorized to be appropriated for fiscal year 1998, to be available without fiscal year limitation if so provided in appropriations Act, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $70,000,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine

Act, 1936 (46 U.S.C. App. 1271 et seq.), $39,000,000 of which—

(A) $35,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,000,000 is for administrative expenses related to loan guarantee commitments under the program.

SEC. 3602. REPEAL OF OBSOLETE ANNUAL REPORT REQUIREMENT CONCERNING RELATIVE COST OF SHIPBUILDING IN THE VARIOUS COASTAL DISTRICTS OF THE UNITED STATES.

(a) REPEAL.—Section 213 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1123), is amended by striking out paragraph (c).

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

(1) by striking out ''on—'' in the matter preceding paragraph (a) and inserting in lieu thereof ''on the following:'';

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

(3) by striking out the semicolon at the end of each of those paragraphs and inserting in lieu thereof a period; and

(4) by realigning those paragraphs so as to be indented 2 ems from the left margin.

SEC. 3603. PROVISIONS RELATING TO MARITIME SECURITY FLEET PROGRAM.

(a) AUTHORITY OF CONTRACTORS TO OPERATE SELF-PROPELLED TANK VESSELS IN NONCONTIGUOUS DOMESTIC TRADES.—Section 656(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187e(b)) is amended by inserting ''(1)'' after ''(b)'', and by adding at the end the following new paragraph:

''(2) Subsection (a) shall not apply to operation by a contractor of a self-propelled tank vessel in a noncontiguous domestic trade, or to ownership by a contractor of an interest in a self-propelled tank vessel that operates in a noncontiguous domestic trade.''.

(b) RELIEF FROM DELAY IN CERTAIN OPERATIONS FOLLOWING DOCUMENTATION.—Section 652(c) of the Merchant Marine Act, 1936 (46 U.S.C. 1187a(c)) is amended by adding at the end the following: ''The third sentence of section 901(b)(1) shall not apply to a vessel included in an operating agreement under this subtitle.''.

SEC. 3604. AUTHORITY TO UTILIZE REPLACEMENT VESSELS AND CAPACITY.

Section 653(d)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187c(d)(1)) is amended to read as follows:

"(1) a contractor or other person that commits to make available a vessel or vessel capacity under the Emergency Preparedness Program or another primary sealift readiness program approved by the Secretary of Defense may, during the activation of that vessel or capacity under that program, operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for the activated vessel or capacity; and".

SEC. 3605. AUTHORITY TO CONVEY NATIONAL DEFENSE RESERVE FLEET VESSEL.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the vessel GOLDEN BEAR (United States official number 239932) to the Artship Foundation, located in Oakland, California (in this section referred to as the "recipient"), for use as a multi-cultural center for the arts.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of conveyance;

(B) in its condition on that date; and

(C) at no cost to the United States Government.

(2) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may convey to the recipient of the vessel conveyed under this section any unneeded equipment from other vessels in the National Defense Reserve Fleet, for use to restore the vessel conveyed under this section to museum quality.

SEC. 3606. DETERMINATION OF GROSS TONNAGE FOR PURPOSES OF TANK VESSEL DOUBLE HULL REQUIREMENTS.

Section 3703a of title 46, United States Code, is amended by adding at the end the following:

''(e) For purposes of this section, the gross tonnage of a vessel for which a tonnage certificate was issued or accepted by the Secretary under this title before July 1,

1 1997, shall be the gross tonnage of the vessel stated on
2 the most recent such certificate.''.

Passed the House of Representatives June 25, 1997.

Attest: ROBIN H. CARLE,

Clerk.