105TH CONGRESS
2D SESSION

H. R. 3616

AN ACT

To authorize appropriations for fiscal year 1999 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.

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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 1999''.

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:

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

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

(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 1999 for procurement for the Army as follows:

(1) For aircraft, $1,420,759,000.

(2) For missiles, $1,232,285,000.

(3) For weapons and tracked combat vehicles, $1,507,638,000.

(4) For ammunition, $1,053,455,000.

(5) For other procurement, $3,136,918,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Navy as follows:

(1) For aircraft, $7,420,847,000.

(2) For weapons, including missiles and torpedoes, $1,192,195,000.

(3) For shipbuilding and conversion, $5,992,361,000.

(4) For other procurement, $3,969,507,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Marine Corps in the amount of $691,868,000.

(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 $451,968,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Air Force as follows:

(1) For aircraft, $8,219,077,000.

(2) For missiles, $2,234,668,000.

(3) For ammunition, $383,627,000.

(4) For other procurement, $7,046,372,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1999 for Defense-wide procurement in the amount of $1,962,866,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1999 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, $50,000,000.

(2) For the Air National Guard, $50,000,000.

(3) For the Army Reserve, $50,000,000.

(4) For the Naval Reserve, $50,000,000.

(5) For the Air Force Reserve, $50,000,000.

(6) For the Marine Corps Reserve, $50,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Inspector General of the Department of Defense in the amount of $1,300,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1999 the amount of $834,000,000 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 1999 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 $402,387,000.

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the Department of Defense for carrying out the Defense Export Loan Guarantee Program under section 2540 of title 10, United States Code, in the total amount of $1,250,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR LONGBOW HELLFIRE MISSILE PROGRAM.

Beginning with the fiscal year 1999 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of the AGM–114 Longbow Hellfire missile.

SEC. 112. M1A2 SYSTEM ENHANCEMENT PROGRAM STEP 1 PROGRAM.

Of the funds authorized to be appropriated for the Army in section 101 for weapons and tracked combat vehicles, $20,300,000 shall be available only for the Step 1 program for the M1A2 System Enhancement Program.

Subtitle C—Navy Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR THE DEPARTMENT OF THE NAVY.

(a) AUTHORITY FOR SPECIFIED NAVY AIRCRAFT PROGRAMS.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement for the following programs:

(1) The AV–8B aircraft program.

(2) The T–45TS aircraft program.

(3) The E–2C aircraft program.

(b) AUTHORITY FOR MARINE CORPS MEDIUM TACTICAL VEHICLE REPLACEMENT.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract to procure the Marine Corps Medium Tactical Vehicle Replacement.

Subtitle D—Other Matters

SEC. 141. ALTERNATIVE TECHNOLOGIES FOR DESTRUCTION OF ASSEMBLED CHEMICAL WEAPONS.

(a) PROGRAM MANAGEMENT.—(1) The program manager for the Assembled Chemical Weapons Assessment program shall continue to manage the development and testing (including demonstration and pilot-scale facility testing) of technologies for the destruction of lethal chemical munitions that are potential or demonstrated alternatives to the baseline incineration program. In performing such management, the program manager shall act independently of the program manager for Chemical Demilitarization and shall report to the Secretary of the Army, or his designee.

(2) The Under Secretary of Defense for Acquisition and Technology and the Secretary of the Army shall jointly submit to Congress, not later than December 1, 1998, a plan for the transfer of oversight of the Assembled Chemical Weapons Assessment program from the Under Secretary to the Secretary.

(3) Oversight of the Assembled Chemical Weapons Assessment program shall be transferred pursuant to the plan submitted under paragraph (2) not later than 60 days after the date of the submission of the notice required under section 152(f)(2) of the National Defense

Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 214; 50 U.S.C. 1521(f)(2)).

(b) POST-DEMONSTRATION ACTIVITIES.—(1) The program manager for the Assembled Chemical Weapons Assessment program may carry out those activities necessary to ensure that an alternative technology for the destruction of lethal chemical munitions may be implemented immediately after—

(A) the technology has been demonstrated to be successful;

(B) the Under Secretary of Defense for Acquisition and Technology has submitted to Congress a report on the demonstration; and

(C) a decision has been made to proceed with the pilot-scale facility phase for an alternative technology.

(2) To prepare for the immediate implementation of any such technology, the program manager may, during fiscal years 1998 and 1999, take the following actions:

(A) Establish program requirements.

(B) Prepare procurement documentation.

(C) Develop environmental documentation.

(D) Identify and prepare to meet public outreach and public participation requirements.

(E) Prepare to award a contract for the design, construction, and operation of a pilot facility for the technology to the provider team for the technology not later than December, 1999.

(c) PLAN FOR PILOT PROGRAM.—If the Secretary of Defense proceeds with a pilot program under section 152(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 214; 50 U.S.C. 1521(f)), the Secretary shall prepare a plan for the pilot program and shall submit to Congress a report on such plan (including information on the cost of, and schedule for, implementing the pilot program).

(d) FUNDING.—Of the amount authorized to be appropriated in section 107, $12,600,000 shall be available for the Assembled Chemical Weapons Assessment program for the following:

(1) Demonstration of alternative technologies under the Assembled Chemical Weapons Assessment program.

(2) Planning and preparation to proceed immediately from demonstration of an alternative technology to the development of a pilot-scale facility for the technology, including planning and preparation for—

(A) continued development of the technology leading to deployment of the technology;

(B) satisfaction of requirements for environmental permits;

(C) demonstration, testing, and evaluation;

(D) initiation of actions to design a pilot program;

(E) provision of support at the field office or depot level for deployment of the technology; and

(F) educational outreach to the public to engender support for the development.

(3) An independent cost and schedule evaluation of the Assembled Chemical Weapons Assembled program, to be completed not later than December 30, 1999.

(e) ASSEMBLED CHEMICAL WEAPONS ASSESSMENT PROGRAM DEFINED.—In this section, the term ''Assembled Chemical Weapons Assessment program'' means the program established in section 152(e) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 214; 50 U.S.C. 1521), and section 8065 of the Department of Defense Appropriations Act, 1997 (as contained in section 101 of Public Law 104–208; 110 Stat. 3009–101), for identifying and dem-

onstrating alternatives to the baseline incineration process for the demilitarization of assembled chemical munitions.

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 1999 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,791,997,000.

(2) For the Navy, $8,377,059,000.

(3) For the Air Force, $13,785,401,000.

(4) For Defense-wide activities, $9,283,515,000, of which—

(A) $251,106,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $29,245,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 1999.—Of the amounts authorized to be appropriated by section 201, $4,208,978,000 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.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. MANAGEMENT RESPONSIBILITY FOR NAVY MINE COUNTERMEASURES PROGRAMS.

Section 216(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1317, as amended) is amended by striking out ''through 1999'' and inserting in lieu thereof ''through 2003''.

SEC. 212. FUTURE AIRCRAFT CARRIER TRANSITION TECHNOLOGIES.

Of the funds authorized to be appropriated under section 201(2) for Carrier System Development (program element 0603512N), $50,000,000 shall be available for research, development, test, evaluation, and insertion into the CVN–77 nuclear aircraft carrier program of technologies designed to transition to, demonstrate enhanced

capabilities for, or mitigate cost and technical risks of, the CV(X) aircraft carrier program.

SEC. 213. MANUFACTURING TECHNOLOGY PROGRAM.

(a) REQUIREMENTS RELATING TO COMPETITION.—Section 2525(d)(1) of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(1)''; and

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

''(B) For each grant awarded and each contract, cooperative agreement, or other transaction entered into on a cost-share basis under the program, the ratio of contract recipient cost to Government cost shall be determined by competitive procedures. For a project for which the Government receives an offer from only one offeror, the contracting officer shall negotiate the ratio of contract recipient cost to Government cost that represents the best value to the Government.''.

(b) REQUIREMENTS RELATING TO COST SHARE WAIVERS.—Section 2525(d)(2) of such title is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting ''(A)'' after ''(2)''; and

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

"(B) For any grant awarded or contract, cooperative agreement, or other transaction entered into on a basis other than a cost-sharing basis because of a determination made under subparagraph (A), the transaction file for the project concerned must document the rationale for the determination.

"(C) The Secretary of Defense may delegate the authority to make determinations under subparagraph (A) only to the Under Secretary of Defense for Acquisition and Technology or a service acquisition executive, as appropriate.".

(c) COST SHARE GOAL.—Section 2525(d) of such title is amended—

(1) by striking out paragraph (4); and

(2) in paragraph (3)—

(A) by striking out "At least" and inserting in lieu thereof "As a goal, at least";

(B) by striking out "shall" and inserting in lieu thereof "should"; and

(C) by adding at the end the following: "The Secretary of Defense, in coordination with the Secretaries of the military departments and upon recommendation of the Under Secretary of Defense for Acquisition and Technology,

shall establish annual objectives to meet such goal.''.

(d) ADDITIONAL INFORMATION TO BE INCLUDED IN FIVE-YEAR PLAN.—Section 2525(e)(1) of such title is amended—

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

(2) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

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

''(C) the extent of cost sharing in the manufacturing technology program by companies in the private sector, weapons system program offices and other defense program offices, Federal agencies other than the Department of Defense, nonprofit institutions and universities, and other sources.''.

SEC. 214. SCIENCE AND TECHNOLOGY FUNCTIONS OF THE DEPARTMENT OF DEFENSE.

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

(1) to ensure sufficient financial resources are devoted to emerging technologies, a goal of at least 10 percent of funds available under title II for each of the Army, Navy, and Air Force should be dedi-

cated to science and technology in each military department;

(2) management and funding for science and technology for each military department should receive a level of priority and leadership attention equal to the level received by program acquisition, and the Secretary of each military department should ensure that a senior member of the department holds the appropriate title and responsibility to ensure effective oversight and emphasis on science and technology;

(3) to ensure an appropriate long-term focus for investments, a sufficient percentage of science and technology funds should be directed toward new technology areas, and annual reviews should be conducted for ongoing research areas to ensure that those funded initiatives are either integrated into acquisition programs or discontinued;

(4) the military departments should take appropriate steps to ensure that sufficient numbers of officers and civilian employees in each department hold advanced degrees in technical fields; and

(5) of particular concern, the Secretary of the Air Force should take appropriate measures to ensure that sufficient numbers of scientists and engi-

neers are maintained to address the technological challenges faced in the areas of air, space, and information technology.

(b) STUDY.—

(1) REQUIREMENT.—The Secretary of Defense, in cooperation with the National Research Council of the National Academy of Sciences, shall conduct a study on the technology base of the Department of Defense.

(2) MATTERS COVERED.—The study shall—

(A) recommend the minimum requirements to maintain a technology base that is sufficient, based on both historical developments and future projections, to project superiority in air and space weapons systems, and information technology;

(B) address the effects on national defense and civilian aerospace industries and information technology by reducing funding below the goal described in paragraph (1) of subsection (a); and

(C) recommend the appropriate level of staff holding baccalaureate, masters, and doctorate degrees, and the optimal ratio of civilian and military staff holding such degrees, to en-

sure that science and technology functions of the Department of Defense remain vital.

(3) REPORT.—Not later than 120 days after the date on which the study required under paragraph (1) is completed, the Secretary shall submit to Congress a report on the results of the study.

SEC. 215. NEXT GENERATION INTERNET PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated under section 201(4), $53,000,000 shall be available for the Next Generation Internet program.

(b) LIMITATION.—Notwithstanding the enactment of any other provision of law after the date of the enactment of this Act, amounts may be appropriated for fiscal year 1999 for research, development, test, and evaluation by the Department of Defense for the Next Generation Internet program only pursuant to the authorization of appropriations under section 201(4).

Subtitle C—Ballistic Missile Defense

SEC. 231. NATIONAL MISSILE DEFENSE POLICY.

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

(1) Threats posed by ballistic missiles and weapons of mass destruction to the national territory of the United States continue to grow as the

trend in ballistic missile proliferation and development is toward longer range and increasingly sophisticated missiles.

(2) Russian and Chinese sources continue to proliferate missile and other advanced technologies.

(3) North Korea is developing the Taepo-Dong 2 missile, which would have a range sufficient to strike Alaska and Hawaii, and other countries hostile to the United States, including Iran, Libya, and Iraq, have demonstrated an interest in acquiring or developing ballistic missiles capable of reaching the United States.

(4) Russia's increased reliance on nuclear forces to compensate for the decline of its conventional forces and uncertainty regarding command and control of those nuclear forces increase the possibility of an accidental or unauthorized launch of Russian ballistic missiles.

(5) The United States could be deterred from effectively promoting or protecting its national interests around the world if any State or territory of the United States is vulnerable to long-range ballistic missiles deployed by nations hostile to the United States.

(b) SENSE OF THE CONGRESS CONCERNING NATIONAL MISSILE DEFENSE POLICY.—It is the sense of the Congress that—

(1) any national missile defense system deployed by the United States must provide effective defense against limited, accidental, or unauthorized ballistic missile attack for all 50 States; and

(2) the territories of the United States should be afforded effective protection against ballistic missile attack.

SEC. 232. LIMITATION ON FUNDING FOR THE MEDIUM EXTENDED AIR DEFENSE SYSTEM.

None of the funds appropriated for fiscal year 1999 for the Ballistic Missile Defense Organization may be obligated for the Medium Extended Air Defense System (MEADS) until the Secretary of Defense certifies to Congress that the future-years defense plan includes sufficient programmed funding for that system to complete the design and development phase. If the Secretary does not submit such a certification by January 1, 1999, then (effective as of that date) the funds appropriated for fiscal year 1999 for the Ballistic Missile Defense Organization that are allocated for the MEADS program shall be available to support modification of the Patriot Advanced Capability–3, Configuration 3, so as to support the require-

ment for mobile theater missile defense to be met by the MEADS system.

SEC. 233. LIMITATION ON FUNDING FOR COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAMS.

Of the funds appropriated for fiscal year 1999 for the Russian-American Observational Satellite (RAMOS) program, $5,000,000 may not be obligated until the Secretary of Defense certifies to Congress that the Department of Defense has received detailed information concerning the nature, extent, and military implications of the transfer of ballistic missile technology from Russian sources to Iran.

SEC. 234. LIMITATION ON FUNDING FOR COUNTERPROLIFERATION SUPPORT.

None of the funds appropriated for fiscal year 1999 for counterproliferation support in Program Element 63160BR may be obligated until the Secretary of Defense submits to Congress the report required by section 234 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1664; 50 U.S.C. 2367) to be submitted not later than January 30, 1998.

SEC. 235. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) BMD PROGRAM ELEMENTS.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 222 the following new section:

"§ 223. Ballistic missile defense programs

''(a) PROGRAM ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

''(1) The Patriot system.

''(2) The Navy Area system.

''(3) The Theater High-Altitude Area Defense system.

''(4) The Navy Theater Wide system.

''(5) The Medium Extended Air Defense System.

''(6) Joint Theater Missile Defense.

''(7) National Missile Defense.

''(8) Support Technologies.

''(9) Family of Systems Engineering and Integration.

"(10) Ballistic Missile Defense Technical Operations.

"(11) Threat and Countermeasures.

"(12) International Cooperative Programs.

"(b) TREATMENT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Amounts requested for Theater Missile Defense and National Missile Defense major defense acquisition programs shall be specified in individual, dedicated program elements, and amounts appropriated for those programs shall be available only for Ballistic Missile Defense activities.

"(c) MANAGEMENT AND SUPPORT.—The amount requested for each program element specified in subsection (a) shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.".

(2) 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:

"223. Ballistic missile defense programs.".

(b) REPEAL OF SUPERSEDED PROVISION.—Section 251 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 221 note) is repealed.

SEC. 236. RESTRUCTURING OF THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM ACQUISITION STRATEGY.

(a) ESTABLISHMENT OF ALTERNATIVE CONTRACTOR.—(1) The Secretary of Defense shall select an alternative contractor as a potential source for the development and production of the interceptor missile for the Theater High-Altitude Area Defense (THAAD) system within a ''leader-follower'' acquisition strategy.

(2) The Secretary shall take such steps as necessary to ensure that the prime contractor for that system prepares the selected alternative contractor so as to enable the alternative contractor to be able (if necessary) to assume the responsibilities for development or production of an interceptor missile for that system.

(3) The Secretary shall select the alternative contractor as expeditiously as possible and shall use the authority provided in section 2304(c)(2) of title 10, United States Code, to expedite that selection.

(4) Of the amount authorized under section 201(4) for the Theater High-Altitude Area Defense system, the amount provided for the Demonstration/Validation phase for that system is hereby increased by $142,700,000, of which $30,000,000 shall be available for the purposes of this subsection, and the amount provided for the Engi-

neering and Manufacturing Development phase for that system is hereby reduced by $142,700,000.

(b) COST SHARING ARRANGEMENT.—The Secretary of Defense shall contractually establish an appropriate cost sharing arrangement with the prime contractor as of May 14, 1998, for the interceptor missile for the Theater High-Altitude Area Defense system for flight test failures of that missile beginning with flight test nine.

(c) ENGINEERING AND MANUFACTURING DEVELOPMENT PHASE FOR OTHER ELEMENTS OF THE THAAD SYSTEM.—The Secretary of Defense shall proceed as expeditiously as possible with the milestone approval process for the Engineering and Manufacturing Development phase for the Battle Management and Command, Control, and Communications (BM/C^3) element of the Theater High-Altitude Area Defense system and for the Ground-Based Radar (GBR) element for that system. That milestone approval process for those elements shall proceed without regard to the stage of development of the missile interceptor for that system.

(d) REQUIREMENT BEFORE PROCUREMENT OF UOES MISSILES.—The Secretary of Defense may not obligate any funds for acquisition of User Operational Evaluation System (UOES) missiles for the Theater High-Alti-

tude Area Defense system until there have been two successful tests of the interceptor missile for that system.

(e) LIMITATION ON ENTERING ENGINEERING AND MANUFACTURING DEVELOPMENT PHASE.—The Secretary of Defense may not approve the commencement of the Engineering and Manufacturing Development phase for the interceptor missile for the Theater High-Altitude Area Defense system until there have been three successful tests of that missile.

(f) SUCCESSFUL TEST DEFINED.—For purposes of this section, a successful test of the interceptor missile of the Theater High-Altitude Area Defense system is a body-to-body intercept by that missile of a ballistic missile target.

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 1999 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, $16,339,700,000.

(2) For the Navy, $21,839,328,000.

(3) For the Marine Corps, $2,539,703,000.

(4) For the Air Force, $18,816,108,000.

(5) For Defense-wide activities, $10,354,216,000.

(6) For the Army Reserve, $1,197,622,000.

(7) For the Naval Reserve, $948,639,000.

(8) For the Marine Corps Reserve, $116,993,000.

(9) For the Air Force Reserve, $1,747,696,000.

(10) For the Army National Guard, $2,464,815,000.

(11) For the Air National Guard, $3,096,933,000.

(12) For the Defense Inspector General, $130,764,000.

(13) For the United States Court of Appeals for the Armed Forces, $7,324,000.

(14) For Environmental Restoration, Army, $377,640,000.

(15) For Environmental Restoration, Navy, $281,600,000.

(16) For Environmental Restoration, Air Force, $379,100,000.

(17) For Environmental Restoration, Defense-wide, $26,091,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $195,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $47,311,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $727,582,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $15,000,000.

(22) For Defense Health Program, $9,663,035,000.

(23) Former Soviet Union Threat Reduction programs, $417,400,000.

(24) For Overseas Contingency Operations Transfer Fund, $746,900,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1999 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, $1,076,571,000.

(2) For the National Defense Sealift Fund, $669,566,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1999 from the Armed Forces Retirement Home Trust Fund the sum of $70,745,000 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 1999 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 OF M1–A1 TANKS.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $31,000,000 shall be available only for the refurbishment of up to 70 M1–A1 tanks under the AIM-XXI program.

SEC. 306. 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. 307. RELOCATION OF USS WISCONSIN.

Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for

the Navy, $6,000,000 may be available for the purpose of relocating the USS WISCONSIN, which is currently in a reserve status at the Norfolk Naval Shipyard, Virginia, to a suitable location in order to increase available berthing space at the shipyard.

SEC. 308. FISHER HOUSE TRUST FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1999, out of funds in Fisher House Trust Funds not otherwise appropriated, for the operation of Fisher houses described in section 2221(d) of title 10, United States Code, as follows:

(1) From the Fisher House Trust Fund, Department of the Army, $250,000 for Fisher houses that are located in proximity to medical treatment facilities of the Army.

(2) From the Fisher House Trust Fund, Department of the Navy, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Navy.

(3) From the Fisher House Trust Fund, Department of the Air Force, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Air Force.

Subtitle B—Information Technology Issues

SEC. 311. ADDITIONAL INFORMATION TECHNOLOGY RESPONSIBILITIES OF CHIEF INFORMATION OFFICERS.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2223. Information technology: additional responsibilities of Chief Information Officers

"(a) ADDITIONAL RESPONSIBILITIES.—In addition to the responsibilities provided for in chapter 35 of title 44 and in section 5125 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1425)—

"(1) the Chief Information Officer of the Department of Defense, with respect to the elements of the Department of Defense other than the military departments, shall—

"(A) review and provide recommendations to the Secretary of Defense on Department of Defense budget requests for information technology and national security systems;

"(B) ensure the interoperability of information technology and national security sys-

tems throughout the Department of Defense; and

"(C) ensure that information technology and national security systems standards that will apply throughout the Department of Defense are prescribed; and

"(2) the Chief Information Officer of each military department, with respect to the military department concerned, shall—

"(A) review budget requests for all information technology and national security systems;

"(B) ensure that information technology and national security systems are in compliance with standards of the Government and the Department of Defense;

"(C) ensure that information technology and national security systems are interoperable with other relevant information technology and national security systems of the Government and the Department of Defense;

"(D) provide for the elimination of duplicate information technology and national security systems within and between the military departments and Defense Agencies; and

"(E) coordinate with the Joint Staff with respect to information technology and national security systems.

"(b) DEFINITIONS.—In this section:

"(1) The term 'Chief Information Officer' means the senior official designated by the Secretary of Defense or a Secretary of a military department pursuant to section 3506 of title 44.

"(2) The term 'information technology' has the meaning given that term by section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

"(3) The term 'national security system' has the meaning given that term by section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).".

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

"2223. Information technology: additional responsibilities of Chief Information Officers.".

(b) EFFECTIVE DATE.—Section 2223 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1998.

SEC. 312. DEFENSE-WIDE ELECTRONIC MALL SYSTEM FOR SUPPLY PURCHASES.

(a) ELECTRONIC MALL SYSTEM.—In this section, the term "electronic mall system" means an electronic system

for displaying, ordering, and purchasing supplies and materiel available from sources within the Department of Defense and from the private sector.

(b) DEVELOPMENT AND MANAGEMENT.—Using existing systems and technology available in the Department of Defense, the Defense Logistics Agency shall develop a single, defense-wide electronic mall system. The Defense Logistics Agency shall be responsible for the management of the resulting electronic mall system. The Secretary of each military department and the head of each Defense Agency shall provide to the Defense Logistics Agency the necessary and requested data to support the development and operation of the electronic mall system.

(c) IMPLEMENTATION DATE.—The electronic mall system shall be operational and available throughout the Department of Defense not later than June 1, 1999. After that date, a military department or Defense Agency (other than the Defense Logistics Agency) may not develop or operate an electronic mall system.

SEC. 313. PROTECTION OF FUNDING PROVIDED FOR CERTAIN INFORMATION TECHNOLOGY AND NATIONAL SECURITY PROGRAMS.

(a) USE FOR SPECIFIED PURPOSES.—Of the amounts authorized to be appropriated to the Department of Defense for fiscal years 1999, 2000, and 2001 for infor-

mation technology and national security programs of the Department of Defense, not less than the amount specified in subsection (b) shall be available for each such fiscal year for the purposes of the information technology and national security programs described in such subsection, unless an alternative use of the funds is specifically approved by a law enacted after the date of the enactment of the law originally authorizing the funds.

(b) COVERED PROGRAMS AND AMOUNTS.—The information technology and national security programs referred to in subsection (a), and the amounts to be available for each program, are the following:

(1) The Force XXI program of the Army, $360,000,000.

(2) The Information Technology for the 21st Century programs of the Navy, $472,000,000.

(3) The Communications Infrastructure programs of the Air Force, $228,500,000.

(4) The Telecom and Computing Infrastructure programs of the Marine Corps, $93,000,000.

(c) DEFINITIONS.—In this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term ''national security system'' has the meaning given that term in section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).

SEC. 314. PRIORITY FUNDING TO ENSURE YEAR 2000 COMPLIANCE OF MISSION CRITICAL INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.

(a) FUNDS FOR COMPLETION OF YEAR 2000 CONVERSION.—(1) Of the amounts authorized to be appropriated pursuant to this Act for information technology and national security systems of the Department of Defense designated as mission critical, not more than 25 percent may be used to fund activities unrelated to ensuring that the awareness, assessment, and renovation phases of year 2000 conversion for such information technology and national security systems are completed.

(2) Of the amounts authorized to be appropriated pursuant to this Act for information technology and national security systems of the Department of Defense (other than information technology and national security systems covered by paragraph (1)), not less than $1,000,000,000 shall be available only for transfer to support activities to ensure that the awareness, assessment, renovation, and validation phases of year 2000 conversion

for information technology and national security systems covered by paragraph (1) are completed.

(b) EXCEPTIONS.—(1) This section does not apply to or affect funding for information technology and national security programs identified in section 313(b).

(2) The Secretary of Defense may authorize expenditures in excess of the 25 percent limitation specified in subsection (a)(1) if the Secretary determines that additional expenditures are required to prevent the failure of the information technology or national security system and provides prior notice to Congress of the reasons for the additional expenditures.

(c) TERMINATION.—(1) On the date on which the Secretary of Defense determines that the year 2000 renovation phase has been completed for a particular information technology or national security system covered by paragraph (1) of subsection (a), such paragraph shall cease to apply to that information technology or national security system.

(2) Paragraph (2) of such subsection shall cease to apply on the date on which the Secretary of Defense determines that all of the information technology and national security systems covered by paragraph (1) of such subsection are fully funded through the validation phase of year 2000 conversion, have an established contingency

plan, and have completed a point of origin to point of execution evaluation.

(d) COMPTROLLER GENERAL REVIEW.—Not later than January 30, 1999, the Comptroller General shall submit to Congress a briefing containing the following:

(1) Separate lists of each information technology and national security system of the Department of Defense covered by subsection (a)(1) for which the renovation phase of year 2000 conversion is not completed by December 30, 1998.

(2) A evaluation of the effect of subsection (a) on the year 2000 conversion success rate.

(3) A list of each information technology and national security system covered by subsection (a)(1) that will not achieve year 2000 compliance by September 30, 1999.

(4) An explanation of how the military departments, the Joint Chiefs of Staff, and Defense Agencies are applying the definition of mission critical.

(5) Recommendations regarding the manner in which funding could best be allocated to achieve year 2000 compliance for the greatest number of information technology and national security systems covered by subsection (a)(1).

(e) DEFINITIONS.—In this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term ''national security system'' has the meaning given that term in section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).

(3) The term ''mission critical'' means an information technology or national security system of the Department of Defense identified as mission critical in the table prepared by the Joint Chiefs of Staff entitled ''Mission Critical Systems (All Services/Agencies)'', dated March 20, 1998, or in the table printed by the Defense Integrated Support Tool entitled ''Year 2000 Information on Mission Critical Systems'', dated March 19, 1998.

(4) The terms ''awareness'', ''assessment'', ''renovation'', and ''validation'' have the meanings given the terms in the Department of Defense ''Year 2000 Management Plan'', version 1.0, released in April 1997.

SEC. 315. EVALUATION OF YEAR 2000 COMPLIANCE AS PART OF TRAINING EXERCISES PROGRAMS.

(a) REPORT ON EVALUATION PLAN.—Not later than December 15, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to include a simu-

lated year 2000 as part of the military exercises described in subsection (b) in order to evaluate, in an operational environment, the extent to which information technology and national security systems involved in the exercises will successfully operate, including the ability of the systems to access and transmit information from point of origin to point of termination, during the actual year 2000.

(b) COVERED MILITARY EXERCISES.—A military exercise referred to in subsection (a) is a military exercise conducted by the Department of Defense, during the period beginning on January 1, 1999, and ending on September 30, 1999—

(1) under the training exercises program known as the ''CJCS Exercise Program'';

(2) at the Naval Strike and Air Warfare Center, the Army National Training Center, or the Air Force Air Warfare Center; or

(3) as part of Naval Carrier Group fleet training or Marine Corps Expeditionary Unit training.

(c) ELEMENTS OF REPORT.—The report under subsection (a) shall include the following:

(1) A list of all military exercises described in subsection (b) to be conducted during the period specified in such subsection.

(2) A description of the manner in which the year 2000 will be simulated for information technology and national security systems involved in each military exercise.

(3) The duration of the year 2000 simulation in each military exercise.

(4) The methodology to be used in turning over the information technology and national security systems to the year 2000 in order to best identify those systems that fail to operate reliably during the military exercise.

(5) A list of the information technology and national security systems excluded from the plan under subsection (d)(1), including how the military exercise will utilize an excluded system's year 2000 contingency plan.

(6) A list of the exercises and information technology and national security systems excluded from the plan under subsection (d)(2), and a description of the effect that continued year 2000 noncompliance of the systems would have on military readiness.

(d) EXCLUSIONS.—(1) Subsection (a) shall not apply to an information technology or national security system if the Secretary of Defense determines that the system will

be incapable of performing reliably during the year 2000 simulation portion of the military exercise. In the case of each excluded system, the system may not be used during the period of the year 2000 simulation. Instead, the excluded system shall be replaced by the year 2000 contingency plan for the system.

(2) If the mission of a military exercise will be seriously hampered by the number of information technology and national security systems covered by paragraph (1), the Secretary of Defense may exclude the entire exercise from the requirements of subsection (a).

(3) Subsection (a) shall not apply to an information technology or national security system with cryptological applications.

(4) If the decision to exclude a military exercise or information technology or national security system is made under paragraph (1) or (2) after the date of the submission of the report required by subsection (a), the Secretary of Defense shall notify Congress of the exclusion not later than two weeks before commencing the military exercise. The notification shall include the information required under paragraph (5) or (6) of subsection (c), depending on whether the exclusion covers the entire exercise or particular information technology and national security systems.

(e) COMPTROLLER GENERAL REVIEW.—Not later than January 30, 1999, the Comptroller General shall review the report and plan submitted under subsection (a) and submit to Congress a briefing evaluating the methodology to be used under the plan to simulate the year 2000, describing the potential information that will be collected as a result of implementation of the plan, and describing the impact that the plan will have on military readiness.

(f) DEFINITIONS.—In this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term ''national security system'' has the meaning given that term in section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).

Subtitle C—Environmental Provisions

SEC. 321. 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 from amounts appropriated for 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) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1669).

(d) FISCAL YEAR 1999 PAYMENT.—The payment under this section for fiscal year 1999 shall be made from amounts appropriated pursuant to section 301(5).

(e) LIMITATION.—The authorization provided in this section shall not be construed as setting a precedent for payment under a treaty of an environmental claim made by another nation, unless the Senate has given its consent to the ratification of the treaty.

SEC. 322. REMOVAL OF UNDERGROUND STORAGE TANKS.

Of the amount authorized to be appropriated pursuant to section 301(18) (relating to environmental restora-

tion of formerly used defense sites), the Secretary of the Army may use not more than $150,000 for the removal of underground storage tanks at the Authorities Allied Industrial Park, Macon, Georgia.

Subtitle D—Defense Infrastructure Support Improvement

SEC. 331. REPORTING AND STUDY REQUIREMENTS BEFORE CHANGE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

(a) IN GENERAL.—Section 2461 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (h) and transferring such subsection to appear after subsection (g); and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) REPORTING AND STUDY REQUIREMENTS AS PRECONDITION TO CHANGE IN PERFORMANCE.—A commercial or industrial type function of the Department of Defense that, as of October 1, 1980, was being performed by Department of Defense civilian employees may not be changed to performance by a private contractor or changed to procurement through a private contractor until

the Secretary of Defense fully complies with the reporting and study requirements specified in subsections (b) and (c).

"(b) NOTIFICATION AND ELEMENTS OF STUDY.—(1) Before commencing to study a commercial or industrial type function described in subsection (a) for possible change to performance by a private contractor or possible change to procurement through a private contractor, the Secretary of Defense shall submit to Congress a report containing the following:

"(A) The function to be studied for possible change.

"(B) The location at which the function is performed by Department of Defense civilian employees.

"(C) The number of civilian employee positions potentially affected.

"(D) The anticipated length and cost of the study.

"(E) A certification that the performance of the commercial or industrial type function by civilian employees of the Department of Defense is not precluded due to any constraint or limitation in terms of man years, end strengths, full-time equivalent positions, or maximum number of employees.

"(2) The responsibility of the Secretary of Defense to submit the report required under paragraph (1) may be delegated only to senior acquisition executives or higher officials for the military departments and the Defense Agencies.

"(3) The study of a commercial or industrial type function for possible change in performance shall include the following:

"(A) A comparison of the cost of performance of the function by Department of Defense civilian employees and by private contractor to demonstrate whether change to performance by a private contractor or change to procurement through a private contractor will result in savings to the Government over the life of the contract, including in the comparison—

"(i) the amount estimated by the Secretary of Defense (based on bids received) to be the amount of a contract for performance of the function by a private contractor;

"(ii) the cost to the Government of Department of Defense civilian employees performing the function; and

"(iii) the costs and expenditures which the Government would incur (in addition to the

amount of the contract) because of the award of such a contract.

"(B) An examination of the potential economic effect of performance of the function by a private contractor—

"(i) on employees who would be affected by such a change in performance; and

"(ii) on the local community and the Government, if more than 75 employees perform the function.

"(C) An examination of the effect of performance of the function by a private contractor on the military mission of the function.

"(4) If the commercial or industrial type function at issue involves a working-capital fund in the Department of Defense and the study concerns the possible procurement by a requisitioning agency of services or supplies from a private contractor instead of the working-capital fund, in lieu of the comparison required by paragraph (3), the study shall include a comparison of the sources of the services or supplies to determine which source is more cost-effective for the requisitioning agency.

"(5) An individual or entity at a facility where a commercial or industrial type function is studied for possible change in performance may raise an objection to the study

on the grounds that the report required under paragraph (1) as a precondition for the study does not contain the certification required by subparagraph (E) of such paragraph. The objection may be raised at any time during the course of the study, shall be in writing, and shall be submitted to the Secretary of Defense. If the Secretary determines that the certification was omitted, the commercial or industrial type function covered by the study may not be the subject of request for proposal or award of a contract until a certification is made that fully complies with paragraph (1)(E) and the other requirements of this section are satisfied.

''(c) NOTIFICATION OF DECISION.—(1) If, as a result of the completion of a study under subsection (b)(3), a decision is made to change the commercial or industrial type function that was the subject of the study to performance by a private contractor or to procurement through a private contractor, the Secretary of Defense shall submit to Congress a report describing that decision. The report shall—

''(A) indicate that the study under subsection (b)(3) has been completed;

''(B) certify that the Government calculation for the cost of performance of the function by Department of Defense civilian employees is based on

an estimate of the most efficient and cost effective organization for performance of the function by Department of Defense civilian employees;

''(C) certify that the comparison required by subsection (b)(3)(A) (or alternatively by subsection (b)(4)) as part of the study demonstrates that the performance of the function by a private contractor or procurement of the function through a private contractor will result in savings to the Government over the life of the contract;

''(D) certify that the entire comparison is available for examination; and

''(E) contain a timetable for completing change of the function to contractor performance.

''(2) The actual change of the function to contractor performance may not begin until after the submission of the report required by this subsection.''.

(b) CONFORMING AMENDMENTS.—(1) Subsections (e)(2) and (f)(1) of such section are amended by striking out ''converted'' and inserting in lieu thereof ''changed''.

(2) Subsection (f)(2) of such section is amended by striking out ''conversion'' and inserting in lieu thereof ''change''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment

of this Act but shall not apply with respect to conversion of a function of the Department of Defense to performance by a private contractor concerning which the Secretary of Defense provided to Congress, before the date of the enactment of this Act, a notification under paragraph (1) of section 2461(a) of title 10, United States Code, as in effect on the day before the date of the enactment of this Act.

SEC. 332. CLARIFICATION OF REQUIREMENT TO MAINTAIN GOVERNMENT-OWNED AND GOVERNMENT-OPERATED CORE LOGISTICS CAPABILITY.

Section 2464 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) RULE OF CONSTRUCTION.—The requirement under subsection (a) that the Department of Defense maintain a core logistics capability that is Government-owned and Government-operated is not satisfied when a core logistics workload is converted to contractor performance even though the actual performance of the workload will be carried out in a Government-owned, Government-operated facility of the Department of Defense as a subcontractor of the private contractor. Nothing in section 2474 of this title or section 337 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–

337; 108 Stat. 2717) authorizes the use of subcontracts as a means to provide workloads to Government-owned, Government-operated facilities of the Department of Defense in order to satisfy paragraph (4) of subsection (a).''.

SEC. 333. OVERSIGHT OF DEVELOPMENT AND IMPLEMENTATION OF AUTOMATED IDENTIFICATION TECHNOLOGY.

(a) SMARTCARD PROGRAM DEFINED.—In this section, the term ''smartcard program'' means an automated identification technology program, including any pilot program, employing one or more of the following technologies:

(1) Magnetic stripe.

(2) Bar codes, both linear and two-dimensional (including matrix symbologies).

(3) Smartcard.

(4) Optical memory.

(5) Personal computer memory card international association carriers.

(6) Other established or emerging automated identification technologies, including biometrics and radio frequency identification.

(b) OVERSIGHT RESPONSIBILITY.—(1) The Smartcard Technology Office established in the Defense Human Resources Field Activity of the Department of Defense shall be responsible for—

(A) overseeing the development and implementation of all smartcard programs in the Department; and

(B) coordinating smartcard programs with the Joint Staff, the Secretaries of the military departments, and the directors of the Defense Agencies.

(2) After the date of the enactment of this Act, funds appropriated for the Department of Defense may not be obligated for a smartcard program unless the program is reviewed and approved by the Smartcard Technology Office. The review and approval before that date of a smartcard program by the Office is sufficient to satisfy the requirements of this paragraph.

(c) TYPES OF OVERSIGHT.—As part of its oversight responsibilities, the Smartcard Technology Office shall establish standards designed—

(1) to ensure the compatibility and interoperability of smartcard programs in the Department of Defense; and

(2) to identify and terminate redundant, unfeasible, or uneconomical smartcard programs.

SEC. 334. CONDITIONS ON EXPANSION OF FUNCTIONS PERFORMED UNDER PRIME VENDOR CONTRACTS.

(a) PRIME VENDOR CONTRACT DEFINED.—For purposes of this section, the term ''prime vendor contract'' means an innovative contract that gives a defense contractor the responsibility to manage, store, and distribute inventory, manage and provide services, or manage and perform research, on behalf of the Department of Defense on a frequent, regular basis, for users within the Department on request. The term includes contracts commonly referred to as prime vendor support contracts, flexible sustainment contracts, and direct vendor delivery contracts.

(b) CONDITIONS ON EXPANDED USE.—If the Secretary of Defense or the Secretary of a military department proposes to enter into a prime vendor contract for a hardware system, including the performance or management of depot-level maintenance and repair (as defined in section 2460 of title 10, United States Code) or logistics management responsibilities, the Secretary may not enter into the prime vendor contract until the end of the 60-day period beginning on the date on which the Secretary submits to Congress a report, specific to that proposal, that—

(1) describes the competitive procedures to be used to award the prime vendor contract;

(2) evaluates the effect of the prime vendor contract on working-capital funds in the Department of Defense; and

(3) contains a cost/benefit analysis that demonstrates that use of the prime vendor contract will result in savings to the Government over the life of the contract.

(c) COMPTROLLER GENERAL REVIEW.—During the waiting period provided in subsection (b) for a proposed prime vendor contract, the Comptroller General shall review the report submitted under subsection (b) with respect to that contract and submit to Congress a report regarding—

(1) whether the cost savings to the Government identified in the report submitted under subsection (b) are achievable; and

(2) whether use of a prime vendor contract will comply with the requirements of chapter 146 of title 10, United States Code, applicable to depot-level maintenance and repair.

(d) RELATIONSHIP TO OTHER LAWS.—Nothing in this section shall be construed to exempt a prime vendor contract from the requirements of section 2461 of title 10,

United States Code, or any other provision of chapter 146 of such title.

SEC. 335. CLARIFICATION OF DEFINITION OF DEPOT-LEVEL MAINTENANCE AND REPAIR.

Section 2460(a) of title 10, United States Code, is amended by inserting before the period at the end of the first sentence the following: ''or the location at which the maintenance or repair is performed''.

SEC. 336. CLARIFICATION OF COMMERCIAL ITEM EXCEPTION TO REQUIREMENTS REGARDING CORE LOGISTICS CAPABILITIES.

Section 2464(a)(5) of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(5)'';

(2) by adding at the end of subparagraph (A), as so designated, the following: ''The determination of whether a modification is minor shall be based on a comparison of only the critical systems of the version sold in the commercial marketplace and the version purchased by the Government, and a modification may not be considered to be minor unless at least 90 percent of the total content by component value remains identical.''; and

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

"(B) In this paragraph, the term 'substantial quantities' means, with respect to determining whether an item is a commercial item, that purchases and leases of the item to the general public constitute the majority of all transactions involving the item at the time the exception under paragraph (3) is proposed to be exercised.".

SEC. 337. DEVELOPMENT OF PLAN FOR ESTABLISHMENT OF CORE LOGISTICS CAPABILITIES FOR MAINTENANCE AND REPAIR OF C–17 AIRCRAFT.

(a) FINDINGS.—Congress finds the following:

(1) The C–17 aircraft, which is replacing the C–141 aircraft, will serve as the cornerstone of heavy airlift capability of the Armed Forces.

(2) The C–17 aircraft achieved initial operational capability in January 1995 and will complete the significant fourth year of its operational capability in January 1999.

(3) As provided in section 2464(a)(3) of title 10, United States Code, the C–17 aircraft is a weapon system that is "necessary to enable the armed forces to fulfill the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff".

(4) The depot-level maintenance and repair of such a weapon system must be performed at Government-owned, Government-operated facilities of the Department of Defense in order to maintain the core logistics capabilities of the Department of Defense, as required under such section 2464.

(5) The sole-source contract entered into in January 1998 regarding the depot-level maintenance and repair of C–17 aircraft and related tasks, known as the Interim Contract for the C–17 Flexible Sustainment Program, does not meet the requirements of law.

(b) PLAN REQUIRED.—Not later than March 1, 1999, the Secretary of the Air Force shall submit to Congress a plan for the establishment of the core logistics capabilities for the C–17 aircraft consistent with the requirements of section 2464 of title 10, United States Code.

(c) EFFECT ON EXISTING CONTRACT.—After March 1, 1999, the Secretary of the Air Force may not extend the Interim Contract for the C–17 Flexible Sustainment Program until after the end of the 60-day period beginning on the date the plan required by subsection (b) is received by Congress.

(d) COMPTROLLER GENERAL REVIEW.—During the period specified in subsection (c), the Comptroller General

shall review the plan required under subsection (b) and submit to Congress a report evaluating the merits of the plan.

SEC. 338. CONTRACTOR-OPERATED CIVIL ENGINEERING SUPPLY STORES PROGRAM.

(a) DEFINITIONS.—In this section:

(1) The term ''contractor-operated civil engineering supply store'' means a Government-owned facility that, as of the date of the enactment of this Act, is operated by a contractor under the contractor-operated civil engineering supply store (COCESS) program of the Department of the Air Force for the purpose of—

(A) maintaining inventories of civil engineering supplies on behalf of a military department; and

(B) furnishing such supplies to the department as needed.

(2) The term ''civil engineering supplies'' means parts and supplies needed for the repair and maintenance of military installations.

(b) FINDINGS.—Congress finds the following:

(1) In 1970, the Strategic Air Command of the Air Force began to use contractor-operated civil engineering supply stores to improve the efficiency and

effectiveness of materials management and relieve the Air Force from having to maintain large inventories of civil engineering supplies.

(2) Contractor-operated civil engineering supply stores are designed to support the civil engineering and public works efforts of the Armed Forces through the provision of quality civil engineering supplies at competitive prices and within a reasonable period of time.

(3) Through the use of a contractor-operated civil engineering supply store, a guaranteed inventory level of civil engineering supplies is maintained at a military installation, which ensures that urgently needed civil engineering supplies are available on site.

(4) The contractor operating the contractor-operated civil engineering supply store is an independent business organization whose customer is a military department and the Armed Forces and who is subject to all the rules of private business and the regulations of the Government.

(5) The use of contractor-operated civil engineering supply stores ensures the best price and best buy for the Government.

(6) Ninety-five percent of the cost savings realized through the use of contractor-operated civil engineering supply stores is due to savings in the cost of actually procuring supplies.

(7) In the past 30 years, private contractors have never lost a cost comparison conducted pursuant to the criteria set forth in Office of Management and Budget Circular A–76 for the provision of civil engineering supplies to the Government.

(c) CONDITIONS ON MULTI-FUNCTION CONTRACTS.—A civil engineering supplies function that is performed, as of the date of the enactment of this Act, by a contractor-operated civil engineering supply store may not be combined with another supply function or any service function, including any base operating support function, for purposes of competition or contracting, until—

(1) the Secretary of Defense submits to Congress a report—

(A) notifying Congress of the proposed combined competition or contract; and

(B) explaining why a combined competition or contract is the best method by which to achieve cost savings and efficiencies to the Government; and

(2) the Comptroller General reviews the report and submits to Congress a briefing regarding whether the cost savings and efficiencies identified in the report are achievable.

(d) RELATIONSHIP TO OTHER LAWS.—If a civil engineering supplies function covered by subsection (c) is proposed for combination with a supply or service function that is subject to the study and reporting requirements of section 2461 of title 10, United States Code, the Secretary of Defense may include the report required under subsection (c) as part of the report under such section.

SEC. 339. REPORT ON SAVINGS AND EFFECT OF PERSONNEL REDUCTIONS IN ARMY MATERIEL COMMAND.

(a) REPORT REQUIRED.—Not later than March 31, 1999, the Comptroller General shall submit to the congressional defense committees a report concerning—

(1) the effect that the proposed personnel reductions in the Army Materiel Command will have on workload and readiness if implemented; and

(2) the likelihood that the cost savings projected to occur from such reductions will actually be achieved.

(b) DELAY IN IMPLEMENTATION OF REDUCTIONS PENDING REPORT.—During the period specified in sub-

section (c), the Secretary of Defense and the Secretary of the Army may not commence personnel reductions based on the guidelines contained in the May 1997 report of the Quadrennial Defense Review (including the National Defense Panel) prepared pursuant to subtitle B of title IX of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 10 U.S.C. 111 note) at any Army Material Command facility that provides depot-level maintenance and repair or at any Army Arsenal.

(c) DURATION OF DELAY.—Subsection (b) applies only during the period beginning on the date of the enactment of this Act and ending on the earlier of the following:

(1) March 31, 1999.

(2) The date on which the report required by subsection (a) is submitted.

SEC. 340. BEST COMMERCIAL INVENTORY PRACTICES FOR MANAGEMENT OF SECONDARY SUPPLY ITEMS.

(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of each military department shall develop and submit to Congress a schedule for implementing within the military department, for secondary supply items managed by that military department,

inventory practices identified by the Secretary as being the best commercial inventory practices for the acquisition and distribution of such supply items consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than five years after the date of the enactment of this Act.

(b) DEFINITION.—For purposes of this section, the term ''best commercial inventory practice'' includes cellular repair processes, use of third-party logistics providers, and any other practice that the Secretary of the military department determines will enable the military department to reduce inventory levels and holding costs while improving the responsiveness of the supply system to user needs.

(c) GAO REPORTS ON MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY SCHEDULES.—(1) Not later than 240 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report evaluating the extent to which the Secretary of each military department has complied with the requirements of this section.

(2) Not later than 18 months after the date on which the Director of the Defense Logistics Agency submits to Congress a schedule for implementing best commercial inventory practices under section 395 of the National De-

fense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1718; 10 U.S.C. 2458 note), the Comptroller General shall submit to Congress an evaluation of the extent to which best commercial inventory practices are being implemented in the Defense Logistics Agency in accordance with that schedule.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 341. CONTINUATION OF MANAGEMENT AND FUNDING OF DEFENSE COMMISSARY AGENCY THROUGH THE OFFICE OF THE SECRETARY OF DEFENSE.

Section 192 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) SPECIAL RULE FOR DEFENSE COMMISSARY AGENCY.—Notwithstanding the results of the periodic review required under subsection (c) with regard to the Defense Commissary Agency, the Secretary of Defense may not transfer to the Secretary of a military department the responsibility to manage and fund the provision of services and supplies provided by the Defense Commissary Agency unless the transfer of the management and funding responsibility is specifically authorized by a law enacted

after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1999.''.

SEC. 342. EXPANSION OF CURRENT ELIGIBILITY OF RESERVES FOR COMMISSARY BENEFITS.

(a) DAYS OF ELIGIBILITY FOR READY RESERVE MEMBERS WITH 50 CREDITABLE POINTS.—Section 1063 of title 10, United States Code, is amended—

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

(2) in subsection (a)—

(A) by striking out ''(1)'';

(B) by striking out ''12 days of eligibility'' and inserting in lieu thereof ''24 days of eligibility''; and

(C) by striking out ''(2) Paragraph (1)'' and inserting in lieu thereof ''(b) EFFECT OF COMPENSATION OR TYPE OF DUTY.—Subsection (a)''.

(b) DAYS OF ELIGIBILITY FOR RESERVE RETIREES UNDER AGE 60.—Section 1064 of such title is amended by striking out ''for 12 days each calendar year'' and inserting in lieu thereof ''for 24 days each calendar year''.

(c) ELIGIBILITY OF MEMBERS OF NATIONAL GUARD SERVING IN FEDERALLY DECLARED DISASTER.—Chapter 54 of such title is amended by inserting after section 1063 the following new section:

"§ 1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster

''(a) ELIGIBILITY OF MEMBERS.—A member of the National Guard who, although not in Federal service, is called or ordered to duty in response to a federally declared disaster shall be permitted to use commissary stores and MWR retail facilities during the period of such duty on the same basis as members of the armed forces on active duty.

''(b) ELIGIBILITY OF DEPENDENTS.—A dependent of a member of the National Guard who is permitted under subsection (a) to use commissary stores and MWR retail facilities shall be permitted to use such stores and facilities, during the same period as the member, on the same basis as dependents of members of the armed forces on active duty.

''(c) DEFINITIONS.—In this section:

''(1) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' means a disaster or other situation for which a Presidential declaration of major disaster is issued under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170).

''(2) MWR RETAIL FACILITIES.—The term 'MWR retail facilities' means exchange stores and

other revenue-generating facilities operated by non-appropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.''.

(d) SECTION HEADINGS.—(1) The heading of section 1063 of such title is amended to read as follows:

"§ 1063. Use of commissary stores: members of Ready Reserve with at least 50 creditable points".

(2) The heading of section 1064 of such title is amended to read as follows:

"§ 1064. Use of commissary stores: persons qualified for retired pay under chapter 1223 but under age 60".

(e) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 54 of such title is amended by striking out the items relating to sections 1063 and 1064 and inserting in lieu thereof the following items:

''1063. Use of commissary stores: members of Ready Reserve with at least 50 creditable points.

''1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster.

''1064. Use of commissary stores: persons qualified for retired pay under chapter 1223 but under age 60.''.

SEC. 343. REPEAL OF REQUIREMENT FOR AIR FORCE TO SELL TOBACCO PRODUCTS TO ENLISTED PERSONNEL.

(a) REPEAL.—Section 9623 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 939 of such title is amended by striking out the item relating to section 9623.

SEC. 344. RESTRICTIONS ON PATRON ACCESS TO, AND PURCHASES IN, OVERSEAS COMMISSARIES AND EXCHANGE STORES.

(a) AUTHORITY TO IMPOSE RESTRICTIONS; LIMITATIONS ON AUTHORITY.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2491. Overseas commissary and exchange stores: access and purchase restrictions

''(a) GENERAL AUTHORITY.—The Secretary of Defense may establish restrictions on the ability of eligible patrons of commissary and exchange stores located outside of the United States to purchase certain merchandise items (or the quantity of certain merchandise items) otherwise included within an authorized merchandise category if the Secretary determines that such restrictions are necessary to prevent the resale of such merchandise in violation of host nation laws or treaty obligations of the United

States. In establishing a quantity or other restriction, the Secretary shall ensure that the restriction is consistent with the purpose of the overseas commissary and exchange system to provide reasonable access for eligible patrons to purchase merchandise items made in the United States.

"(b) CONTROLLED ITEM LISTS.—For each location outside the United States that is served by the commissary system or the exchange system, the Secretary of Defense may maintain a list of controlled merchandise items, except that, after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1999, the Secretary may not change the list to add a merchandise item unless, before making the change, the Secretary submits to Congress a notice of the proposed addition and the reasons for the addition of the item.

"(c) SPECIAL RULES FOR KOREA.—(1) The Secretary of Defense may not prohibit a dependent who resides in Korea, is at least 21 years of age, and is otherwise eligible to use the commissary and exchange system, from purchasing alcoholic beverages through the commissary and exchange system. Quantity restrictions on the purchase of alcoholic beverages may be imposed, and any such restriction may be enforced through the use of an issued ration control device, but a dependent may not be required to sign for any purchase. A quantity restriction on malt

beverages may not restrict purchases to fewer than eight cases, of 24-units per case, per month. Daily or weekly restrictions on malt beverage purchases may not be imposed. The purchase of malt beverages may be recorded on a ration control device, but eligible patrons may not be required to sign for any purchase.

''(2) A dependent residing in Korea who is at least 18 years of age and otherwise eligible to use the commissary and exchange system may purchase tobacco products on the same basis as other eligible patrons of the commissary and exchange system.

''(3) Eligible patrons of the commissary and exchange system who are traveling through a military air terminal in Korea shall be authorized to the purchase sundry items, including tobacco products, on a temporary basis during the normal operating hours of commissary and exchange stores operated in connection with the terminal.

''(4) In applying restrictions to dependents of members of the armed forces, the Secretary of Defense may not differentiate between a dependent whose movement to Korea was authorized at the expense of the United States under section 406 of title 37 and other dependents residing in Korea.

''(d) REPORTING REQUIREMENTS.—The Secretary of Defense shall submit to Congress an annual report de-

scribing the host nation laws and the treaty obligations of the United States, and the conditions within host nations, that necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.''.

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

''2491. Overseas commissary and exchange stores: access and purchase restrictions.''.

SEC. 345. EXTENSION OF DEMONSTRATION PROJECT FOR UNIFORM FUNDING OF MORALE, WELFARE, AND RECREATION ACTIVITIES.

Section 335 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2241 note) is amended—

(1) in subsection (c), by striking out ''not later than September 30, 1998'' and inserting in lieu thereof ''on September 30, 1999''; and

(2) in subsection (e)(2), by striking out ''a final report on the results'' and inserting in lieu thereof ''an additional report on the progress''.

SEC. 346. PROHIBITION ON CONSOLIDATION OR OTHER ORGANIZATIONAL CHANGES OF DEPARTMENT OF DEFENSE RETAIL SYSTEMS.

(a) DEFENSE RETAIL SYSTEMS DEFINED.—For purposes of this section, the term ''defense retail systems'' means the defense commissary system and exchange stores and other revenue-generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

(b) PROHIBITION.—The operation and administration of the defense retail systems may not be consolidated or otherwise changed, and a study or review may not be commenced regarding the need for or merits of such a consolidation or change, unless the consolidation, change, study, or review is specifically authorized by a law enacted after the date of the enactment of this Act.

(c) EFFECT ON EXISTING STUDY.—Nothing in this section shall be construed to prohibit the study of defense retail systems, known as the ''Joint Exchange Due Diligence Study'', which is underway on the date of the enactment of this Act pursuant to a contract awarded by the Department of the Navy on April 21, 1998, except that any recommendation contained in the completed study regarding the operation or administration of the defense retail systems may not be implemented unless implementa-

tion of the recommendation is specifically authorized by a law enacted after the date of the enactment of this Act.

SEC. 347. 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.

SEC. 348. EVALUATION OF MERIT OF SELLING MALT BEVERAGES AND WINE IN COMMISSARY STORES AS EXCHANGE SYSTEM MERCHANDISE.

(a) PATRON SURVEY.—(1) The Secretary of Defense shall enter into a contract with a commercial survey firm to conduct a survey of eligible patrons of the commissary store system to determine patron interest in having commissary stores sell malt beverages and wine as exchange store merchandise.

(2) The survey shall be conducted at not less than three military installations in the United States of each of the Armed Forces (other than the Coast Guard).

(3) The survey shall be completed, and the results submitted to the Secretary of Defense, not later than November 30, 1998.

(b) DEMONSTRATION PROJECT.—(1) After consideration of the survey results, the Secretary of Defense may conduct a demonstration project at seven military installations in the United States (two Army installations, two Air Force installations, two Navy installations, and one Marine Corps installation) to evaluate the merit of selling malt beverages and wine in commissary stores as exchange store merchandise. Under the demonstration project, the Secretary may sell malt beverages and wine in commissary stores as exchange store merchandise notwithstanding the general requirement that merchandise sold in, at, or by commissary stores be commissary store inventory.

(2) The demonstration project may only be conducted in States where it is legal to sell malt beverages and wine in grocery stores.

(3) Not later than February 1, 1999, the Secretary of Defense shall determine whether to conduct the demonstration project. Any such demonstration project shall be completed not later than September 30, 2000.

(c) REPORT.—(1) If the Secretary of Defense conducts a demonstration project under subsection (b), the Secretary shall submit to Congress a report describing the

results of the demonstration project. The report shall include a description of patron views, the impact on commissary sales, the impact on exchange sales, and the impact, if any, on dividends for morale, welfare, and recreation activities.

(2) The report shall be submitted not later than March 1, 2000.

(d) LIMITATION.—Nothing in this section shall be construed to authorize the sale of malt beverages and wine in commissary stores as commissary store inventory.

Subtitle F—Other Matters

SEC. 361. ELIGIBILITY REQUIREMENTS FOR ATTENDANCE AT DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS.

(a) DEPENDENTS OF MEMBERS RESIDING IN CERTAIN AREAS.—Subsection (a) of section 2164 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''If'';

(2) by designating the second sentence as paragraph (2); and

(3) by adding at the end of paragraph (2) (as so designated) the following new sentence: ''If a member of the armed forces is assigned to a remote location or is assigned to an unaccompanied tour of

duty, a dependent of the member who resides, on or off a military installation, in a territory, commonwealth, or possession of the United States, as authorized by the member's orders, may be enrolled in an educational program provided by the Secretary under this subsection.''.

(b) WAIVER OF FIVE-YEAR ATTENDANCE LIMITATION.—Subsection (c)(2) of such section is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

''(B) At the discretion of the Secretary, a dependent referred to in subparagraph (A) may be enrolled in the program for more than five consecutive school years if the dependent is otherwise qualified for enrollment, space is available in the program, and the Secretary will be reimbursed for the services provided. Any such extension shall cover only one school year at a time.''.

SEC. 362. SPECIFIC EMPHASIS OF PROGRAM TO INVESTIGATE FRAUD, WASTE, AND ABUSE WITHIN DEPARTMENT OF DEFENSE.

Section 392 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 113 note) is amended by inserting before the period the following: ''and any fraud, waste, and abuse occurring in connection with overpayments made to vendors by the De-

partment of Defense, including overpayments identified under section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2461 note)''.

SEC. 363. REVISION OF INSPECTION REQUIREMENTS RELATING TO ARMED FORCES RETIREMENT HOME.

Section 1518 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 418) is amended to read as follows:

''SEC. 1518. INSPECTION OF RETIREMENT HOME.

''(a) PERIODIC INSPECTION.—The Inspector Generals of the military departments shall conduct, at three-year intervals, an inspection of the Retirement Home and the records of the Retirement Home. Each inspection under this subsection shall be performed by a single Inspector General on an alternating basis.

''(b) REPORT.—The Inspector General of a military department who performs an inspection of the Retirement Home under subsection (a) shall submit to the Retirement Home Board, the Secretary of Defense, and Congress a report describing the results of the inspection and containing such recommendations as the Inspector General considers appropriate.''.

SEC. 364. 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 1999.—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 only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

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

(b) NOTIFICATION.—Not later than June 30, 1999, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1999 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 1999 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)).

SEC. 365. STRATEGIC PLAN FOR EXPANSION OF DISTANCE LEARNING INITIATIVES.

(a) DEVELOPMENT OF PLAN.—The Secretary of Defense shall develop a strategic plan for guiding and expanding distance learning initiatives in the Department of Defense. The strategic plan shall cover the five-year period beginning on October 1, 1999.

(b) ELEMENTS OF PLAN.—The strategic plan required by this section shall contain at a minimum the following elements:

(1) Measurable goals and objectives, including outcome-related performance indicators, for developing distance learning initiatives in the Department that would be consistent with the principles of the Government Performance and Results Act of 1993 (section 306 of title 5 and sections 1115 through 1119, 9703, and 9704 of title 31).

(2) A description of the manner in which distance learning initiatives will be developed and managed in the Department.

(3) An estimate of the costs and benefits associated with developing and maintaining an infrastructure in the Department to support distance learning initiatives and a statement of planned expenditures for investments necessary to build and maintain the infrastructure.

(4) A description of mechanisms that will be used to oversee the development and coordination of distance learning initiatives in the Department.

(c) CONSIDERATION OF CURRENT EFFORT.—In developing the strategic plan required by this section, the Secretary of Defense may recognize the collaborative distance learning effort of the Department of Defense and other Federal agencies and private industry (known as the Advanced Distribution Learning initiative), but the strategic plan shall be specific to the goals and objectives of the Department.

(d) SUBMISSION OF PLAN.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress the completed strategic plan required by this section.

SEC. 366. PUBLIC AVAILABILITY OF OPERATING AGREEMENTS BETWEEN MILITARY INSTALLATIONS AND FINANCIAL INSTITUTIONS.

With respect to an agreement between the commander of a military installation in the United States (or the designee of an installation commander) and a financial institution that permits, allows, or otherwise authorizes the provision of financial services by the financial institution on the military installation, nothing in the terms or nature of such an agreement shall be construed to exempt

the agreement from the provisions of sections 552 and 552a of title 5, United States Code.

SEC. 367. DEPARTMENT OF DEFENSE READINESS REPORTING SYSTEM.

(a) ESTABLISHMENT OF SYSTEM.—(1) Chapter 2 of title 10, United States Code, is amended by inserting after section 116 the following new section:

"§ 117. Readiness reporting system: establishment; reporting to congressional committees

"(a) REQUIRED READINESS REPORTING SYSTEM.—The Secretary of Defense shall establish a comprehensive readiness reporting system for the Department of Defense. The readiness reporting system shall measure in an objective, accurate, and timely manner the capability of the armed forces to carry out—

"(1) the National Security Strategy prescribed by the President in the most recent annual national security strategy report under section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(2) the defense planning guidance provided by the Secretary of Defense pursuant to section 113(g) of this title; and

"(3) the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff.

"(b) READINESS REPORTING SYSTEM CHARACTERISTICS.—In establishing the readiness reporting system, the Secretary shall ensure—

"(1) that the readiness reporting system is applied uniformly throughout the Department of Defense;

"(2) that information in the readiness reporting system is continually updated, with any change in the overall readiness status of a unit, of an element of the training establishment, or an element of defense infrastructure that is required to be reported as part of the readiness reporting system shall be reported within 24 hours of the event necessitating the change in readiness status; and

"(3) that sufficient resources are provided to establish and maintain the system so as to allow reporting of changes in readiness status as required by this section.

"(c) CAPABILITIES.—The readiness reporting system shall have the capability to do the following:

"(1) Measure the capability of units (both as elements of their respective armed force and as elements of joint forces) to conduct their assigned wartime missions.

"(2) Measure the capability of training establishments to provide trained and ready forces for wartime missions.

"(3) Measure the capability of defense installations and facilities and other elements of Department of Defense infrastructure, both in the United States and abroad, to provide appropriate support to forces in the conduct of their wartime missions.

"(4) Measure critical warfighting deficiencies in unit capability, training establishments, and defense infrastructure.

"(5) Measure the level of current risk based upon the readiness reporting system relative to the capability of forces to carry out their wartime missions.

"(6) Measure such other factors relating to readiness as the Secretary prescribes.

"(d) PERIODIC JOINT READINESS REVIEW.—The Chairman of the Joint Chiefs of Staff shall periodically, and not less frequently than monthly, conduct a joint readiness review. The Chairman shall incorporate into each such review the current information derived from the readiness reporting system and shall assess the capability of the armed forces to execute their wartime missions based upon their posture at the time of the review. The

Chairman shall submit to the Secretary of Defense the results of each review, including the deficiencies in readiness identified during that review.

"(e) SUBMISSION TO CONGRESSIONAL COMMITTEES.—The Secretary shall each month 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 in writing containing the complete results of each review under subsection (d) during the preceding month, including the current information derived from the readiness reporting system. Each such report shall be submitted in unclassified form and may, as the Secretary determines necessary, also be submitted in classified form.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section. In those regulations, the Secretary shall prescribe the units that are subject to reporting in the readiness reporting system, what type of equipment is subject to such reporting, and the elements of the training establishment and of defense infrastructure that are subject to such reporting.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 116 the following new item:

"117. Readiness reporting system: establishment; reporting to congressional committees.".

(b) IMPLEMENTATION.—The Secretary of Defense shall establish and implement the readiness reporting system required by section 117 of title 10, United States Code, as added by subsection (a), so as to ensure that the capabilities required by subsection (c) of that section are attained not later than July 1, 1999.

(c) IMPLEMENTATION PLAN.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a report setting forth the Secretary's plan for implementation of section 117 of title 10, United States Code, as added by subsection (a).

(d) REPEAL OF QUARTERLY READINESS REPORT REQUIREMENT.—Effective July 1, 1999, or the date on which the first report of the Secretary of Defense is submitted under section 117(d) of title 10, United States Code, as added by subsection (a), whichever is later—

(1) section 482 of title 10, United States Code, is repealed; and

(2) the table of sections at the beginning of chapter 23 of such title is amended by striking out the item relating to that section.

SEC. 368. TRAVEL BY RESERVISTS ON CARRIERS UNDER CONTRACT WITH GENERAL SERVICES ADMINISTRATION.

(a) RESERVE USE OF FEDERAL SUPPLY TRANSPORTATION.—Chapter 1217 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12603. Travel: use of carriers under contract with General Services Administration

"A member of a reserve component who requires transportation in order to perform inactive duty training may use a carrier under contract with the General Services Administration to provide the transportation. The transportation shall be provided by the carrier in the same manner as transportation is provided to members of the armed forces and civilian employees who are traveling at Government expense, except that the Reserve is responsible for the cost of the travel at the contract rate. The Secretary concerned may require the Reserve to use a Government approved travel card to ensure that the transportation is procured for the purpose of performing inactive duty training.".

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

"12603. Travel: use of carriers under contract with General Services Administration.".

Subtitle G—Demonstration of Commercial-Type Practices To Improve Quality of Personal Property Shipments

SEC. 381. DEMONSTRATION PROGRAM REQUIRED.

(a) IN GENERAL.—The Secretary of Defense shall conduct a demonstration program, to be known as the ''Commercial-Like Activities for Superior Quality Demonstration Program'', pursuant to this subtitle to test commercial-style practices to improve the quality of personal property shipments within the Department of Defense.

(b) DEFINITIONS.—In this subtitle:

(1) The term ''CLASS Demonstration Program'' means the Commercial-Like Activities for Superior Quality Demonstration Program required by subsection (a).

(2) The term ''affiliated'' means an entity that is owned and controlled by another entity or an independently owned entity whose day-to-day business operations are controlled by another entity.

(3) The term ''best value CLASS score'' means a weighted score that reflects an eligible provider's past performance rating score and the schedules of charges for services provided.

(4) The term ''broker'' means an entity, described in section 13102(2) of title 49, United States Code, that conducts operations on behalf of the Military Traffic Management Command and possesses appropriate authority from the Department of Transportation or an appropriate State regulatory agency to arrange for the transportation of personal property in interstate, intrastate, or foreign commerce.

(5) The term ''freight forwarder'' means an entity that provides the services described in section 13102(8) of title 49, United States Code, in interstate, intrastate, or foreign commerce and possesses the authority to provide such services from the Department of Transportation or an appropriate State regulatory agency.

(6) The term ''motor carrier'' means an entity that uses motor vehicles to transport personal property in interstate, intrastate, or foreign commerce and possesses the authority to provide such services from the Department of Transportation or an appropriate State regulatory agency.

(7) The term ''motor vehicles'' has the meaning given such term in section 13102(14) of title 49, United States Code.

(8) The term ''move management services provider'' means an entity that provides certain services in connection with the shipment of the household goods of a member of the Armed Forces, such as arranging, coordinating, and monitoring the shipment.

(9) The term ''test plan'' means the plan prepared under section 384 for the conduct of the CLASS Demonstration Program.

SEC. 382. GOALS OF DEMONSTRATION PROGRAM.

The goals of the CLASS Demonstration Program are to—

(1) adopt commercial-style practices to improve the quality of Department of Defense personal property shipments within the United States and to foreign locations;

(2) adopt simplified acquisition procedures for the selection of contractors qualified to provide various types of personal property shipping services and for the award of individual orders to such contractors;

(3) assure ready access of the Department of Defense to a sufficient number of qualified providers of personal property shipping to permit timely shipments during periods of high demand for such services;

(4) assure maximum practicable opportunities for small business concerns to participate as prime contractors rather than subcontractors;

(5) empower Installation Transportation Officers to assure that the personal property shipping needs of individual members of the Armed Forces are met in a timely manner by quality contractors who minimize opportunities for damage; and

(6) provide for the expedited resolution of claims for damaged or lost property through direct settlement negotiations between the service provider and the member of the Armed Forces who sustains the loss, with commercial-like arbitration available to the member with the assistance of the military department concerned.

SEC. 383. PROGRAM PARTICIPANTS.

(a) ELIGIBLE SERVICE PROVIDERS.—(1) Any motor carrier, freight forwarder, or broker regularly providing personal property shipping services that is approved by the Military Traffic Management Command to provide such services to the Department of Defense is eligible to participate in the CLASS Demonstration Program. A motor carrier providing domestic personal property shipping services shall not be precluded from providing such services

to international destinations through an affiliated freight forwarder.

(2) If a motor carrier is affiliated with another motor carrier or freight forwarder that also seeks qualification to participate in the CLASS Demonstration Program, the affiliate must demonstrate that it also conducts independent regular motor carrier operations using motor vehicles or independent freight forwarding services described in subparagraph (A), (B), or (C) of section 13102(8) of title 49, United States Code. If a freight forwarder is affiliated with another freight forwarder or motor carrier that also seeks qualification to participate in the program, the affiliate must demonstrate that it also conducts regular independent operations.

(b) MOVE MANAGEMENT SERVICES PROVIDERS.—The test plan may provide for the participation of a broker providing move management services. A move management service provider shall be compensated for providing such services solely by the Department of Defense. The test plan shall prohibit a move management services provider from obtaining a commission (or similar type of payment however denominated) from a motor carrier or freight forwarder providing the personal property shipping services.

(c) DEMONSTRATION PROGRAM PARTICIPANTS.—Eligible service providers shall be offered participation in the CLASS Demonstration Program on the basis of their best value CLASS score. Each eligible service provider's best value CLASS score shall be computed in a manner that assigns 70 percent of the weighted average to the provider's past performance rating and 30 percent to the provider's offered prices.

SEC. 384. TEST PLAN.

(a) IN GENERAL.—The CLASS Demonstration Program shall be conducted pursuant to a test plan.

(b) COMPONENTS OF THE TEST PLAN.—In addition to such other matters as the Secretary of Defense considers appropriate, the test plan shall include the following components:

(1) RATING PAST PERFORMANCE.—A past performance rating score shall be developed for each eligible service provider based on—

(A) evaluations from service members who have received personal property shipping services during a specified six-month rating period prior to the commencement of the CLASS Demonstration Program; or

(B) a rating of comparable personal property shipping services provided to non-Depart-

ment of Defense customers during the same rating period, if an eligible provider did not make a sufficient number of military personal property shipments during the rating period to be assigned a rating pursuant to subparagraph (A).

(2) PARTICIPATION BY QUALITY SERVICE PROVIDERS.—A minimum best value CLASS score shall be established for participation in the CLASS Demonstration Program. In establishing the minimum score for participation, consideration shall be given to assuring access to sufficient numbers of service providers to meet the needs of members of the Armed Forces during periods of high demand for such personal property shipping services.

(3) SIMPLIFIED ACQUISITION PROCEDURES.—The CLASS Demonstration Program shall make use of simplified acquisition procedures similar to those provided in section 2304(g)(1)(A) of title 10, United States Code.

(4) PRICING.—The test plan shall specify pricing policies to be met by the CLASS Demonstration Program participants. The pricing policies shall reflect the following:

(A) Domestic pricing shall be based on the contemporary Household Goods Carriers Commercial Tariff 400–M, or subsequent reissues thereof, applicable to commercial domestic shipments with discounts and adjustments for States outside the continental United States.

(B) So-called single factor rates for international shipments.

(C) Full value protection for a shipment based on the actual cash value of the contents of the shipment with liability limited on a per pound basis as well as a total-value basis.

(5) ALLOCATION OF ORDERS.—Orders to provide personal property shipping services shall be allocated by the appropriate Installation Transportation Officer taking into consideration—

(A) the service provider's best value CLASS score;

(B) maximum practicable utilization of small business service providers;

(C) exceptional performance of a CLASS Demonstration Program participant; and

(D) other criteria necessary to advance the goals of the CLASS Demonstration Program, except that carrier selection by a member of the

Armed Forces using the CLASS Demonstration Program shall be honored if the selection does not conflict with subparagraph (A) or (B) and the need to maintain adequate capacity.

(6) PERFORMANCE EVALUATION DURING THE TERM OF THE DEMONSTRATION PROGRAM.—The CLASS Demonstration Program shall provide for procedures for evaluation of the Demonstration Program participants by the members of the Armed Forces furnished personal property shipping services and by Installation Transportation Officers. To the maximum extent practicable, such evaluations shall be objective and quantifiable. The program participant shall be accorded the opportunity to review and make comment on a performance evaluation provided by an individual in a manner that will not deter candid evaluations by the individual. The results of this evaluation may be used in developing future best value CLASS scores.

(7) MODERN CUSTOMER SERVICE TECHNIQUES.—The CLASS Demonstration Program shall maximize the testing of modern customer service techniques, such as in-transit tracking of shipments and service member communication with the

service provider by means of toll-free telephone numbers.

(8) DIRECT CLAIMS SETTLEMENT TECHNIQUES.—The CLASS Demonstration Program shall provide for settlement of claims for personal property lost or damaged directly with the firm providing the services. The procedures shall provide for—

(A) acknowledgment of a claim by the service provider within 30 days of receipt;

(B) provision of a settlement offer within 120 days;

(C) filing of a claim within nine months, with appropriate extensions for extenuating circumstances relating to war or national emergency that impair the ability of a member of the Armed Forces to file a timely claim; and

(D) referring of an unsettled claim by the member of the Armed Forces to a designated claims officer for assistance in resolving the claim or seeking commercial-like arbitration of the claim, or both, if considered appropriate by the claims officer.

(9) CRITERIA FOR EVALUATION OF THE OVERALL DEMONSTRATION PROGRAM.—The CLASS

Demonstration Program shall include the development of criteria to evaluate the overall performance and effectiveness of the CLASS demonstration program.

(c) DEVELOPMENT IN COLLABORATION WITH INDUSTRY.—In developing the test plan, the Secretary of Defense shall maximize collaboration with representatives of associations that represent all segments of the affected industries. Special efforts shall be made to actively involve those associations that represent small business providers of personal property shipping services.

(d) OPPORTUNITY FOR PUBLIC COMMENT ON PROPOSED TEST PLAN.—Notice of the availability of the test plan shall be published in the Federal Register and given by other means likely to result in the notification of eligible service providers and associations that represent them. Copies of the proposed test plan may be made available in a printable electronic format. The public shall be afforded 60 days to comment on the proposed test plan.

SEC. 385. OTHER METHODS OF PERSONAL PROPERTY SHIPPING.

The CLASS Demonstration Program shall not impair the access of a member of the Armed Forces to the shipment of personal property through the programs known

as the Do-It-Yourself Program or the Direct Procurement Method Program.

SEC. 386. DURATION OF DEMONSTRATION PROGRAM.

The CLASS Demonstration Program shall commence on the first day of the fiscal year quarter after the issuance of the test plan in final form and terminate on the last day of the fiscal year quarter after eight fiscal year quarters of operation. The CLASS Demonstration Program shall take the place of the re-engineering pilot solicitation of the Military Traffic Management Command identified as DAMTO1–97–R–3001.

SEC. 387. EVALUATION OF DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall provide for the evaluation the CLASS Demonstration Program throughout the term of the program pursuant to the evaluation criteria included in the test plan.

(b) INTERIM REPORTS.—The Secretary of Defense shall issue such interim reports relating to the implementation of the CLASS Demonstration Program as may be appropriate.

(c) FINAL REPORT.—The Secretary of Defense shall issue a final report on the CLASS Demonstration Program within 180 days before the termination date of the program. The report may include recommendations for

further implementation of the CLASS Demonstration Program.

(d) CONGRESSIONAL RECIPIENTS.—The reports required by this section shall be furnished to the congressional defense committees and the Committee on Small Business of the Senate and the House of Representatives.

(e) PUBLIC AVAILABILITY.—The Secretary of Defense shall provide public notice of the availability of copies of the reports submitted to the congressional recipients through a notice in the Federal Register and such other means as may be appropriate. Copies of the reports may be made available in a printable electronic format or in a printed form.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1999, as follows:

(1) The Army, 484,800.

(2) The Navy, 376,423.

(3) The Marine Corps, 173,922.

(4) The Air Force, 371,577.

SEC. 402. REVISION IN PERMANENT END STRENGTH LEVELS.

(a) REVISED END STRENGTH FLOORS.—Subsection (b) of section 691 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ''495,000'' and inserting in lieu thereof ''484,800'';

(2) in paragraph (2), by striking out ''390,802'' and inserting in lieu thereof ''376,423''; and

(3) in paragraph (3), by striking out ''174,000'' and inserting in lieu thereof ''173,922''.

(b) REVISION TO FLEXIBILITY AUTHORITY FOR THE ARMY.—Subsection (e) of such section is amended by striking out ''or, in the case of the Army, by not more than 1.5 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1998.

SEC. 403. DATE FOR SUBMISSION OF ANNUAL MANPOWER REQUIREMENTS REPORT.

Section 115a(a) of title 10, United States Code, is amended—

(1) by striking out '', not later than February 15 of each fiscal year,'' in the first sentence; and

(2) by striking out ''The report shall be in writing and'' in the second sentence and inserting in lieu thereof ''The report shall be submitted each year not

later than 30 days after the date on which the budget for the next fiscal year is transmitted to Congress pursuant to section 1105 of title 31, shall be in writing, and''.

SEC. 404. EXTENSION OF AUTHORITY FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF TO DESIGNATE UP TO 12 GENERAL AND FLAG OFFICER POSITIONS TO BE EXCLUDED FROM GENERAL AND FLAG OFFICER GRADE LIMITATIONS.

Section 526(b)(2) of title 10, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2001''.

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, 1999, as follows:

(1) The Army National Guard of the United States, 357,000.

(2) The Army Reserve, 209,000.

(3) The Naval Reserve, 90,843.

(4) The Marine Corps Reserve, 40,018.

(5) The Air National Guard of the United States, 106,991.

(6) The Air Force Reserve, 74,242.

(7) The Coast Guard Reserve, 8,000.

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

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

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be 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, 1999, the following num-

ber 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, 21,763.

(2) The Army Reserve, 12,804.

(3) The Naval Reserve, 15,590.

(4) The Marine Corps Reserve, 2,362.

(5) The Air National Guard of the United States, 10,930.

(6) The Air Force Reserve, 991.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 1999 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, 5,395.

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

(3) For the Air Force Reserve, 9,761.

(4) For the Air National Guard of the United States, 22,408.

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	776	140
Lieutenant Colonel or Commander	1,524	520	672	90
Colonel or Navy Captain	438	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	623	202	388	20
E–8	2,585	429	979	94".

(c) EFFECTIVE DATE.—The amendments made by this section shall take efffect on October 1, 1998.

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 1999 a total of $70,697,086,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1999.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. CODIFICATION OF ELIGIBILITY OF RETIRED OFFICERS AND FORMER OFFICERS FOR CONSIDERATION BY SPECIAL SELECTION BOARDS.

(a) PERSONS NOT CONSIDERED BY PROMOTION BOARDS DUE TO ADMINISTRATIVE ERROR.—Subsection (a) of section 628 of title 10, United States Code, is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

''(a) PERSONS NOT CONSIDERED BY PROMOTION BOARDS DUE TO ADMINISTRATIVE ERROR.—(1) If the Secretary of the military department concerned determines that because of administrative error a person who should have been considered for selection for promotion by a promotion board was not so considered, the Secretary shall convene a special selection board under this subsection to determine whether that person (whether or not then on active duty) should be recommended for promotion.'';

(2) in paragraph (2), by striking out ''the officer as his record'' in the first sentence and inserting

in lieu thereof ''the person whose name was referred to it for consideration as that record''; and

(3) in paragraph (3), by striking out ''an officer in a grade'' and all that follows through ''the officer'' and inserting in lieu thereof ''a person whose name was referred to it for consideration for selection for appointment to a grade other than a general officer or flag officer grade, the person''.

(b) PERSONS CONSIDERED BY PROMOTION BOARDS IN UNFAIR MANNER.—Subsection (b) of such section is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

''(b) PERSONS CONSIDERED BY PROMOTION BOARDS IN UNFAIR MANNER.—(1) If the Secretary of the military department concerned determines, in the case of a person who was considered for selection for promotion by a promotion board but was not selected, that there was material unfairness with respect to that person, the Secretary may convene a special selection board under this subsection to determine whether that person (whether or not then on active duty) should be recommended for promotion. In order to determine that there was material unfairness, the Secretary must determine that—

"(A) the action of the promotion board that considered the person was contrary to law or involved material error of fact or material administrative error; or

"(B) the board did not have before it for its consideration material information.";

(2) in paragraph (2), by striking out "the officer as his record" in the first sentence and inserting in lieu thereof "the person whose name was referred to it for consideration as that record"; and

(3) in paragraph (3)—

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

(B) by striking out "the officer" and inserting in lieu thereof "the person".

(c) CONFORMING AMENDMENTS.—(1) Subsection (c) of such section is amended—

(A) by inserting "REPORTS OF BOARDS.—" after "(c)";

(B) by striking out "officer" both places it appears in paragraph (1) and inserting in lieu thereof "person"; and

(C) in paragraph (2), by adding the following new sentence at the end: "However, in the case of a board convened under this section to consider a

warrant officer or former warrant officer, the provisions of sections 576(d) and 576(f) of this title (rather than the provisions of section 617(b) and 618 of this title) apply to the report and proceedings of the board in the same manner as they apply to the report and proceedings of a selection board convened under section 573 of this title.''.

(2) Subsection (d)(1) of such section is amended—

(A) by inserting ''APPOINTMENT OF PERSONS SELECTED BY BOARDS.—'' after ''(d)'';

(B) by striking out ''an officer'' and inserting in lieu thereof ''a person'';

(C) by striking out ''such officer'' and inserting in lieu thereof ''that person'';

(D) by striking out ''the next higher grade'' the second place it appears and inserting in lieu thereof ''that grade'';

(E) by adding at the end the following: ''However, in the case of a board convened under this section to consider a warrant officer or former warrant officer, if the report of that board, as approved by the Secretary concerned, recommends that warrant officer or former warrant officer for promotion to the next higher grade, that person shall, as soon as practicable, be appointed to the next higher grade in

accordance with provisions of section 578(c) of this title (rather than subsections (b), (c), and (d) of section 624 of this title).''.

(3) Subsection (d)(2) of such section is amended—

(A) by striking out ''An officer who is promoted'' and inserting in lieu thereof ''A person who is appointed'';

(B) by striking out ''such promotion'' and inserting in lieu thereof ''that appointment''; and

(C) by adding at the end the following new sentence: ''In the case of a person who is not on the active-duty list when appointed to the next higher grade, placement of that person on the active-duty list pursuant to the preceding sentence shall be only for purposes of determination of eligibility of that person for consideration for promotion by any subsequent special selection board under this section.''.

(d) APPLICABILITY TO DECEASED PERSONS.—Subsection (e) of such section is amended to read as follows:

''(e) DECEASED PERSONS.—If a person whose name is being considered for referral to a special selection board under this section dies before the completion of proceedings under this section with respect to that person, this section shall be applied to that person posthumously.''.

(e) RECODIFICATION OF ADMINISTRATIVE MATTERS.—Such section is further amended by adding at the end the following::

''(f) CONVENING OF BOARDS.—A board convened under this section—

''(1) shall be convened under regulations prescribed by the Secretary of Defense;

''(2) shall be composed in accordance with section 612 of this title or, in the case of board to consider a warrant officer or former warrant officer, in accordance with section 573 of this title and regulations prescribed by the Secretary of the military department concerned; and

''(3) shall be subject to the provisions of section 613 of this title.

''(g) PROMOTION BOARD DEFINED.—In this section, the term 'promotion board' means a selection board convened by the Secretary of a military department under section 573(a) or 611(a) of this title.''.

(f) RATIFICATION OF CODIFIED PRACTICE.—The consideration by a special selection board convened under section 628 of title 10, United States Code, before the date of the enactment of this Act of a person who, at the time of consideration, was a retired officer or former officer of

the Armed Forces (including a deceased retired or former officer) is hereby ratified.

SEC. 502. COMMUNICATION TO PROMOTION BOARDS BY OFFICERS UNDER CONSIDERATION.

Section 614(b) of title 10, United States Code, is amended by striking out ''his case'' and inserting in lieu thereof ''enhancing his case for selection for promotion''.

SEC. 503. PROCEDURES FOR SEPARATION OF REGULAR OFFICERS FOR SUBSTANDARD PERFORMANCE OF DUTY OR CERTAIN OTHER REASONS.

(a) ELIMINATION OF REQUIREMENT FOR A BOARD OF REVIEW.—Section 1182(c) of title 10, United States Code, is amended by striking out ''it shall send the record of its proceedings to a board of review convened under section 1183 of this title'' and inserting in lieu thereof ''it shall report that determination to the Secretary concerned'';

(b) REPEAL OF BOARD OF REVIEW.—(1) Section 1183 of such title is repealed.

(2) The table of sections at the beginning of chapter 60 of such title is amended by striking out the item relating to section 1183.

(c) CONFORMING AMENDMENTS.—(1) Section 1184 of such title is amended by striking out ''board of review convened under section 1183 of this title'' and inserting

in lieu thereof ''board of inquiry convened under section 1182 of this title''.

(2) The heading of such section and the item relating to such section in the table of sections at the beginning of chapter 60 of such title are amended by striking out the last two words.

(d) ELIMINATION OF 30-DAY NOTICE REQUIREMENT.—Section 1185(a)(1) of such title is amended by striking out '', at least 30 days before the hearing of his case by a board of inquiry,''.

SEC. 504. POSTHUMOUS COMMISSIONS AND WARRANTS.

Section 1521 of title 10, United States Code, is amended—

(1) by inserting ''(whether before or after the member's death)'' in subsection (a)(3) after ''approved by the Secretary concerned''; and

(2) by adding at the end of subsection (b) the following new sentence: ''In the case of a member to whom subsection (a)(3) applies who dies before approval by the Secretary concerned of the appointment or promotion, the commission shall issue as of the date of death.''.

SEC. 505. TENURE OF CHIEF OF THE AIR FORCE NURSE CORPS.

Section 8069(b) of title 10, United States Code, is amended by striking out ", but not for more than three years, and may not be reappointed to the same position" in the last sentence.

Subtitle B—Reserve Component Matters

SEC. 511. COMPOSITION OF SELECTIVE EARLY RETIREMENT BOARDS OF RESERVE GENERAL AND FLAG OFFICERS OF THE NAVY AND MARINE CORPS.

Section 14705(b) of title 10, United States Code, is amended to read as follows:

"(b) BOARDS.—(1) If the Secretary of the Navy determines that consideration of officers for early retirement under this section is necessary, the Secretary shall convene a continuation board under section 14101(b) of this title to recommend an appropriate number of officers for early retirement.

"(2) In the case of such a board convened to consider officers in the grade of rear admiral or major general—

"(A) the Secretary may appoint the board without regard to section 14102(b) of this title; and

"(B) each member of the board must be serving in a grade higher than the grade of rear admiral or major general.".

SEC. 512. ACTIVE STATUS SERVICE REQUIREMENT FOR PROMOTION CONSIDERATION FOR ARMY AND AIR FORCE RESERVE COMPONENT BRIGADIER GENERALS.

Section 14301 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) A reserve component brigadier general of the Army or the Air Force who is in an inactive status is eligible (notwithstanding subsection (a)) for consideration for promotion to major general by a promotion board convened under section 14101(a) of this title if the officer—

"(1) has been in an inactive status for less than one year as of the date of the convening of the promotion board; and

"(2) had continuously served for at least one year on the reserve active status list or the active duty list (or a combination of both) immediately before the officer's most recent transfer to an inactive status.".

SEC. 513. REVISION TO EDUCATIONAL REQUIREMENT FOR PROMOTION OF RESERVE OFFICERS.

(a) EXTENSION FOR ARMY OCS GRADUATES.—Section 12205(b)(4) of title 10, United States Code, is amended by inserting after ''October 1, 1995'' the following: '', or in the case of an officer commissioned through the Army Officer Candidate School, October 1, 2000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of October 1, 1995.

Subtitle C—Military Education and Training

SEC. 521. REQUIREMENTS RELATING TO RECRUIT BASIC TRAINING.

(a) ARMY.—(1) Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4319. Recruit basic training: separate platoons and separate housing for male and female recruits

''(a) SEPARATE PLATOONS.—The Secretary of the Army shall require that during basic training—

''(1) male recruits shall be assigned to platoons consisting only of male recruits; and

''(2) female recruits shall be assigned to platoons consisting only of female recruits.

"(b) SEPARATE HOUSING FACILITIES.—The Secretary of the Army shall require that during basic training male and female recruits be housed in separate barracks or other troop housing facilities.

"(c) INTERIM AUTHORITY FOR HOUSING RECRUITS ON SEPARATE FLOORS.—(1) If the Secretary of the Army determines that it is not feasible, during some or all of the period beginning on April 15, 1999, and ending on October 1, 2001, to comply with subsection (b) at any particular installation at which basic training is conducted because facilities at that installation are insufficient for such purpose, the Secretary may grant a waiver of subsection (b) with respect to that installation. Any such waiver may not be in effect after October 1, 2001, and may only be in effect while the facilities at that installation are insufficient for the purposes of compliance with subsection (b).

"(2) If the Secretary grants a waiver under paragraph (1) with respect to an installation, the Secretary shall require that male and female recruits in basic training at that installation during any period that the waiver is in effect not be housed on the same floor of a barracks or other troop housing facility.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training pro-

gram of the Army that constitutes the basic training of new recruits.''.

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

''4319. Recruit basic training: separate platoons and separate housing for male and female recruits.''.

(3) The Secretary of the Army shall implement section 4319 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(b) NAVY AND MARINE CORPS.—(1) Part III of subtitle C of title 10, United States Code, is amended by inserting after chapter 601 the following new chapter:

''CHAPTER 602—TRAINING GENERALLY

''Sec.
''6931. Recruit basic training: separate small units and separate housing for male and female recruits.

''§ 6931. Recruit basic training: separate small units and separate housing for male and female recruits

''(a) SEPARATE SMALL UNIT ORGANIZATION.—The Secretary of the Navy shall require that during basic training—

"(1) male recruits in the Navy shall be assigned to divisions, and male recruits in the Marine Corps shall be assigned to platoons, consisting only of male recruits; and

"(2) female recruits in the Navy shall be assigned to divisions, and female recruits in the Marine Corps shall be assigned to platoons, consisting only of female recruits.

"(b) SEPARATE HOUSING.—The Secretary of the Navy shall require that during basic training male and female recruits be housed in separate barracks or other troop housing facilities.

"(c) INTERIM AUTHORITY FOR HOUSING RECRUITS ON SEPARATE FLOORS.—(1) If the Secretary of the Navy determines that it is not feasible, during some or all of the period beginning on April 15, 1999, and ending on October 1, 2001, to comply with subsection (b) at any particular installation at which basic training is conducted because facilities at that installation are insufficient for that purpose, the Secretary may grant a waiver of subsection (b) with respect to that installation. Any such waiver may not be in effect after October 1, 2001, and may only be in effect while the facilities at that installation are insufficient for the purposes of compliance with subsection (b).

"(2) If the Secretary grants a waiver under paragraph (1) with respect to an installation, the Secretary shall require that male and female recruits in basic training at that installation during any period that the waiver is in effect not be housed on the same floor of a barracks or other troop housing facility.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training programs of the Navy and Marine Corps that constitute the basic training of new recruits.".

(2) The tables of chapters at the beginning of subtitle C, and at the beginning of part III of subtitle C, of such title are amended by inserting after the item relating to chapter 601 the following new item:

"602. Training Generally ..... 6931".

(3) The Secretary of the Navy shall implement section 6931 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(c) AIR FORCE.—(1) Chapter 901 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9319. Recruit basic training: separate flights and separate housing for male and female recruits

''(a) SEPARATE FLIGHTS.—The Secretary of the Air Force shall require that during basic training—

''(1) male recruits shall be assigned to flights consisting only of male recruits; and

''(2) female recruits shall be assigned to flights consisting only of female recruits.

''(b) SEPARATE HOUSING.—The Secretary of the Air Force shall require that during basic training male and female recruits be housed in separate dormitories or other troop housing facilities.

''(c) INTERIM AUTHORITY FOR HOUSING RECRUITS ON SEPARATE FLOORS.—(1) If the Secretary of the Air Force determines that it is not feasible, during some or all of the period beginning on April 15, 1999, and ending on October 1, 2001, to comply with subsection (b) at any particular installation at which basic training is conducted because facilities at that installation are insufficient for such purpose, the Secretary may grant a waiver of subsection (b) with respect to that installation. Any such waiver may not be in effect after October 1, 2001, and may only be in effect while the facilities at that installation are insufficient for the purposes of compliance with subsection (b).

"(2) If the Secretary grants a waiver under paragraph (1) with respect to an installation, the Secretary shall require that male and female recruits in basic training at that installation during any period that the waiver is in effect not be housed on the same floor of a dormitory or other troop housing facility.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training program of the Air Force that constitutes the basic training of new recruits.".

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

"9319. Recruit basic training: separate flights and separate housing for male and female recruits.".

(3) The Secretary of the Air Force shall implement section 9319 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

SEC. 522. AFTER-HOURS PRIVACY FOR RECRUITS DURING BASIC TRAINING.

(a) PURPOSE.—The purpose of this section is to ensure that military recruits are provided some degree of pri-

vacy during basic training when in their barracks after completion of the normal training day.

(b) ARMY.—(1) Chapter 401 of title 10, United States Code, is amended by adding after section 4319, as added by section 521(a)(1), the following new section:

"§ 4320. Recruit basic training: privacy

''The Secretary of the Army shall require that access by drill sergeants and other training personnel to a barracks floor on which recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to drill sergeants and other training personnel who are of the same sex as the recruits housed on that floor.''.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 4319, as added by section 521(a)(2), the following new item:

''4320. Recruit basic training: privacy.''.

(3) The Secretary of the Army shall implement section 4320 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(c) NAVY.—(1) Chapter 602 of title 10, United States Code, as added by section 521(b)(1), is amended by adding at the end the following new section:

"§ 6932. Recruit basic training: privacy

''The Secretary of the Navy shall require that access by recruit division commanders and other training personnel to a barracks floor on which Navy recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to recruit division commanders and other training personnel who are of the same sex as the recruits housed on that floor.''.

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

''6932. Recruit basic training: privacy.''.

(3) The Secretary of the Navy shall implement section 6932 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(d) AIR FORCE.—(1) Chapter 901 of title 10, United States Code, is amended by adding after section 9319, as added by section 521(c)(1), the following new section:

"§ 9320. Recruit basic training: privacy

''The Secretary of the Air Force shall require that access by drill sergeants and other training personnel to a dormitory floor on which recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to drill sergeants and other training personnel who are of the same sex as the recruits housed on that floor.''.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 9312, as added by section 521(c)(2), the following new item:

''9320. Recruit basic training: privacy.''.

(3) The Secretary of the Air Force shall implement section 9320 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

SEC. 523. EXTENSION OF REPORTING DATES FOR COMMISSION ON MILITARY TRAINING AND GENDER-RELATED ISSUES.

(a) FIRST REPORT.—Subsection (e)(1) of section 562 of the National Defense Authorization Act for Fiscal Year

1998 (Public Law 105–85; 111 Stat. 1754) is amended by striking out ''April 15, 1998'' and inserting in lieu thereof ''October 15, 1998''.

(b) FINAL REPORT.—Subsection (e)(2) of such section is amended by striking out ''September 16, 1998'' and inserting in lieu thereof ''March 15, 1999''.

SEC. 524. IMPROVED OVERSIGHT OF INNOVATIVE READINESS TRAINING.

(a) IN GENERAL.—Section 2012 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(j) OVERSIGHT AND COST ACCOUNTING.—The Secretary of Defense shall establish a program to improve the oversight and cost accounting of training projects conducted in accordance with this section. The program shall include measures to accomplish the following:

''(1) Ensure that each project that is proposed to be conducted in accordance with this section (regardless of whether additional funding from the Secretary of Defense is sought) is requested in writing, reviewed for full compliance with this section, and approved in advance of initiation by the Secretary of the military department concerned and, in the case of a project that seeks additional funding from the Secretary of Defense, by the Secretary of Defense.

"(2) Ensure that each project that is conducted in accordance with this section is required to provide, within a specified period following completion of the project, an after-action report to the Secretary of Defense.

"(3) Require that each application for a project to be conducted in accordance with this section include an analysis and certification that the proposed project would not result in a significant increase in the cost of training (as determined in accordance with procedures prescribed by the Secretary of Defense).

"(4) Determine the total program cost for each project, including both those costs that are borne by the military departments from their own accounts and those costs that are borne by defense-wide accounts.

"(5) Provide for oversight of project execution to ensure that a training project under this section is carried out in accordance with the proposal for that project as approved.".

(b) IMPLEMENTATION.—The Secretary of Defense may not initiate any project under section 2012 of title 10, United States Code, after October 1, 1998, until the

program required by subsection (i) of that section (as added by subsection (a)) has been established.

Subtitle D—Decorations, Awards, and Commendations

SEC. 531. 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, 1999, 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. 532. 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 subsection (b), 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) 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.

SEC. 533. COMMENDATION OF THE NAVY AND MARINE CORPS PERSONNEL WHO SERVED IN THE UNITED STATES NAVY ASIATIC FLEET FROM 1910–1942.

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

(1) The United States established the Asiatic Fleet of the Navy in 1910 to protect American nationals, policies, and possessions in the Far East.

(2) The sailors and Marines of the Asiatic Fleet ensured the safety of United States citizens and foreign nationals, and provided humanitarian assistance in that region during the Chinese civil war, the Yangtze Flood of 1931, and the outbreak of Sino-Japanese hostilities.

(3) In 1940, due to deteriorating political relations and increasing tensions between the United States and Japan, a reinforced Asiatic Fleet began concentrating on the defense of the Philippines and engaged in extensive training to ensure maximum operational readiness for any eventuality.

(4) Following the declaration of war against Japan in December 1941, the warships, submarines, and aircraft of the Asiatic Fleet singly or in task forces courageously fought many battles against a superior Japanese armada.

(5) The Asiatic Fleet directly suffered the loss of 22 vessels, 1,826 men killed or missing in action, and 518 men captured and imprisoned under the worst of conditions, with many of them dying while held as prisoners of war.

(b) CONGRESSIONAL COMMENDATION.—Congress—

(1) commends the Navy and Marine Corps personnel who served in the Asiatic Fleet of the United States Navy between 1910 and 1942; and

(2) honors those who gave their lives in the line of duty while serving in the Asiatic Fleet.

SEC. 534. APPRECIATION FOR SERVICE DURING WORLD WAR I AND WORLD WAR II BY MEMBERS OF THE NAVY ASSIGNED ON BOARD MERCHANT SHIPS AS THE NAVAL ARMED GUARD SERVICE.

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

(1) The Navy established a special force during both World War I and World War II, known as the Naval Armed Guard Service, to protect merchant ships of the United States from enemy attack by stationing members of the Navy and weapons on board those ships.

(2) Members of the Naval Armed Guard Service served on 6,236 merchant ships during World War II, of which 710 were sunk by enemy action.

(3) Over 144,900 members of the Navy served in the Naval Armed Guard Service during World War II as officers, gun crewmen, signalmen, and radiomen, of whom 1,810 were killed in action.

(4) The efforts of the members of the Naval Armed Guard Service played a significant role in the safe passage of United States merchant ships to their destinations in the Soviet Union and various locations in western Europe and the Pacific Theater.

(5) The efforts of the members of the Navy who served in the Naval Armed Guard Service have been largely overlooked due to the rapid disbanding of the service after World War II and lack of adequate records.

(6) Recognition of the service of the naval personnel who served in the Naval Armed Guard Service is highly warranted and long overdue.

(b) SENSE OF THE CONGRESS.—Congress expresses its appreciation, and the appreciation of the American people, for the dedicated service performed during World War I and World War II by members of the Navy assigned

as gun crews on board merchant ships as part of the Naval Armed Guard Service.

SEC. 535. SENSE OF THE CONGRESS REGARDING THE HEROISM, SACRIFICE, AND SERVICE OF THE MILITARY FORCES OF SOUTH VIETNAM, OTHER NATIONS, AND INDIGENOUS GROUPS IN CONNECTION WITH THE UNITED STATES ARMED FORCES DURING THE VIETNAM CONFLICT.

(a) FINDINGS.—Congress finds the following:

(1) South Vietnam, Australia, South Korea, Thailand, New Zealand, and the Philippines contributed military forces, together with the United States, during military operations conducted in Southeast Asia during the Vietnam conflict.

(2) Indigenous groups, such as the Hmong, Nung, Montagnard, Kahmer, Hoa Hao, and Cao Dai contributed military forces, together with the United States, during military operations conducted in Southeast Asia during the Vietnam conflict.

(3) The contributions of these combat forces continued through long years of armed conflict.

(4) As a result, in addition to the United States casualties exceeding 210,000, this willingness to participate in the Vietnam conflict resulted in the death, and wounding of more than 1,000,000 mili-

tary personnel from South Vietnam and 16,000 from other allied nations.

(5) The service of the Vietnamese, indigenous groups, and other allied nations was repeatedly marked by exceptional heroism and sacrifice, with particularly noteworthy contributions being made by the Vietnamese airborne, commando, infantry and ranger units, the Republic of Korea marines, the Capital and White Horse divisions, the Royal Thai Army Black Panther Division, the Royal Australian Regiment, the New Zealand ''V'' force, and the 1st Philippine Civic Action Group.

(b) SENSE OF THE CONGRESS.—Congress recognizes and honors the members and former members of the military forces of South Vietnam, the Republic of Korea, Thailand, Australia, New Zealand, and the Philippines, as well as members of the Hmong, Nung, Montagnard, Kahmer, Hoa Hao, and Cao Dai, for their heroism, sacrifice and service in connection with United States Armed Forces during the Vietnam conflict.

SEC. 536. SENSE OF THE CONGRESS REGARDING THE HEROISM, SACRIFICE, AND SERVICE OF FORMER SOUTH VIETNAMESE COMMANDOS IN CONNECTION WITH UNITED STATES ARMED FORCES DURING THE VIETNAM CONFLICT.

(a) FINDINGS.—Congress finds the following:

(1) South Vietnamese commandos were recruited by the United States as part of OPLAN 34A or its predecessor or OPLAN 35 from 1961 to 1970.

(2) The commandos conducted covert operations in North Vietnam during the Vietnam conflict.

(3) Many of the commandos were captured and imprisoned by North Vietnamese forces, some for as long as 20 years.

(4) The commandos served and fought proudly during the Vietnam conflict.

(5) Many of the commandos lost their lives serving in operations conducted by the United States during the Vietnam conflict.

(6) Many of the Vietnamese commandos now reside in the United States.

(b) SENSE OF THE CONGRESS—Congress recognizes and honors the former South Vietnamese commandos for their heroism, sacrifice, and service in connection with United States armed forces during the Vietnam conflict.

Subtitle E—Administration of Agencies Responsible for Review and Correction of Military Records

SEC. 541. PERSONNEL FREEZE.

(a) LIMITATION.—During fiscal years 1999, 2000, and 2001, the Secretary of a military department may not carry out any reduction in the number of military and civilian personnel assigned to duty with the service review agency for that military department below the baseline number for that agency until—

(1) the Secretary submits to Congress a report that describes the reduction proposed to be made, provides the Secretary's rationale for that reduction, and specifies the number of such personnel that would be assigned to duty with that agency after the reduction; and

(2) a period of 90 days has elapsed after the date on which such report is submitted.

(b) BASELINE NUMBER.—The baseline number for a service review agency under this section is—

(1) for purposes of the first report with respect to a service review agency under this section, the number of military and civilian personnel assigned to duty with that agency as of October 1, 1997; and

(2) for purposes of any subsequent report with respect to a service review agency under this section, the number of such personnel specified in the most recent report with respect to that agency under this section.

(c) SERVICE REVIEW AGENCY DEFINED.—In this section, the term 'service review agency' means—

(1) with respect to the Department of the Army, the Army Review Boards Agency;

(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.

SEC. 542. PROFESSIONAL STAFF.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1555. Professional staff

''(a) The Secretary of each military department shall assign to the staff of the service review agency of that military department at least one attorney and at least one physician. Such assignments shall be made on a permanent, full-time basis and may be made from members of the armed forces or civilian employees.

"(b) Personnel assigned pursuant to subsection (a)—

"(1) shall work under the supervision of the director or executive director (as the case may be) of the service review agency; and

"(2) shall be assigned duties as advisers to the director or executive director or other staff members on legal and medical matters, respectively, that are being considered by the agency.

"(c) In this section, the term 'service review agency' means—

"(1) with respect to the Department of the Army, the Army Review Boards Agency;

"(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

"(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.".

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

"1555. Professional staff.".

(b) EFFECTIVE DATE.—Section 1555 of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

SEC. 543. EX PARTE COMMUNICATIONS.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding after section 1555, as added by section 542(a)(1), the following new section:

"§ 1556. Ex parte communications prohibited

''(a) IN GENERAL.—The Secretary of each military department shall ensure that an applicant seeking corrective action by the Army Review Boards Agency, the Air Force Review Boards Agency, or the Board for Correction of Naval Records, as the case may be, is provided a copy of all correspondence and communications (including summaries of verbal communications) to or from the agency or board, or a member of the staff of the agency or board, with an entity or person outside the agency or board that pertain directly to the applicant's case or have a material effect on the applicant's case.

''(b) EXCEPTIONS.—Subsection (a) does not apply to the following:

''(1) Classified information.

''(2) Information the release of which is otherwise prohibited by law or regulation.

''(3) Any record previously provided to the applicant or known to be possessed by the applicant.

''(4) Any correspondence that is purely administrative in nature.

"(5) Any military record that is (or may be) provided to the applicant by the Secretary of the military department or other source.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to 1555, as added by section 542(a)(2), the following new item:

"1556. Ex parte communications prohibited.".

(b) EFFECTIVE DATE.—Section 1556 of title 10, United States Code, as added by subsection (a), shall apply with respect to correspondence and communications made 60 days or more after the date of the enactment of this Act.

SEC. 544. TIMELINESS STANDARDS.

(a) IN GENERAL.—Chapter 79 of title 10, United States Code, is amended by adding after section 1556, as added by section 543(a)(1), the following new section:

"§ 1557. Timeliness standards for disposition of cases before Corrections Boards

"(a) TEN-MONTH CLEARANCE PERCENTAGE.—Of the cases accepted for consideration by a Corrections Board during a period specified in the following table, the percentage on which final action must be completed within 10 months of receipt (other than for those cases considered suitable for administrative correction) is as follows:

"For cases accepted during—	The percentage on which final action must be completed within 10 months of receipt is—
the period of fiscal years 2001 and 2002	50
the period of fiscal years 2003 and 2004	60
the period of fiscal years 2005, 2006, and 2007	70
the period of fiscal years 2008, 2009, and 2010	80
the period of any fiscal year after fiscal year 2010	90.

1 "(b) CLEARANCE DEADLINE FOR ALL CASES.—Ef-
2 fective October 1, 2002, final action on all cases accepted
3 for consideration by a Corrections Board (other than those
4 cases considered suitable for administrative correction)
5 shall be completed within 18 months of receipt.

6 "(c) WAIVER AUTHORITY.—The Secretary of the
7 military department concerned may exclude an individual
8 case from the timeliness standards prescribed in sub-
9 sections (a) and (b) if the Secretary determines that the
10 case warrants a longer period of consideration. The au-
11 thority of the Secretary of a military department under
12 this subsection may not be delegated.

13 "(d) REPORTS ON FAILURE TO MEET TIMELINESS
14 STANDARDS.—The Secretary of the military department
15 concerned shall submit to the Committee on Armed Serv-
16 ices of the Senate and the Committee on National Security
17 of the House of Representatives a report not later than
18 June 1 following any fiscal year during which the Correc-
19 tions Board of that Secretary's military department was
20 unable to meet the timeliness standards in subsections (a)
21 and (b). The report shall specify the reasons why the

standard could not be met and the corrective actions initiated to ensure compliance in the future. The report shall also specify the number of waivers granted under subsection (c) during that fiscal year.

"(e) CORRECTIONS BOARD DEFINED.—In this section, the term 'Corrections Board' means—

"(1) with respect to the Department of the Army, the Army Board for Correction of Military Records;

"(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

"(3) with respect to the Department of the Air Force, the Air Force Board for Correction of Military Records.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1556, as added by section 543(a)(2), the following new item:

"1557. Timeliness standards for disposition of cases before Corrections Boards.".

Subtitle F—Other Matters

SEC. 551. ONE-YEAR EXTENSION OF CERTAIN FORCE DRAWDOWN TRANSITION AUTHORITIES RELATING TO PERSONNEL MANAGEMENT AND BENEFITS.

(a) EARLY RETIREMENT AUTHORITY FOR ACTIVE DUTY MEMBERS.—Section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1293 note) is amended by striking out ''October 1, 1999'' and inserting in lieu thereof ''October 1, 2000''.

(b) SSB AND VSI.—Sections 1174a(h) and 1175(d)(3) of title 10, United States Code, are amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(c) SELECTIVE EARLY RETIREMENT BOARDS.—Section 638a(a) of such title is amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''.

(d) TIME-IN-GRADE REQUIREMENT FOR RETENTION OF GRADE UPON VOLUNTARY RETIREMENT.—Section 1370(a)(2)(A) of such title is amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period be-

ginning on October 1, 1990, and ending on September 30, 2000''.

(e) LENGTH OF COMMISSIONED SERVICE FOR VOLUNTARY RETIREMENT AS AN OFFICER.—Sections 3911(b), 6323(a)(2), and 8911(b) of such title are amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''.

(f) RETIREMENT OF CERTAIN LIMITED DUTY OFFICERS OF THE NAVY AND MARINE CORPS.—(1) Sections 633 and 634 of such title are amended by striking out ''October 1, 1999'' in the last sentence and inserting in lieu thereof ''October 1, 2000''.

(2) Section 6383 of such title is amended—

(A) in subsection (a)(5), by striking out ''October 1, 1999'' and inserting in lieu thereof ''October 1, 2000''; and

(B) in subsection (k), by striking out ''October 1, 1999'' in the last sentence and inserting in lieu thereof ''October 1, 2000''.

(g) TRAVEL AND TRANSPORTATION ALLOWANCES AND STORAGE OF BAGGAGE AND HOUSEHOLD EFFECTS FOR CERTAIN MEMBERS BEING INVOLUNTARILY SEPARATED.—Sections 404(c)(1)(C), 404(f)(2)(B)(v),

406(a)(2)(B)(v), and 406(g)(1)(C) of title 37, United States Code, and section 503(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 37 U.S.C. 406 note) are amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''.

(h) EDUCATIONAL LEAVE RELATING TO CONTINUING PUBLIC AND COMMUNITY SERVICE.—Section 4463(f) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1143a note) is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(i) TRANSITIONAL HEALTH, COMMISSARY, AND FAMILY HOUSING BENEFITS.—

(1) HEALTH CARE.—Section 1145 of title 10, United States Code, is amended—

(A) in subsections (a)(1) and (c)(1), by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''; and

(B) in subsection (e), by striking out ''during the five-year period beginning on October 1, 1994'' and inserting in lieu thereof ''during the period beginning on October 1, 1994, and ending on September 30, 2000''.

(2) COMMISSARY AND EXCHANGE BENEFITS.—Section 1146 of such title is amended—

(A) by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''; and

(B) by striking out ''during the five-year period beginning on October 1, 1994'' and inserting in lieu thereof ''during the period beginning on October 1, 1994, and ending on September 30, 2000''.

(3) USE OF MILITARY HOUSING.—Section 1147(a) of such title is amended—

(A) in paragraph (1), by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''; and

(B) in paragraph (2), by striking out ''during the five-year period beginning on October 1, 1994'' and inserting in lieu thereof ''during the period beginning on October 1, 1994, and ending on September 30, 2000''.

(j) ENROLLMENT OF DEPENDENTS IN DEFENSE DEPENDENTS' EDUCATION SYSTEM.—Section 1407(c)(1) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 926(c)(1)) is amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''.

(k) FORCE REDUCTION TRANSITION PERIOD DEFINITION.—Section 4411 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(l) TEMPORARY SPECIAL AUTHORITY FOR FORCE REDUCTION PERIOD RETIREMENTS.—Section 4416(b)(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking out ''October 1, 1999'' and inserting in lieu thereof ''October 1, 2000''.

(m) RETIRED PAY FOR NON-REGULAR SERVICE.—(1) Section 12731(f) of title 10, United States Code, is

amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(2) Section 12731a of such title is amended in subsections (a)(1)(B) and (b), by striking out ''October 1, 1999'' and inserting in lieu thereof ''October 1, 2000''.

(n) AFFILIATION WITH GUARD AND RESERVE UNITS; WAIVER OF CERTAIN LIMITATIONS.—Section 1150(a) of such title is amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2000''.

(o) RESERVE MONTGOMERY GI BILL.—Section 16133(b)(1)(B) of such title is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

SEC. 552. LEAVE WITHOUT PAY FOR ACADEMY CADETS AND MIDSHIPMEN.

(a) AUTHORITY FOR LEAVE WITHOUT PAY.—Section 702 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c)(1) The Secretary concerned may place an academy cadet or midshipman on involuntary leave without pay if, under regulations prescribed by the Secretary concerned, the Superintendent of the Academy at which the cadet or midshipman is admitted—

"(A) has recommended that the cadet or midshipman be dismissed or discharged;

"(B) has directed the cadet or midshipman return to the Academy to repeat an academic semester or year;

"(C) has otherwise recommended to the Secretary for good cause that the cadet or midshipman be placed on involuntary leave without pay.

"(2) In this subsection, the term 'academy cadet or midshipman' means—

"(A) a cadet of the United States Military Academy;

"(B) a midshipman of the United States Naval Academy;

"(C) a cadet of the United States Air Force Academy; or

"(D) a cadet of the United States Coast Guard Academy.".

(b) EFFECTIVE DATE.—Subsection (c) of section 702 of title 10, United States Code, as added by subsection (a), shall apply with respect to academy cadets and midshipmen (as defined in that subsection) who are placed on involuntary leave after the date of the enactment of this Act.

SEC. 553. PROVISION FOR RECOVERY, CARE, AND DISPOSITION OF THE REMAINS OF ALL MEDICALLY RETIRED MEMBERS.

(a) IN GENERAL.—Section 1481(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ", or member of an armed force without component,"; and

(2) in paragraph (7)—

(A) by striking out "United States"; and

(B) by striking out "for a period of more than 30 days,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a)(2) apply with respect to persons dying on or after the date of the enactment of this Act.

SEC. 554. CONTINUED ELIGIBILITY UNDER VOLUNTARY SEPARATION INCENTIVE PROGRAM FOR MEMBERS WHO INVOLUNTARILY LOSE MEMBERSHIP IN A RESERVE COMPONENT.

(a) CONTINUED ELIGIBILITY.—Section 1175(a) of title 10, United States Code, is amended by inserting before the period at the end ", or for the period described in section 1175(e)(1) of this section if the member becomes ineligible for retention in an active or inactive status in a reserve component because of age, years of service, failure to select for promotion, or medical disqualification, so long as such ineligibility does not result from de-

liberate action on the part of the member with the intent to avoid retention in an active or inactive status in a reserve component.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to any person provided a voluntary separation incentive under section 1175 of title 10, United States Code (whether before, on, or after the date of the enactment of this Act).

SEC. 555. DEFINITION OF FINANCIAL INSTITUTION FOR DIRECT DEPOSIT OF PAY.

(a) SERVICEMEMBERS REIMBURSEMENT FOR EXPENSES DUE TO GOVERNMENT ERROR.—Paragraph (1) of section 1053(d) of title 10, United States Code, is amended to read as follows:

''(1) The term 'financial institution' means a bank, savings and loan association, or similar institution or a credit union chartered by the United States or a State.''.

(b) CIVILIAN EMPLOYEES REIMBURSEMENT FOR EXPENSES DUE TO GOVERNMENT ERROR.—Paragraph (1) of section 1594(d) of such title is amended to read as follows:

''(1) The term 'financial institution' means a bank, savings and loan association, or similar insti-

tution or a credit union chartered by the United States or a State.''.

SEC. 556. INCREASE IN MAXIMUM AMOUNT FOR COLLEGE FUND PROGRAM.

(a) INCREASE IN MAXIMUM RATE FOR ACTIVE COMPONENT MONTGOMERY GI BILL KICKER.—Section 3015(d) of title 38, United States Code, is amended—

(1) by inserting '', at the time the individual first becomes a member of the Armed Forces,'' after ''Secretary of Defense, may''; and

(2) by striking out ''$400'' and all that follows through ''that date'' and inserting in lieu thereof ''$950 per month''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to individuals who first become members of the Armed Forces on or after that date.

SEC. 557. CENTRAL IDENTIFICATION LABORATORY, HAWAII.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Central Identification Laboratory, Hawaii, of the Department of the Army is an important element of the Department of Defense and is critical to the full accounting of members of the Armed Forces who have

been classified as POW/MIAs or are otherwise unaccounted for.

(b) REQUIRED STAFFING LEVEL.—The Secretary of Defense shall provide sufficient personnel to fill all authorized personnel positions of the Central Identification Laboratory, Hawaii, Department of the Army. Those personnel shall be drawn from members of the Army, Navy, Air Force, and Marine Corps and from civilian personnel, as appropriate, considering the proportion of POW/MIAs from each service.

(c) JOINT MANNING PLAN.—The Secretary of Defense shall develop and implement, not later than March 31, 2000, a joint manning plan to ensure the appropriate participation of the four services in the staffing of the Central Identification Laboratory, Hawaii, as required by subsection (b).

(d) LIMITATION ON REDUCTIONS.—The Secretary of the Army may not carry out any personnel reductions (in authorized or assigned personnel) at the Central Identification Laboratory, Hawaii, until the joint manning plan required by subsection (c) is implemented.

SEC. 558. HONOR GUARD DETAILS AT FUNERALS OF VETERANS.

(a) IN GENERAL.—(1) Chapter 75 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1491. Honor guard details at funerals of veterans

''(a) AVAILABILITY.—The Secretary of a military department shall, upon request, provide an honor guard detail (or ensure that an honor guard detail is provided) for the funeral of any veteran.

''(b) COMPOSITION OF HONOR GUARD DETAILS.—The Secretary of each military department shall ensure that an honor guard detail for the funeral of a veteran consists of not less than three persons and (unless a bugler is part of the detail) has the capability to play a recorded version of Taps.

''(c) PERSONS FORMING HONOR GUARDS.—An honor guard detail may consist of members of the armed forces or members of veterans organizations or other organizations approved for purposes of this section under regulations prescribed by the Secretary of Defense. The Secretary of a military department may provide transportation, or reimbursement for transportation, and expenses for a person who participates in an honor guard detail under this section and is not a member of the armed forces or an employee of the United States.

"(d) REGULATIONS.—The Secretary of Defense shall by regulation establish a system for selection of units of the armed forces and other organizations to provide honor guard details. The system shall place an emphasis on balancing the funeral detail workload among the units and organizations providing honor guard details in an equitable manner as they are able to respond to requests for such details in terms of geographic proximity and available resources. The Secretary shall provide in such regulations that the armed force in which a veteran served shall not be considered to be a factor when selecting the military unit or other organization to provide an honor guard detail for the funeral of the veteran.

"(e) ANNUAL REPORT.—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 not later than January 31 of each year beginning with 2001 and ending with 2005 on the experience of the Department of Defense under this section. Each such report shall provide data on the number of funerals supported under this section, cost for that support, shown by manpower and other cost factors, and the number and costs of funerals supported by each participating organization. The data in the report

shall be presented in a standard format, regardless of military department or other organization.

"(f) VETERAN DEFINED.—In this section, the term 'veteran' has the meaning given that term in section 101(2) of title 38, United States Code.".

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

"1491. Honor guard details at funerals of veterans.".

(b) TREATMENT OF PERFORMANCE OF HONOR GUARD FUNCTIONS BY RESERVES.—(1) Chapter 1215 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12552. Funeral honor guard functions: prohibition of treatment as drill or training

"Performance by a Reserve of honor guard functions at the funeral of a veteran may not be considered to be a period of drill or training otherwise required.".

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

"12552. Funeral honor guard functions: prohibition of treatment as drill or training.".

(c) REPEAL OF LIMITATION ON AVAILABILITY OF FUNDS FOR HONOR GUARD FUNCTIONS BY NATIONAL

GUARD.—Section 114 of title 32, United States Code, is amended—

(1) by striking out "(a)"; and

(2) by striking out subsection (b).

(d) APPLICABILITY.—The amendments made by this section shall apply to burials of veterans that occur on or after October 1, 1999.

(e) STUDY.—The Secretary of Defense, in coordination with the Secretary of Veterans Affairs, shall study alternative means for the provision of honor guard details at funerals of veterans. Not later than March 31, 1999, 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 the results of the study and the Secretary's views and recommendations.

(f) CONSULTATION WITH VETERANS SERVICE ORGANIZATIONS.—Before prescribing the initial regulations under section 1491 of title 10, United States Code, as added by subsection (a), the Secretary of Defense shall consult with veterans service organizations to determine the views of those organizations regarding methods for providing honor guard details at funerals for veterans, suggestions for organizing the system to provide those de-

tails, and estimates of the resources that those organizations could provide for honor guard details for veterans.

SEC. 559. APPLICABILITY TO ALL PERSONS IN CHAIN OF COMMAND OF POLICY REQUIRING EXEMPLARY CONDUCT BY COMMANDING OFFICERS AND OTHERS IN AUTHORITY IN THE ARMED FORCES.

(a) IN GENERAL.—(1) Chapter 3 of title 10, United States Code, is amended by inserting after section 121 the following new section:

"§ 121a. Requirement of exemplary conduct by civilians in chain of command

''The President, as Commander in Chief, and the Secretary of Defense are required (in the same manner that commanding officers and others in authority in the Armed Forces are required)—

''(1) to show in themselves a good example of virtue, honor, and patriotism and to subordinate themselves to those ideals;

''(2) to be vigilant in inspecting the conduct of all persons who are placed under their command;

''(3) to guard against and to put an end to all dissolute and immoral practices and to correct, according to the laws and regulations of the armed forces, all persons who are guilty of them; and

"(4) to take all necessary and proper measures, under the laws, regulations, and customs of the armed forces, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 121 the following new item:

"121a. Requirement of exemplary conduct by civilians in chain of command.".

SEC. 560. REPORT ON PRISONERS TRANSFERRED FROM UNITED STATES DISCIPLINARY BARRACKS, FORT LEAVENWORTH, KANSAS, TO FEDERAL BUREAU OF PRISONS.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, to be prepared by the General Counsel of the Department of Defense, concerning the decision of the Secretary of the Army in 1994 to transfer approximately 500 prisoners from the United States Disciplinary Barracks, Fort Leavenworth, Kansas, to the Federal Bureau of Prisons.

(b) MATTERS TO BE INCLUDED.—The Secretary shall include in the report the following:

(1) A description of the basis for the selection of prisoners to be transferred, particularly in light of the fact that many of the prisoners transferred are minimum or medium security prisoners, who are considered to have the best chance for rehabilitation, and whether the transfer of those prisoners indicates a change in Department of Defense policy regarding the rehabilitation of military prisoners.

(2) A comparison of the historical recidivism rates of prisoners released from the United States Disciplinary Barracks and the Federal Bureau of Prisons, together with a description of any plans of the Army to track the parole and recidivism rates of prisoners transferred to the Federal Bureau of Prisons and whether it has tracked those factors for previous transferees.

(3) A description of the projected future flow of prisoners into the new United States Disciplinary Barracks being constructed at Fort Leavenworth, Kansas, and whether the Secretary of the Army plans to automatically send new prisoners to the Federal Bureau of Prisons without serving at the United States Disciplinary Barracks if that Barracks is at capacity and whether the Memorandum

of Understanding between the Federal Bureau of Prisons and the Army covers that possibility.

(4) A description of the cost of incarcerating a prisoner in the Federal Bureau of Prisons compared to the United States Disciplinary Barracks and the assessment of the Secretary as to the extent to which the transfer of prisoners to the Federal Bureau of Prisons by the Secretary of the Army is made in order to shift a budgetary burden.

(c) MONITORING.—During fiscal years 1999 through 2003, the Secretary of the Army shall track the parole and recidivism rates of prisoners transferred from the United States Disciplinary Barracks, Fort Leavenworth, Kansas, to the Federal Bureau of Prisons.

SEC. 561. REPORT ON PROCESS FOR SELECTION OF MEMBERS FOR SERVICE ON COURTS-MARTIAL.

(a) REPORT REQUIRED.—Not later than April 15, 1999, the Secretary of Defense shall submit to Congress a report on the method of selection of members of the Armed Forces to serve on courts-martial.

(b) MATTERS TO BE CONSIDERED.—In preparing the report, the Secretary shall—

(1) direct the Secretaries of the military departments to develop a plan for random selection of members of courts-martial , subject to the provisions

relating to service on courts-martial specified in section 825(d)(2) of title 10, United States Code (article 25(d)(2) of the Uniform Code of Military Justice), as a possible replacement for the current system of selection by the convening authority; and

(2) obtain the views of the members of the committee referred to in section 946 of such title (known as the ''Code Committee'').

SEC. 562. STUDY OF REVISING THE TERM OF SERVICE OF MEMBERS OF THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

Not later than April 15, 1999, the Secretary of Defense shall submit to Congress a report on the desirability of revising the term of appointment of judges of the United States Court of Appeals for the Armed Forces so that the term of a judge on that court is for a period of 15 years or until the judge attains the age of 65, whichever is later. In preparing the report, the Secretary shall obtain the view of the members of the committee referred to in section 946 of title 10, United States Code, (known as the ''Code Committee'').

SEC. 563. STATUS OF CADETS AT THE MERCHANT MARINE ACADEMY.

(a) STATUS OF CADETS.—Any citizen of the United States appointed as a cadet at the United States Merchant

Marine Academy shall be considered to be a member of the United States Naval Reserve.

(b) ELIGIBILITY.—The Secretary of Defense shall provide that cadets of the United States Merchant Marine Academy shall be issued an identification card (referred to as a ''military ID card'') and shall be entitled to all rights and privileges in accordance with the same eligibility criteria as apply to other members of the Ready Reserve of the reserve components of the Armed Forces.

(c) COORDINATION WITH SECRETARY OF TRANSPORTATION.—The Secretary of Defense shall carry out this section in coordination with the Secretary of Transportation.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1999.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Except as provided in subsection (b), the adjustment, to become effective during fiscal year 1999, required by section 1009 of title 37, United States Code, 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, 1999, the rates of basic pay of members of the uniformed services shall be increased by the greater of—

(1) 3.6 percent; or

(2) the percentage increase determined under subsection (c) of section 1009 of title 37, United States Code, by which the monthly basic pay of members would be adjusted under subsection (a) of that section on that date in the absence of subsection (a) of this section.

SEC. 602. BASIC ALLOWANCE FOR HOUSING OUTSIDE THE UNITED STATES.

(a) PAYMENT OF CERTAIN EXPENSES RELATED TO OVERSEAS HOUSING.—Section 403(c) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3)(A) In the case of a member of the uniformed services authorized to receive an allowance under paragraph (1), the Secretary concerned may make a lump-sum payment to the member for required deposits and advance rent, and for expenses relating thereto, that are—

''(i) incurred by the member in occupying private housing outside of the United States; and

''(ii) authorized or approved under regulations prescribed by the Secretary concerned.

"(B) Expenses for which a member may be reimbursed under this paragraph may include losses relating to housing that are sustained by the member as a result of fluctuations in the relative value of the currencies of the United States and the foreign country in which the housing is located.

"(C) The Secretary concerned shall recoup the full amount of any deposit or advance rent payments made by the Secretary under subparagraph (A), including any gain resulting from currency fluctuations between the time of payment and the time of recoupment.".

(b) CONFORMING AMENDMENT.—Section 405 of title 37, United States Code, is amended by striking out subsection (c).

(c) RETROACTIVE APPLICATION.—The reimbursement authority provided by section 403(c)(3)(B) of title 37, United States Code, as added by subsection (a), applies with respect to losses relating to housing that are sustained, on or after July 1, 1997, by a member of the uniformed services as a result of fluctuations in the relative value of the currencies of the United States and the foreign country in which the housing is located.

SEC. 603. BASIC ALLOWANCE FOR SUBSISTENCE FOR RESERVES.

(a) IN GENERAL.—Section 402 of title 37, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

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

''(e) SPECIAL RULE FOR CERTAIN ENLISTED RESERVE MEMBERS.—Unless entitled to basic pay under section 204 of this title, an enlisted member of a reserve component may receive, at the discretion of the Secretary concerned, rations in kind, or a part thereof, when the member's instruction or duty periods, as described in section 206(a) of this title, total at least eight hours in a calendar day. The Secretary concerned may provide an enlisted member who could be provided rations in kind under the preceding sentence with a commutation when rations in kind are not available.''.

(b) APPLICATION DURING TRANSITIONAL PERIOD.—Section 602(d)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 37 U.S.C. 402 note) is amended by adding at the end the following new subparagraph:

''(D) SPECIAL RULE FOR CERTAIN ENLISTED RESERVE MEMBERS.—Unless entitled to

basic pay under section 204 of title 37, United States Code, an enlisted member of a reserve component (as defined in section 101(24) of such title) may receive, at the discretion of the Secretary concerned (as defined in section 101(5) of such title), rations in kind, or a part thereof, when the member's instruction or duty periods (as described in section 206(a) of such title) total at least eight hours in a calendar day. The Secretary concerned may provide an enlisted member who could be provided rations in kind under the preceding sentence with a commutation when rations in kind are not available.''.

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, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(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, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(h) 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, 1999'' and inserting in lieu thereof ''October 1, 2000''.

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, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

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, 1999,'' and inserting in lieu thereof ''September 30, 2000,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(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, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1999'' and inserting in lieu thereof ''October 1, 2000''.

SEC. 614. AVIATION CAREER INCENTIVE PAY AND AVIATION OFFICER RETENTION BONUS.

(a) DEFINITION OF AVIATION SERVICE.—(1) Section 301a(a)(6) of title 37, United States Code, is amended—

(A) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

''(A) The term 'aviation service' means service performed by an officer (except a flight surgeon or other medical officer) while holding an aeronautical rating or designation or while in training to receive an aeronautical rating or designation.''.

(2) Section 301b(j) of such title is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

''(1) The term 'aviation service' means service performed by an officer (except a flight surgeon or other medical officer) while holding an aeronautical

rating or designation or while in training to receive an aeronautical rating or designation.''.

(b) AMOUNT OF INCENTIVE PAY.—Subsection (b) of section 301a of such title is amended to read as follows:

''(b)(1) A member who satisfies the requirements described in subsection (a) is entitled to monthly incentive pay as follows:

''Years of aviation service (including flight training) as an officer:	Monthly rate
2 or less	$125
Over 2	$156
Over 3	$188
Over 4	$206
Over 6	$650
Over 14	$840
Over 22	$585
Over 23	$495
Over 24	$385
Over 25	$250

''(2) An officer in a pay grade above O–6 is entitled, until the officer completes 25 years of aviation service, to be paid at the rates set forth in the table in paragraph (1), except that—

''(A) an officer in pay grade O–7 may not be paid at a rate greater than $200 a month; and

''(B) an officer in pay grade O–8 or above may not be paid at a rate greater than $206 a month.

''(3) For a warrant officer with over 22, 23, 24, or 25 years of aviation service who is qualified under subsection (a), the rate prescribed in the table in paragraph (1) for officers with over 14 years of aviation service shall continue to apply to the warrant officer.''.

(c) REFERENCES TO AVIATION SERVICE.—(1) Section 301a of such title is further amended—

(A) in subsection (a)(4)—

(i) by striking out ''22 years of the officer's service as an officer'' and inserting in lieu thereof ''22 years of aviation service of the officer''; and

(ii) by striking out ''25 years of service as an officer (as computed under section 205 of this title)'' and inserting in lieu thereof ''25 years of aviation service''; and

(B) in subsection (d), by striking out ''subsection (b)(1) or (2), as the case may be, for the performance of that duty by a member of corresponding years of aviation or officer service, as appropriate,'' and inserting in lieu thereof ''subsection (b) for the performance of that duty by a member with corresponding years of aviation service''.

(2) Section 301b(b)(5) of such title is amended by striking out ''active duty'' and inserting in lieu thereof ''aviation service''.

(d) CONFORMING AMENDMENT.—Section 615 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1787) is repealed.

SEC. 615. SPECIAL PAY FOR DIVING DUTY.

Section 304(a) of title 37, United States Code, is amended—

(1) by inserting ''or'' at the end of paragraph (1);

(2) in paragraph (2), by striking out ''by frequent and regular dives; and'' and inserting in lieu thereof a period; and

(3) by striking out paragraph (3).

SEC. 616. SELECTIVE REENLISTMENT BONUS ELIGIBILITY FOR RESERVE MEMBERS PERFORMING ACTIVE GUARD AND RESERVE DUTY.

Section 308(a)(1)(D) of title 37, United States Code, is amended to read as follows:

''(D) reenlists or voluntarily extends the member's enlistment for a period of at least three years in a regular component, or in a reserve component if the member is performing active Guard and Reserve duty (as defined in section 101(d)(6) of title 10), of the service concerned;''.

SEC. 617. REMOVAL OF TEN PERCENT RESTRICTION ON SELECTIVE REENLISTMENT BONUSES.

Section 308(b) of title 37, United States Code, is amended—

(1) by striking out ''(1)'' after ''(b)''; and

(2) by striking out paragraph (2).

SEC. 618. INCREASE IN MAXIMUM AMOUNT OF ARMY ENLISTMENT BONUS.

Section 308f(a) of title 37, United States Code, is amended by striking out ''$4,000'' and inserting in lieu thereof ''$6,000''.

SEC. 619. EQUITABLE TREATMENT OF RESERVES ELIGIBLE FOR SPECIAL PAY FOR DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER.

Section 310(b) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) A member of a reserve component who is eligible for special pay under this section for a month shall receive the full amount authorized in subsection (a) for that month regardless of the number of days during that month on which the member satisfies the eligibility criteria specified in such subsection.''.

SEC. 620. HARDSHIP DUTY PAY.

(a) DUTY FOR WHICH PAY AUTHORIZED.—Subsection (a) of section 305 of title 37, United States Code, is amended by striking out ''on duty at a location'' and all that follows and inserting in lieu thereof ''performing duty in the United States or outside the United States

that is designated by the Secretary of Defense as hardship duty.''.

(b) REPEAL OF EXCEPTION FOR MEMBERS RECEIVING CAREER SEA PAY.—Subsection (c) of such section is repealed.

(c) CONFORMING AMENDMENTS.—(1) Subsections (b) and (d) of such section are amended by striking out ''hardship duty location pay'' and inserting in lieu thereof ''hardship duty pay''.

(2) Subsection (d) of such section is redesignated as subsection (c).

(3) The heading for such section is amended by striking out ''**location**''.

(4) Section 907(d) of title 37, United States Code, is amended by striking out ''duty at a hardship duty location'' and inserting in lieu thereof ''hardship duty''.

(d) CLERICAL AMENDMENT.—The item relating to section 305 in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

''305. Special pay: hardship duty pay.''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXCEPTION TO MAXIMUM WEIGHT ALLOWANCE FOR BAGGAGE AND HOUSEHOLD EFFECTS.

Section 406(b)(1)(D) of title 37, United States Code, is amended in the second sentence by inserting before the

period the following: ‘‘, unless the additional weight allowance in excess of such maximum is intended to permit the shipping of consumables that cannot be reasonably obtained at the new station of the member’’.

SEC. 632. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRAVEL PERFORMED BY MEMBERS IN CONNECTION WITH REST AND RECUPERATIVE LEAVE FROM OVERSEAS STATIONS.

(a) PROVISION OF TRANSPORTATION.—Section 411c of title 37, United States Code, is amended by striking out subsection (b) and inserting in lieu thereof the following new subsection:

‘‘(b) When the transportation authorized by subsection (a) is provided by the Secretary concerned, the Secretary may use Government or commercial carriers. The Secretary concerned may limit the amount of payments made to members under subsection (a).’’.

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

"§ 411c. Travel and transportation allowances: travel performed in connection with rest and recuperative leave from certain stations in foreign countries".

(2) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"411c. Travel and transportation allowances: travel performed in connection with rest and recuperative leave from certain stations in foreign countries.".

SEC. 633. STORAGE OF BAGGAGE OF CERTAIN DEPENDENTS.

Section 430(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

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

"(2) At the option of the member, in lieu of the transportation of baggage of a dependent child under paragraph (1) from the dependent's school in the continental United States, the Secretary concerned may pay or reimburse the member for costs incurred to store the baggage at or in the vicinity of the school during the dependent's annual trip between the school and the member's duty station. The amount of the payment or reimbursement may not exceed the cost that the Government would incur to transport the baggage.".

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

SEC. 641. EFFECTIVE DATE OF FORMER SPOUSE SURVIVOR BENEFIT COVERAGE.

(a) COORDINATION OF PROVISIONS.—Section 1448(b)(3)(C) of title 10, United States Code, is amended by inserting after ''the Secretary concerned'' in the second sentence the following: '', except that, in the case of an election made by a person described in section 1450(f)(3)(B) of this title, such an election is effective on the first day of the first month which begins after the date of the court order or filing involved (in the same manner as provided under section 1450(f)(3)(D) of this title)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to elections under section 1448(b)(3) of title 10, United States Code, that are received by the Secretary concerned on or after the date of the enactment of this Act.

SEC. 642. REVISION TO COMPUTATION OF RETIRED PAY FOR ENLISTED MEMBERS WHO ARE REDUCED IN GRADE BEFORE RETIREMENT.

(a) PRE-SEPTEMBER 8, 1980 MEMBERS.—Section 1406(i) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

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

''(2) EXCEPTION FOR MEMBERS REDUCED IN GRADE.—Paragraph (1) does not apply in the case of a member who after serving as the senior enlisted member of an armed force is reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or other administrative process, as determined by the Secretary concerned.''.

(b) POST-SEPTEMBER 7, 1980 MEMBERS.—Section 1407 of such title is amended by adding at the end the following new subsection:

''(f) LIMITATION FOR ENLISTED MEMBERS REDUCED IN GRADE.—

''(1) BASIC PAY DISREGARDED FOR GRADES ABOVE GRADE TO WHICH REDUCTION IN GRADE IS MADE.—In computing the high-three average of a retired enlisted member who has been reduced in grade, the amount of basic pay to which the member was entitled for any covered pre-reduction month (or to which the member would have been entitled if serving on active duty during that month, in the case of a member entitled to retired under pay under section 12731 of this title) shall (for the purposes of such computation) be deemed to be the rate of basic

pay to which the member would have been entitled for that month if the member had served on active duty during that month in the grade to which the reduction in grade was made.

"(2) DEFINITIONS.—In this subsection:

"(A) RETIRED ENLISTED MEMBER WHO HAS BEEN REDUCED IN GRADE.—The term 'retired enlisted member who has been reduced in grade' means a member or former member who—

"(i) retires in an enlisted grade, transfers to the Fleet Reserve or Fleet Marine Corps Reserve, or becomes entitled to retired pay under chapter 12731 after last serving in an enlisted grade; and

"(ii) had at any time previously been reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or other administrative process, as determined by the Secretary concerned.

"(B) COVERED PRE-REDUCTION MONTH DEFINED.—The term 'covered pre-reduction month' means, in the case of a retired enlisted member who has been reduced in grade, a month of service of the member before the re-

duction in grade of the member during which the member served in a grade higher than the grade to which the reduction in grade was made.''.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of a member who is reduced in grade by sentence of a court-martial only in the case of a court-martial conviction on or after the date of the enactment of this Act. Subsection (f) of section 1407 of title 10, United States Code, as added by the amendment made by subsection (b), shall not apply to the retired or retainer pay of any person who becomes entitled to that pay before the date of the enactment of this Act.

(d) TECHNICAL AMENDMENT.—Subsection (e) of section 1407 of title 10, United States Code, is amended by striking out ''high-36 average shall be computed'' and inserting in lieu thereof ''high-three average shall be computed under subsection (c)(1)''.

Subtitle E—Other Matters

SEC. 651. DELETION OF CANAL ZONE FROM DEFINITION OF UNITED STATES POSSESSIONS FOR PURPOSES OF PAY AND ALLOWANCES.

Section 101(2) of title 37, United States Code, is amended by striking ''the Canal Zone,''.

SEC. 652. ACCOUNTING OF ADVANCE PAYMENTS.

Section 1006(e) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

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

''(2) Obligations and expenditures incurred for an advance payment under this section may not be included in any determination of amounts available for obligation or expenditure except in the fiscal year in which the advance payment is ultimately earned and such obligations and expenditures shall be accounted for only in such fiscal year.''.

SEC. 653. REIMBURSEMENT OF RENTAL VEHICLE COSTS WHEN MOTOR VEHICLE TRANSPORTED AT GOVERNMENT EXPENSE IS LATE.

(a) TRANSPORTATION IN CONNECTION WITH CHANGE OF PERMANENT STATION.—Section 2634 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) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this section does not arrive at the

authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the member's use, or for the use of the dependent for whom the delayed vehicle was transported. However, the amount reimbursed shall not exceed $30 per day, and the rental period for which reimbursement may be provided shall expire after seven days or on the date on which the delayed vehicle finally arrives at the authorized destination (whichever occurs first).''.

(b) TRANSPORTATION IN CONNECTION WITH OTHER MOVES.—Section 406(h) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this subsection does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the dependent's use. However, the amount reimbursed shall not exceed $30 per day, and the rental period for which reimbursement may be provided shall expire after seven days or on the date on which the

delayed vehicle finally arrives at the authorized destination (whichever occurs first).''.

(c) TRANSPORTATION IN CONNECTION WITH DEPARTURE ALLOWANCES FOR DEPENDENTS.—Section 405a(b) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under paragraph (1) does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the dependent's use. However, the amount reimbursed shall not exceed $30 per day, and the rental period for which reimbursement may be provided shall expire after seven days or on the date on which the delayed vehicle finally arrives at the authorized destination (whichever occurs first).''.

(d) TRANSPORTATION IN CONNECTION WITH EFFECTS OF MISSING PERSONS.—Section 554 of title 37, United States Code, is amended—

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

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

''(i) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this section does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the dependent for expenses incurred after that date to rent a motor vehicle for the dependent's use. However, the amount reimbursed shall not exceed $30 per day, and the rental period for which reimbursement may be provided shall expire after seven days or on the date on which the delayed vehicle finally arrives at the authorized destination (whichever occurs first).''.

(e) APPLICATION OF AMENDMENTS.—Reimbursement for motor vehicle rental expenses may not be provided under the amendments made by this section until after the date on which the Secretary of Defense submits to Congress a report certifying that the Department of Defense has in place and operational a system to recover the cost to the Department of providing such reimbursement from commercial carriers that are responsible for the delay in the delivery of the motor vehicles of members of the Armed Forces and their dependents. The amendments shall apply with respect to rental expenses described in

such amendments that are incurred on or after the date of the submission of the report. The report shall be submitted not later than six months after the date of the enactment of this Act and shall include, in addition to the certification, a description of the system used to recover from commercial carriers the costs incurred by the Department under such amendments.

SEC. 654. EDUCATION LOAN REPAYMENT PROGRAM FOR CERTAIN HEALTH PROFESSION OFFICERS SERVING IN SELECTED RESERVE.

(a) LOAN REPAYMENT AMOUNTS.—Section 16302(c) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out ''$3,000'' and inserting in lieu thereof ''$10,000''; and

(2) in paragraph (3), by striking out ''$20,000'' and inserting in lieu thereof ''$50,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1998.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

SEC. 701. EXPANSION OF DEPENDENT ELIGIBILITY UNDER RETIREE DENTAL PROGRAM.

(a) IN GENERAL.—Subsection (b) of section 1076c of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) Eligible dependents of a member described in paragraph (1) or (2) who is not enrolled in the plan and who—

''(A) is enrolled under section 1705 of title 38 to receive dental care from the Secretary of Veterans Affairs;

''(B) is enrolled in a dental plan that—

''(i) is available to the member as a result of employment by the member that is separate from the military service of the member; and

''(ii) is not available to dependents of the member as a result of such separate employment by the member; or

''(C) is prevented by a medical or dental condition from being able to obtain benefits under the plan.''.

(b) CONFORMING AMENDMENT.—Subsection (f)(3) of such section is amended by striking out ''(b)(4)'' and inserting in lieu thereof ''(b)(5)''.

SEC. 702. PLAN FOR PROVISION OF HEALTH CARE FOR MILITARY RETIREES AND THEIR DEPENDENTS COMPARABLE TO HEALTH CARE PROVIDED UNDER TRICARE PRIME.

(a) REQUIREMENT TO SUBMIT PLAN.—(1) The Secretary of Defense shall submit to Congress—

(A) a plan under which the Secretary would guarantee access, for covered beneficiaries described in subsection (b), to health care that is comparable to the health care provided to covered beneficiaries under chapter 55 of title 10, United States Code, under TRICARE Prime (as defined in subsection (d) of section 1097a of such title (as added by section 712)); and

(B) a legislative proposal and cost estimate for implementing the plan.

(2) The plan required under paragraph (1)(A) shall provide for guaranteed access to such health care for such covered beneficiaries by October 1, 2001.

(b) COVERED BENEFICIARIES.—A covered beneficiary under this subsection is an individual who is a covered beneficiary under chapter 55 of title 10, United States Code, who—

(1) is a member or former member of the Armed Forces entitled to retired pay under such title; or

(2) is a dependent (as that term is defined in section 1072(2) of such chapter) of such a member.

(c) DEADLINE FOR SUBMISSION.—The Secretary shall submit the plan required by subsection (a) not later than March 1, 1999.

SEC. 703. PLAN FOR REDESIGN OF MILITARY PHARMACY SYSTEM.

(a) PLAN REQUIRED.—The Secretary of Defense shall submit to Congress a plan that would provide for a system-wide redesign of the military and contractor retail and mail-order pharmacy system of the Department of Defense by incorporating ''best business practices'' of the private sector. The Secretary shall work with contractors of TRICARE retail pharmacy and national mail-order pharmacy programs to develop a plan for the redesign of the pharmacy system that—

(1) may include a plan for an incentive-based formulary for military medical treatment facilities and contractors of TRICARE retail pharmacies and the national mail-order pharmacy; and

(2) shall include a plan for each of the following:

(A) A uniform formulary for such facilities and contractors.

(B) A centralized database that integrates the patient databases of pharmacies of military medical treatment facilities and contractor retail and mail-order programs to implement automated prospective drug utilization review systems.

(C) A system-wide drug benefit for covered beneficiaries under chapter 55 of title 10, United States Code, who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).

(b) SUBMISSION OF PLAN.—The Secretary shall submit the plan required under subsection (a) not later than March 1, 1999.

(c) SUSPENSION OF IMPLEMENTATION OF PROGRAM.—The Secretary shall suspend any plan to establish a national retail pharmacy program for the Department of Defense until—

(1) the plan required under subsection (a) is submitted; and

(2) the Secretary implements cost-saving reforms with respect to the military and contractor retail and mail order pharmacy system.

SEC. 704. TRANSITIONAL AUTHORITY TO PROVIDE CONTINUED HEALTH CARE COVERAGE FOR CERTAIN PERSONS UNAWARE OF LOSS OF CHAMPUS ELIGIBILITY.

(a) TRANSITIONAL COVERAGE.—The administering Secretaries may continue eligibility of a person described in subsection (b) for health care coverage under the Civilian Health and Medical Program of the Uniformed Services based on a determination that such continuation is appropriate to assure health care coverage for any such person who may have been unaware of the loss of eligibility to receive health benefits under that program.

(b) PERSONS ELIGIBLE.—A person shall be eligible for transitional health care coverage under subsection (a) if the person—

(1) is a person described in paragraph (1) of subsection (d) of section 1086 of title 10, United States Code;

(2) in the absence of such paragraph, would be eligible for health benefits under such section; and

(3) satisfies the criteria specified in subparagraphs (A) and (B) of paragraph (2) of such subsection.

(c) EXTENT OF TRANSITIONAL AUTHORITY.—The authority to continue eligibility under this section shall

apply with respect to health care services provided between October 1, 1998, and July 1, 1999.

(d) DEFINITION.—In this section, the term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

Subtitle B—TRICARE Program

SEC. 711. PAYMENT OF CLAIMS FOR PROVISION OF HEALTH CARE UNDER THE TRICARE PROGRAM FOR WHICH A THIRD PARTY MAY BE LIABLE.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1095a the following new section:

''§ 1095b. TRICARE program: contractor payment of certain claims

''(a) PAYMENT OF CLAIMS.—(1) The Secretary of Defense may authorize a contractor under the TRICARE program to pay a claim described in paragraph (2) before seeking to recover from a third-party payer the costs incurred by the contractor to provide health care services that are the basis of the claim to a beneficiary under such program.

''(2) A claim under this paragraph is a claim—

''(A) that is submitted to the contractor by a provider under the TRICARE program for payment

for services for health care provided to a covered beneficiary; and

"(B) that is identified by the contractor as a claim for which a third-party payer may be liable.

"(b) RECOVERY FROM THIRD-PARTY PAYERS.—A contractor for the provision of health care services under the TRICARE program that pays a claim described in subsection (a)(2) shall have the right to collect from the third-party payer the costs incurred by such contractor on behalf of the covered beneficiary. The contractor shall have the same right to collect such costs under this subsection as the right of the United States to collect costs under section 1095 of this title.

"(c) DEFINITION OF THIRD-PARTY PAYER.—In this section, the term 'third-party payer' has the meaning given that term in section 1095(h) of this title, except that such term excludes primary medical insurers.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1095a the following new item:

"1095b. TRICARE program: contractor payment of certain claims.".

SEC. 712. PROCEDURES REGARDING ENROLLMENT IN TRICARE PRIME.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1097 the following new section:

"§ 1097a. Enrollment in TRICARE Prime: procedures

"(a) AUTOMATIC ENROLLMENT OF CERTAIN DEPENDENTS.—The Secretary of Defense shall establish procedures under which dependents of members of the armed forces on active duty who reside in the catchment area of a military medical treatment facility shall be automatically enrolled in TRICARE Prime at the military medical treatment facility. The Secretary shall provide notice in writing to the member regarding such enrollment.

"(b) AUTOMATIC CONTINUATION OF ENROLLMENT.—The Secretary of Defense shall establish procedures under which enrollment of covered beneficiaries in TRICARE Prime shall automatically continue until such time as the covered beneficiary elects to disenroll or is no longer eligible for enrollment.

"(c) OPTION FOR RETIREES TO DEDUCT FEE FROM PAY.—The Secretary of Defense shall establish procedures under which a retired member of the armed forces may elect to have any fees payable by the member for enrollment in TRICARE Prime withheld from the retired pay of the member (if pay is available to the member).

"(d) DEFINITION OF TRICARE PRIME.—In this section, the term 'TRICARE Prime' means the managed care option of the TRICARE program known as TRICARE Prime.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1097 the following new item:

"1097a. Enrollment in TRICARE Prime: procedures.".

(b) DEADLINE FOR IMPLEMENTATION.—The Secretary of Defense shall establish the procedures required under section 1097a of title 10, United States Code, as added by subsection (a), not later than April 1, 1999.

Subtitle C—Other Matters

SEC. 721. INFLATION ADJUSTMENT OF PREMIUM AMOUNTS FOR DEPENDENTS DENTAL PROGRAM.

Section 1076a(b)(2) of title 10, United States Code, is amended by inserting after "$20 per month" the following: "(in 1993 dollars, as adjusted for inflation in each year thereafter)".

SEC. 722. SYSTEM FOR TRACKING DATA AND MEASURING PERFORMANCE IN MEETING TRICARE ACCESS STANDARDS.

(a) REQUIREMENT TO ESTABLISH SYSTEM.—(1) The Secretary of Defense shall establish a system—

(A) to track data regarding access of covered beneficiaries under chapter 55 of title 10, United

States Code, to primary health care under the TRICARE program; and

(B) to measure performance in increasing such access against the primary care access standards established by the Secretary under the TRICARE program.

(2) In implementing the system described in paragraph (1), the Secretary shall collect data on the timeliness of appointments and precise waiting times for appointments in order to measure performance in meeting the primary care access standards established under the TRICARE program.

(b) DEADLINE FOR ESTABLISHMENT.—The Secretary shall establish the system described in subsection (a) not later than April 1, 1999.

SEC. 723. AIR FORCE RESEARCH, DEVELOPMENT, TRAINING, AND EDUCATION ON EXPOSURE TO CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL HAZARDS.

(a) IN GENERAL.—The Secretary of the Air Force is hereby authorized to—

(1) conduct research on the health-related, environmental, and ecological effects of exposure to chemical, biological, and radiological hazards;

(2) develop new risk-assessment methods and instruments with respect to exposure to such hazards, including more accurate risk assessment tools to support the Air Force Enhanced Site Specific Risk Assessment; and

(3) educate and train researchers with respect to exposure to such hazards.

(b) ACTIVITIES TO BE CONDUCTED.—Research and development conducted under subsection (a) includes—

(1) development of equipment to monitor soil and ground water contamination and the impact of such contamination on the biosystem chain;

(2) implementation of a cross-sectional epidemiological study of exposure to jet fuel; and

(3) implementation of a health-risk assessment regarding exposure to jet fuel.

SEC. 724. AUTHORIZATION TO ESTABLISH A LEVEL 1 TRAUMA TRAINING CENTER.

The Secretary of the Army is hereby authorized to establish a Level 1 Trauma Training Center (as designated by the American College of Surgeons) in order to provide the Army with a trauma center capable of training forward surgical teams.

SEC. 725. REPORT ON IMPLEMENTATION OF ENROLLMENT-BASED CAPITATION FOR FUNDING FOR MILITARY MEDICAL TREATMENT FACILITIES.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report on the potential impact of using an enrollment-based capitation methodology to allocate funds for military medical treatment facilities. The report shall address the following:

(1) A description of the plans of the Secretary to implement an enrollment-based capitation methodology for military medical treatment facilities and with respect to contracts for the delivery of health care under the TRICARE program.

(2) The justifications for implementing an enrollment-based capitation methodology without first conducting a demonstration project for implementation of such methodology.

(3) The impact that implementation of an enrollment based capitation methodology would have on the provision of space-available care at military medical treatment facilities, particularly in the case of care for—

(A) military retirees entitled who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(B) covered beneficiaries under chapter 55 of title 10, United States Code, who reside outside the catchment area of a military medical treatment facility.

(4) The impact that implementation of an enrollment-based capitation methodology would have with respect to the pharmacy benefits provided at military medical treatment facilities, given that the enrollment-based capitation methodology would fund military medical treatment facilities based on the number of members at such facilities enrolled in TRICARE Prime, but all covered beneficiaries may fill prescriptions at military medical treatment facility pharmacies.

(5) An explanation of how additional funding will be provided for a military medical treatment facility if an enrollment-based capitation methodology is implemented to ensure that space-available care and pharmacy coverage can be provided to covered beneficiaries who are not enrolled at the military medical treatment facility, and the amount of funding that will be available.

(6) An explanation of how implementation of an enrollment-based capitation methodology would impact the provision of uniform benefits under

TRICARE Prime, and how the Secretary would ensure, if such methodology were implemented, that the provision of health care under TRICARE Prime would not be bifurcated between the provision of such care at military medical treatment facilities and the provision of such care from civilian providers.

(b) DEADLINE FOR SUBMISSION.—The Secretary shall submit the report required by subsection (a) not later than March 1, 1999.

SEC. 726. REQUIREMENT THAT MILITARY PHYSICIANS POSSESS UNRESTRICTED LICENSES.

(a) IN GENERAL.—Section 1094(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) In the case of a physician under the jurisdiction of the Secretary of a military department, such physician may not provide health care as a physician under this chapter unless the current license of the physician is an unrestricted license which is not subject to limitation on the scope of practice ordinarily granted to other physicians for a similar specialty by the jurisdiction that granted the license.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 727. ESTABLISHMENT OF MECHANISM FOR ENSURING COMPLETION BY MILITARY PHYSICIANS OF CONTINUING MEDICAL EDUCATION REQUIREMENTS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1094 the following new section:

"§ 1094a. Mechanism for monitoring of completion of Continuing Medical Education requirements

''The Secretary of Defense shall establish a mechanism for the purpose of ensuring that each person under the jurisdiction of the Secretary of a military department who provides health care under this chapter as a physician completes the Continuing Medical Education requirements applicable to the physician.''.

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

''1094a. Mechanism for monitoring of completion of Continuing Medical Education requirements.''.

(b) EFFECTIVE DATE.—Section 1094a of title 10, United States Code, as added by subsection (a), shall take effect on the date that is three years after the date of the enactment of this Act.

SEC. 728. PROPOSAL ON ESTABLISHMENT OF APPEALS PROCESS FOR CLAIMCHECK DENIALS AND REVIEW OF CLAIMCHECK SYSTEM.

Not later than November 1, 1998, the Secretary of Defense shall submit to Congress a proposal to establish an appeals process in cases of denials through the ClaimCheck computer software system of claims by civilian providers for payment for health care services provided under the TRICARE program.

SEC. 729. DEMONSTRATION PROJECT TO INCLUDE CERTAIN COVERED BENEFICIARIES WITHIN FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) DEMONSTRATION PROJECT.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1108. Health care coverage through Federal Employees Health Benefits program: demonstration project

''(a) FEHBP OPTION DEMONSTRATION.—The Secretary of Defense, after consulting with the other administering Secretaries, shall enter into an agreement with the Office of Personnel Management to conduct a demonstration project under which not more than 70,000 eligible covered beneficiaries described in subsection (b) and residing within one of the areas covered by the demonstration

project may be enrolled in health benefits plans offered through the Federal Employees Health Benefits program under chapter 89 of title 5, United States Code.

"(b) ELIGIBLE COVERED BENEFICIARIES.—(1) An eligible covered beneficiary under this subsection is—

"(A) a member or former member of the uniformed services described in section 1074(b) of this title who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

"(B) a dependent of such a member described in section 1076(b) or 1076(a)(2)(B) of this title;

"(C) a dependent of a member of the uniformed services who died while on active duty for a period of more than 30 days; or

"(D) a dependent described in section 1076(b) or 1076(a)(2)(B) of this title who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act, regardless of the member's or former member's eligibility for such hospital insurance benefits.

"(2) A covered beneficiary described in paragraph (1) shall not be required to satisfy any eligibility criteria specified in chapter 89 of title 5 as a condition for enrollment in health benefits plans offered through the Federal Em-

ployee Health Benefits program under the demonstration project.

"(3) Covered beneficiaries who are eligible to enroll in the Federal Employment Health Benefits program under chapter 89 of title 5 as a result of civil service employment with the United States Government shall not be eligible to enroll in a Federal Employees Health Benefits plan under this section.

"(c) AREA OF DEMONSTRATION PROJECT.—The Secretary of Defense and the Director of the Office of Personnel Management shall jointly identify and select the geographic areas in which the demonstration project will be conducted. The Secretary and the Director shall establish at least six, but not more than ten, such demonstration areas. In establishing the areas, the Secretary and Director shall include—

"(1) a site that includes the catchment area of one or more military medical treatment facilities;

"(2) a site that is not located in the catchment area of a military medical treatment facility;

"(3) a site at which there is a military medical treatment facility that is a Medicare Subvention Demonstration project site under section 1896 of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

1 "(4) not more than one site for each TRICARE
2 region.
3 "(d) TIME FOR DEMONSTRATION PROJECT.—(1)
4 The Secretary of Defense shall conduct the demonstration
5 project during three contract years under the Federal Em-
6 ployees Health Benefits program.
7 "(2) Eligible covered beneficiaries shall, as provided
8 under the agreement pursuant to subsection (a), be per-
9 mitted to enroll in the demonstration project during the
10 open season for the year 2000 (conducted in the fall of
11 1999). The demonstration project shall terminate on De-
12 cember 31, 2002.
13 "(e) PROHIBITION AGAINST USE OF MTFS.—Eligi-
14 ble covered beneficiaries who participate in the demonstra-
15 tion project shall not be eligible to receive care at a mili-
16 tary medical treatment facility.
17 "(f) TERM OF ENROLLMENT.—(1) The minimum pe-
18 riod of enrollment in a Federal Employees Health Benefits
19 plan under this section shall be three years.
20 "(2) A beneficiary who elects to enroll in such a plan,
21 and who subsequently discontinues enrollment in the plan
22 before the end of the period described in paragraph (1),
23 shall not be eligible to reenroll in the plan.
24 "(3) An eligible beneficiary enrolled in a Federal Em-
25 ployees Health Benefits plan under this section may

1 change plans during the open enrollment period in the
2 same manner as any other Federal Employees Health
3 Benefits program beneficiary may change plans.

4 "(g) SEPARATE RISK POOLS; CHARGES.—(1) The
5 Office of Personnel Management shall require health bene-
6 fits plans under chapter 89 of title 5 that participate in
7 the demonstration project to maintain a separate risk pool
8 for purposes of establishing premium rates for covered
9 beneficiaries who enroll in such a plan in accordance with
10 this section.

11 "(2) The Office shall determine total subscription
12 charges for self only or for family coverage for covered
13 beneficiaries who enroll in a health benefits plan under
14 chapter 89 of title 5 in accordance with this section, which
15 shall include premium charges paid to the plan and
16 amounts described in section 8906(c) of title 5 for admin-
17 istrative expenses and contingency reserves.

18 "(h) GOVERNMENT CONTRIBUTIONS.—The Secretary
19 of Defense shall be responsible for the Government con-
20 tribution for an eligible covered beneficiary who enrolls in
21 a health benefits plan under chapter 89 of title 5 in ac-
22 cordance with this section, except that the amount of the
23 contribution may not exceed the amount of the Govern-
24 ment contribution which would be payable if the electing

individual were an employee enrolled in the same health benefits plan and level of benefits.

"(i) EFFECT OF CANCELLATION.—The cancellation by a covered beneficiary of coverage under the Federal Employee Health Benefits program shall be irrevocable during the term of the demonstration project.

"(j) REPORT REQUIREMENTS.—(1) The Secretary of Defense and the Director of the Office of Personnel Management shall jointly submit to Congress a report containing the information described in paragraph (2)—

"(A) not later than the date that is 15 months after the date that the Secretary begins to implement the demonstration project; and

"(B) not later than the date that is 39 months after the date that the Secretary begins to implement the demonstration project.

"(2) The reports required by paragraph (1) shall include—

"(A) information on the number of eligible covered beneficiaries who opt to participate in the demonstration project;

"(B) an analysis of the percentage of eligible covered beneficiaries who participate in the demonstration project as compared to usage rates for similarly situated Federal retirees;

"(C) information on eligible covered beneficiaries who opt to participate in the demonstration project who did not have Medicare Part B coverage before opting to participate in the project;

"(D) an analysis of the enrollment rates and cost of health services provided to eligible covered beneficiaries who opt to participate in the demonstration project as compared with other enrollees in the Federal Employees Health Benefits Program under title 5, United States Code;

"(E) an analysis of how the demonstration project affects the accessibility of health care in military medical treatment facilities, and a description of any unintended effects on the treatment priorities in those facilities in the demonstration area;

"(F) an analysis of any problems experienced by the Department of Defense in managing the demonstration project;

"(G) a description of the effects of the demonstration project on medical readiness and training at military medical treatment facilities located in the demonstration area, and a description of the probable effects that making the project permanent would have on medical readiness and training;

"(H) an examination of the effects that the demonstration project, if made permanent, would be expected to have on the overall budget of the Department of Defense, the budget of the Office of Personnel and Management, and the budgets of individual military medical treatment facilities;

"(I) an analysis of whether the demonstration project affects the cost to the Department of Defense of prescription drugs or the accessibility, availability, and cost of such drugs to covered beneficiaries;

"(J) a description of any additional information that the Secretary of Defense or the Director of the Office of Personnel Management deem appropriate and that would assist Congress in determining the viability of expanding the project to all Medicare-eligible members of the uniformed services and their dependents; and

"(K) recommendations on whether covered beneficiaries—

"(i) should be given more than one chance to enroll in a Federal Employees Health Benefits plan under this section;

"(ii) should be eligible to enroll in such a plan only during the first year following the

date that the covered beneficiary becomes eligible to receive hospital insurance benefits under title XVIII of the Social Security Act; or

"(iii) should be eligible to enroll in the plan only during the two-year period following the date on which the beneficiary first becomes eligible to enroll in a Federal Employees Health Benefits plan under this section.

"(k) COMPTROLLER GENERAL REPORT.—Not later than 39 months after the Secretary begins to implement the demonstration project, the Comptroller General shall submit to Congress a report examining the same criteria required to be examined under subsection (j)(2).".

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

"1108. Health care coverage through Federal Employees Health Benefits program: demonstration project.".

(b) CONFORMING AMENDMENTS.—Chapter 89 of title 5, United States Code, is amended—

(1) in section 8905—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

"(d) An individual whom the Secretary of Defense determines is an eligible covered beneficiary under subsection (b) of section 1108 of title 10 may enroll, as part of the demonstration project under such section, in a health benefits plan under this chapter in accordance with the agreement under subsection (a) of such section between the Secretary and the Office and applicable regulations under this chapter.";

(2) in section 8906(b)—

(A) in paragraph (1), by striking "paragraphs (2) and (3)" and inserting in lieu thereof "paragraphs (2), (3), and (4)"; and

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

"(4) In the case of individuals who enroll, as part of the demonstration project under section 1108 of title 10, in a health benefits plan in accordance with section 8905(d) of this title, the Government contribution shall be determined in accordance with section 1108(h) of title 10."; and

(3) in section 8906(g)—

(A) in paragraph (1), by striking "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)"; and

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

"(3) The Government contribution described in subsection (b)(4) for beneficiaries who enroll, as part of the demonstration project under section 1108 of title 10, in accordance with section 8905(d) of this title shall be paid as provided in section 1108(h) of title 10.".

(c) DISPOSAL OF NATIONAL DEFENSE STOCKPILE MATERIALS TO OFFSET COSTS.—

(1) DISPOSAL REQUIRED.—Subject to paragraphs (2) and (3), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(A) $89,000,000 during fiscal year 1999;

(B) $104,000,000 during fiscal year 2000;

(C) $95,000,000 during fiscal year 2001; and

(D) $72,000,000 during fiscal year 2002.

(2) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under paragraph (1) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Chromium Ferroally Low Carbons	92,000 short tons
Diamond Stones	3,000,000 carats
Palladium	1,227,831 troy ounces
Platinum	439,887 troy ounces

(3) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under paragraph (1) to the extent that the disposal will result in—

(A) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(B) avoidable loss to the United States.

(4) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under paragraph (1) shall be—

(A) deposited into the general fund of the Treasury; and

(B) used to offset the revenues that will be lost as a result of the implementation of the demonstration project under section 1108 of title 10, United States Code (as added by subsection (a)).

(5) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in para-

graph (1) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials specified in the table in paragraph (2).

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

SEC. 801. LIMITATION ON PROCUREMENT OF AMMUNITION AND COMPONENTS.

(a) LIMITATION.—Section 2534(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) AMMUNITION.—Ammunition or ammunition components.".

(b) EFFECTIVE DATE.—Paragraph (6) of section 2534(a) of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after September 30, 1998.

SEC. 802. ACQUISITION CORPS ELIGIBILITY.

Section 1732(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The requirement of subsection (b)(1)(A) shall not apply to an employee who served in an Acquisition

Corps in a position within grade GS–13 or above of the General Schedule and who is placed in another position which is in a grade lower than GS–13 of the General Schedule, or whose position is reduced in grade to a grade lower than GS–13 of the General Schedule, as a result of reduction-in-force procedures, the realignment or closure of a military installation, or another reason other than for cause.''.

SEC. 803. AMENDMENTS RELATING TO PROCUREMENT FROM FIRMS IN INDUSTRIAL BASE FOR PRODUCTION OF SMALL ARMS.

(a) REQUIREMENT TO LIMIT PROCUREMENTS TO CERTAIN SOURCES.—Subsection (a) of section 2473 of title 10, United States Code, is amended—

(1) in the heading, by striking out the first word and inserting in lieu thereof ''REQUIREMENT''; and

(2) by striking out ''To the extent that the Secretary of Defense determines necessary to preserve the small arms production industrial base, the Secretary may'' and inserting in lieu thereof ''In order to preserve the small arms production industrial base, the Secretary of Defense shall''.

(b) ADDITIONAL COVERED PROPERTY AND SERVICES.—Subsection (b) of such section is amended—

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

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

''(1) Small arms end items.'';

(3) in paragraph (2), as so redesignated, by inserting before the period the following: '', if those parts are manufactured under a contract with the Department of Defense to produce the end item''; and

(4) by adding after paragraph (3) the following new paragraph:

''(4) Repair parts consisting of barrels, receivers, and bolts for small arms, whether or not the small arms are in production under a contract with the Department of Defense at the time of production of such repair parts.''.

(c) RELATIONSHIP TO OTHER PROVISIONS OF LAW.—Such section is further amended by adding at the end the following new subsection:

''(d) RELATIONSHIP TO OTHER PROVISIONS.—(1) If a procurement under subsection (a) is a procurement of a commercial item, the Secretary may, notwithstanding section 2306(b)(1)(B) of this title, require the submission

of certified cost or pricing data under section 2306(a) of this title.

"(2) Subsection (a) is a requirement for purposes of section 2304(c)(5) of this title.".

SEC. 804. 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; 110 Stat. 2611; 41 U.S.C. 10b–3) is amended by striking out "90 days" and inserting in lieu thereof "60 days".

SEC. 805. STUDY ON INCREASE IN MICRO-PURCHASE THRESHOLD.

(a) STUDY REQUIREMENT.—The Comptroller General, in consultation with the Administrator for Federal Procurement Policy, the Administrator of the Small Business Administration, and the Secretary of Defense, shall conduct a study to assess the impact of the current micro-purchase program and the advisability of increasing the micro-purchase threshold under section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) to $10,000.

(b) MATTERS COVERED.—(1) The assessment of the impact of the current micro-purchase program shall be based on purchase activity under the micro-purchase threshold conducted during the two-year period beginning

on February 10, 1996 (the date of the enactment of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106)). The assessment shall include, to the extent practicable—

(A) a general breakdown of the supplies, services, and construction purchased; and

(B) an evaluation of the rate of small business participation, economic concentration, and competition.

(2) The assessment of the advisability of increasing the micro-purchase threshold shall include a comparison of any adverse impact of an increased micro-purchase threshold (such as on small business participation) to benefits (such as cost savings, including administrative cost savings, savings from a reduced acquisition workforce and logistics structure, and reduction in acquisition lead time).

(c) REPORT.—Not later than 30 days after completion of the study, the Comptroller General shall submit a report on the results of the study to—

(1) the Committees on Armed Services and on Small Business of the Senate; and

(2) the Committees on National Security and on Small Business of the House of Representatives.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. FURTHER REDUCTIONS IN DEFENSE ACQUISITION WORKFORCE.

(a) REDUCTION IN DEFENSE ACQUISITION WORKFORCE.—Chapter 87 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1765. Limitation on number of personnel

''(a) LIMITATION.—Effective October 1, 2001, the number of defense acquisition personnel may not exceed the baseline number reduced by 70,000.

''(b) PHASED REDUCTION.—The number of defense acquisition personnel—

''(1) as of October 1, 1999, may not exceed the baseline number reduced by 25,000; and

''(2) as of October 1, 2000, may not exceed the baseline number reduced by 50,000.

''(c) BASELINE NUMBER.—For purposes of this section, the baseline number is the total number of defense acquisition personnel as of October 1, 1998.

''(d) DEFENSE ACQUISITION PERSONNEL DEFINED.—In this section, the term 'defense acquisition personnel' means military and civilian personnel (other than civilian personnel who are employed at a maintenance

depot) 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).''.

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

''1765. Limitation on number of personnel.''.

SEC. 902. LIMITATION ON OPERATION AND SUPPORT FUNDS FOR THE OFFICE OF THE SECRETARY OF DEFENSE.

Of the amount available for fiscal year 1999 for operation and support activities of the Office of the Secretary of Defense, not more than 90 percent may be obligated until each of the following reports has been submitted:

(1) The report required to be submitted to the congressional defense committees by section 904(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2619).

(2) The reports required to be submitted to Congress by sections 911(b) and 911(c) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1858, 1859).

SEC. 903. REVISION TO DEFENSE DIRECTIVE RELATING TO MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES.

Not later than October 1, 1999, the Secretary of Defense shall issue a revision to Department of Defense Directive 5100.73, entitled ''Department of Defense Management Headquarters and Headquarters Support Activities'', so as to incorporate in that directive the following:

(1) A threshold specified by command (or other organizational element) such that any headquarters activity below the threshold is not considered for the purpose of the directive to be a management headquarters or headquarters support activity.

(2) A definition of the term ''management headquarters and headquarters support activities'' that (A) is based upon function (rather than organization), and (B) includes any activity (other than an operational activity) that reports directly to such an activity.

(3) Uniform application of those definitions throughout the Department of Defense.

SEC. 904. UNDER SECRETARY OF DEFENSE FOR POLICY TO HAVE RESPONSIBILITY WITH RESPECT TO EXPORT CONTROL ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) FUNCTIONS OF THE UNDER SECRETARY.—Section 134(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''The Under Secretary shall have responsibility for overall supervision of activities of the Department of Defense relating to export controls.''.

(b) IMPLEMENTATION REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the plans of the Secretary for the implementation of the amendment made by subsection (a). The report shall include—

(1) a description of any organizational changes within the Department of Defense to be made in order to implement that amendment; and

(2) a description of the role of the Chairman of the Joint Chiefs of Staff with respect to export control activities of the Department following the implementation of the amendment made by subsection (a)

and how that role compares to the practice in effect before such implementation.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall be implemented not later than 45 days after the date of the enactment of this Act.

SEC. 905. INDEPENDENT TASK FORCE ON TRANSFORMATION AND DEPARTMENT OF DEFENSE ORGANIZATION.

(a) FINDINGS.—Congress finds the following:

(1) The post-Cold War era is marked by geopolitical uncertainty and by accelerating technological change, particularly with regard to information technologies.

(2) The combination of that geopolitical uncertainty and accelerating technological change portends a transformation in the conduct of war, particularly in ways that are likely to increase the effectiveness of joint force operations.

(3) The Department of Defense must be organized appropriately in order to fully exploit the opportunities offered by, and to meet the challenges posed by, this anticipated transformation in the conduct of war.

(4) The basic organization of the Department of Defense was established by the National Security Act of 1947 and the 1949 amendments to that Act.

(5) The Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433) dramatically improved the capability of the Department of Defense to carry out operations involving joint forces, but did not address adequately issues pertaining to the development of joint forces.

(6) In the future, the ability to achieve improved operations of joint forces, particularly under rapidly changing technological conditions, will depend on improved force development for joint forces.

(b) INDEPENDENT TASK FORCE ON TRANSFORMATION AND DEPARTMENT OF DEFENSE ORGANIZATION.—The Secretary of Defense shall establish a task force of the Defense Science Board to examine the current organization of the Department of Defense with regard to the appropriateness of that organization for preparing for a transformation in the conduct of war. The task force shall be established not later than November 1, 1998.

(c) DUTIES OF THE TASK FORCE.—The task force shall assess, and shall make recommendations for the appropriate organization of, the Office of the Secretary of Defense, the Joint Chiefs of Staff, the individual Armed

Forces, and the executive parts of the military departments for the purpose of preparing the Department of Defense for a transformation in the conduct of war. In making those assessments and developing those recommendations, the task force shall review the following:

(1) The general organization of the Department of Defense, including whether responsibility and authority for issues relating to a transformation in the conduct of war are appropriately allocated, especially among the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the individual Armed Forces.

(2) The joint requirements process and the requirements processes for each of the Armed Forces, including the establishment of measures of effectiveness and methods for resource allocation.

(3) The process and organizations responsible for doctrinal development, including the appropriate relationship between joint force and service doctrine and doctrinal development organizations.

(4) The current programs and organizations under the Office of the Secretary of Defense, the Joint Chiefs of Staff and the Armed Forces devoted to innovation and experimentation related to a

transformation in the conduct of war, including the appropriateness of—

(A) conducting joint field tests;

(B) establishing a separate unified command as a joint forces command to serve, as its sole function, as the trainer, provider, and developer of forces for joint operations;

(C) establishing a Joint Concept Development Center to monitor exercises and develop measures of effectiveness, analytical concepts, models, and simulations appropriate for understanding the transformation in the conduct of war;

(D) establishing a Joint Battle Laboratory headquarters to conduct joint experimentation and to integrate the similar efforts of the Armed Forces; and

(E) establishing an Assistant Secretary of Defense for transformation in the conduct of war.

(5) Joint training establishments and training establishments of the Armed Forces, including those devoted to professional military education, and the appropriateness of establishing national training centers.

(6) Other issues relating to a transformation in the conduct of war that the Secretary considers appropriate.

(d) REPORT.—The task force shall submit to the Secretary of Defense a report containing its assessments and recommendations not later than February 1, 1999. The Secretary shall submit the report to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate not later than March 1, 1999, together with the recommendations and comments of the Secretary of Defense.

SEC. 906. IMPROVED ACCOUNTING FOR DEFENSE CONTRACT SERVICES.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2211 the following new section:

"§ 2212. Obligations for contract services: reporting in budget object classes

''(a) LIMITATION ON REPORTING IN MISCELLANEOUS SERVICES OBJECT CLASS.—The Secretary of Defense shall ensure that, in reporting to the Office of Management and Budget (pursuant to OMB Circular A–11 (relating to preparation and submission of budget estimates)) obligations of the Department of Defense for any period of time for contract services, no more than 15 per-

cent of the total amount of obligations so reported is reported in the miscellaneous services object class.

"(b) DEFINITION OF REPORTING CATEGORIES FOR ADVISORY AND ASSISTANCE SERVICES.—In carrying out section 1105(g) of title 31 for the Department of Defense (and in determining what services are to be reported to the Office of Management and Budget in the advisory and assistance services object class), the Secretary of Defense shall apply to the terms used for the definition of 'advisory and assistance services' in paragraph (2)(A) of that section the following meanings:

"(1) MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES.—The term 'management and professional support services' (used in clause (i) of section 1105(g)(2)(A) of title 31) means services that provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of organizations, activities, or systems. Those services—

"(A) are closely related to the basic responsibilities and mission of the using organization; and

"(B) include efforts that support or contribute to improved organization or program management, logistics management, project

monitoring and reporting, data collection, budgeting, accounting, auditing, and administrative or technical support for conferences and training programs.

"(2) STUDIES, ANALYSES, AND EVALUATIONS.—The term 'studies, analyses, and evaluations' (used in clause (ii) of section 1105(g)(2)(A) of title 31) means services that provide organized, analytic assessments to understand or evaluate complex issues to improve policy development, decision-making, management, or administration and that result in documents containing data or leading to conclusions or recommendations. Those services may include databases, models, methodologies, and related software created in support of a study, analysis, or evaluation.

"(3) ENGINEERING AND TECHNICAL SERVICES.—The term 'engineering and technical services' (used in clause (iii) of section 1105(g)(2)(A) of title 31) means services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness.

"(c) PROPER CLASSIFICATION OF ADVISORY AND ASSISTANCE SERVICES.—Before the submission to the Office of Management and Budget of the proposed Department of Defense budget for inclusion in the President's budget for a fiscal year pursuant to section 1105 of title 31, the Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall review all Department of Defense services expected to be performed as contract services during the fiscal year for which that budget is to be submitted in order to ensure that those services that are advisory and assistance services (as defined in accordance with subsection (b)) are in fact properly classified, in accordance with that subsection, in the advisory and assistance services object class.

"(d) INFORMATION ON SERVICE CONTRACTS.—In carrying out the annual review under subsection (c) of Department of Defense services expected to be performed as contract services during the next fiscal year, the Secretary (acting through the Under Secretary (Comptroller)) shall conduct an assessment of the total non-Federal effort that resulted from the performance of all contracts for such services during the preceding fiscal year and the total non-Federal effort that resulted, or that is expected to result, from the performance of all contracts for such services during the current fiscal year and the next fiscal year. The

assessment shall include determination of the following for each such year:

"(1) The amount expended or expected to be expended for non-Federal contract services, shown for the Department of Defense as a whole and displayed by contract services object class for each DOD organization.

"(2) The amount expended or expected to be expended for contract services competed under OMB Circular A–76 or a similar process, shown for the Department of Defense as a whole and displayed by contract services object class for each DOD organization.

"(3) The number of private sector workyears performed or expected to be performed in connection with the performance of non-Federal contract services, shown for the Department of Defense as a whole and displayed by contract services object class for each DOD organization.

"(4) Any other information that the Secretary (acting through the Under Secretary) determines to be relevant and of value.

"(e) REPORT TO CONGRESS.—The Secretary shall submit to Congress each year, not later than 30 days after the date on which the budget for the next fiscal year is

1 submitted pursuant to section 1105 of title 31, a report
2 containing the information derived from the assessment
3 under subsection (d).

4 ''(f) ASSESSMENT BY COMPTROLLER GENERAL.—(1)
5 The Comptroller General shall conduct a review of the re-
6 port of the Secretary of Defense under subsection (e) each
7 year and shall—

8 ''(A) assess the methodology used by the Sec-
9 retary in obtaining the information submitted to
10 Congress in that report; and

11 ''(B) assess the information submitted to Con-
12 gress in that report.

13 ''(2) Not later than 120 days after the date on which
14 the Secretary submits to Congress the report required
15 under subsection (e) for any year, the Comptroller General
16 shall submit to Congress the Comptroller General's report
17 containing the results of the review for that year under
18 paragraph (1).

19 ''(g) DEFINITIONS.—In this section:

20 ''(1) The term 'contract services' means all
21 services that are reported to the Office of Manage-
22 ment and Budget pursuant to OMB Circular A–11
23 (relating to preparation and submission of budget
24 estimates) in budget object classes that are des-
25 ignated in the Object Class 25 series.

"(2) The term 'advisory and assistance services object class' means those contract services constituting the budget object class that is denominated 'Advisory and Assistance Service and designated (as the date of the enactment of this section) as Object Class 25.1 (or any similar object class established after the date of the enactment of this section for the reporting of obligations for advisory and assistance contract services).

"(3) The term 'miscellaneous services object class' means those contract services constituting the budget object class that is denominated 'Other Services (services not otherwise specified in the 25 series)' and designated (as the date of the enactment of this section) as Object Class 25.2 (or any similar object class established after the date of the enactment of this section for the reporting of obligations for miscellaneous or unspecified contract services).

"(4) The term 'DOD organization' means—

"(A) the Office of the Secretary of Defense;

"(B) each military department;

"(C) the Joint Chiefs of Staff and the unified and specified commands;

"(D) each Defense Agency; and

"(E) each Department of Defense Field Activity.

"(5) The term 'private sector workyear' means an amount of labor equivalent to the total number of hours of labor that an individual employed on a full-time equivalent basis by the Federal Government performs in a given year.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2211 the following new item:

"2212. Obligations for contract services: reporting in budget object classes.".

(b) TRANSITION.—For the budget for fiscal year 2000, and the reporting of information to the Office of Management and Budget in connection with the preparation of that budget, section 2212 of title 10, United States Code, as added by subsection (a), shall be applied by substituting "30 percent" in subsection (a) for "15 percent".

(c) INITIAL CLASSIFICATION OF ADVISORY AND ASSISTANCE SERVICES.—Not later than February 1, 1999, the Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall review all Department of Defense services performed or expected to be performed as contract services during fiscal year 1999 in order to ensure that those services that are advisory and assistance services (as defined in accordance with subsection (b) of section 2212 of title 10, United States Code,

as added by subsection (a)) are in fact properly classified, in accordance with that subsection, in the advisory and assistance services object class (as defined in subsection (g)(2) of that section).

(d) FISCAL YEAR 1999 REDUCTION.—The total amount that may be obligated by the Secretary of Defense for contracted advisory and assistance services from amounts appropriated for fiscal year 1999 is the amount programmed for those services resulting from the review referred to in subsection (c) reduced by $500,000,000.

SEC. 907. REPEAL OF REQUIREMENT RELATING TO ASSIGNMENT OF TACTICAL AIRLIFT MISSION TO RESERVE COMPONENTS.

Section 1438 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1689), as amended by section 1023 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1460), is repealed.

SEC. 908. REPEAL OF CERTAIN REQUIREMENTS RELATING TO INSPECTOR GENERAL INVESTIGATIONS OF REPRISAL COMPLAINTS.

(a) REPEAL OF REQUIREMENT OF NOTICE THAT INVESTIGATION WILL TAKE MORE THAN 90 DAYS.—Subsection (e) of section 1034 of title 10, United States Code, is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraph (4) as paragraph (3).

(b) REPEAL OF REQUIREMENT FOR POST-DISPOSITION INTERVIEW WITH COMPLAINANT.—Such section is further amended by striking out subsection (h).

SEC. 909. CONSULTATION WITH COMMANDANT OF THE MARINE CORPS REGARDING MARINE CORPS AVIATION.

(a) IN GENERAL.—Chapter 503 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 5026. Consultation with Commandant of the Marine Corps regarding Marine Corps aviation

''The Secretary of the Navy shall require that the views of the Commandant of the Marine Corps be obtained before a milestone decision or other major decision is made by an element of the Department of the Navy outside the Marine Corps in a procurement matter, a research, development, test, and evaluation matter, or a depot-level maintenance matter that concerns Marine Corps aviation.''.

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

"5026. Consultation with Commandant of the Marine Corps regarding Marine Corps aviation.".

SEC. 910. ANNUAL REPORT ON INDIVIDUALS EMPLOYED IN PRIVATE SECTOR WHO PROVIDE SERVICES UNDER CONTRACT FOR THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2222. Information system to track quantity and value of non-Federal services

"(a) IMPLEMENTATION OF SYSTEM.—The Secretary of Defense shall implement an information system for the collection and reporting of information by the Secretaries of the military departments, Directors of the Defense Agencies, and heads of other DOD organizations concerning the quantity and value of non-Federal services they acquired. The system shall be designed to provide information, for the Department of Defense as a whole and for each DOD organization, concerning the following:

"(1) The number of workyears performed by individuals employed by non-Federal entities providing goods and services under contracts of the Department of Defense.

"(2) The labor costs to the Department of Defense under the contracts associated with the performance of those workyears.

"(3) The value of the goods and services procured by the Department of Defense from non-Federal entities.

"(4) The appropriations associated with the contracts for those goods and services.

"(5) The Federal supply class or service code associated with those contracts.

"(6) The major organization element contracting for the goods and services.

"(b) ANNUAL REPORTS TO SECRETARY OF DEFENSE.—Not later than February 1 of each year, the head of each DOD organization shall submit to the Secretary of Defense a report detailing the quantity and value of non-Federal services obtained by that organization. The report shall be developed from the system under subsection (a) and shall contain the following:

"(1) The total amount paid during the preceding fiscal year to obtain goods and services provided under contracts, expressed in dollars and as a percentage of the total budget of that organization, and shown by appropriation account or revolving fund, by Federal supply class or service code, and by any

major organizational element under the authority of the head of that organization.

"(2) The total number of workyears performed during the preceding fiscal year by employees of non-Federal entities providing goods and services under contract, shown by appropriation account or revolving fund, by Federal supply class or service code, and by any major organizational element under the authority of the head of that organization.

"(3) A detailed discussion of the methodology used under the system to derive the data provided in the report.

"(c) ANNUAL REPORT TO CONGRESS.—Not later than February 15 of each year, the Secretary of Defense shall submit to Congress a report containing all of the information concerning the quantity and value of non-Federal services obtained by the Department of Defense as shown in the reports submitted to the Secretary for that year under subsection (b). The Secretary shall include in that report the information provided by each DOD organization under subsection (b) without revision from the manner in which it is submitted to the Secretary by the head of that organization.

"(d) DEVELOPMENT OF INFORMATION.—(1) The Secretary of Defense may prescribe regulations to require

contractors providing goods and services to the Department of Defense to include on invoices submitted to the Secretary or head of a DOD organization responsible for such contracts the number of hours of labor attributable to the contract for which the invoice is submitted.

"(2) The Secretary shall require that each DOD organization provide information for the information system under subsection (a) and the annual report under subsection (b) in as uniform manner as practicable.

"(e) ASSESSMENT BY COMPTROLLER GENERAL.—(1) The Comptroller General shall conduct a review of the report of the Secretary of Defense under subsection (c) each year and shall—

"(A) assess the appropriateness of the methodology used by the Secretary and the DOD organizations in deriving the information provided to Congress in the report; and

"(B) assess the accuracy of the information provided to Congress in the report.

"(2) Not later than 90 days after the date on which the Secretary submits to Congress the report required under subsection (e) for any year, the Comptroller General shall submit to Congress the Comptroller General's report containing the results of the review for that year under paragraph (1).

"(e) DEFINITIONS.—In this section:

"(1) The term 'DOD organization' means—

"(A) the Office of the Secretary of Defense;

"(B) each military department;

"(C) the Joint Chiefs of Staff and the unified and specified commands;

"(D) each Defense Agency; and

"(E) each Department of Defense Field Activity.

"(2) The term 'workyear' means the private sector equivalent to the total number of hours of labor that an individual employed on a full-time equivalent basis by the Federal Government performs in a given year.

"(3) The term 'contract' has the meaning given such term in parts 34, 35, 36, and 37 of title 48, Code of Federal Regulations.

"(4) The term 'labor costs' means all compensation costs for personal services as defined in part 31 of title 48, Code of Federal Regulations.

"(5) The term 'major organizational element' means an organization within a Defense Agency or military department that is headed by a Senior Executive Service official (or military equivalent) and

that contains a contract administration office (as defined in part 2 of title 48, Code of Federal Regulations).

"(6) The term 'Federal supply class or service code' is the functional code prescribed by section 253.204–70 of the Department of Defense Federal Acquisition Regulation Supplement, as determined by the first character of such code.

"(f) CONSTRUCTION OF SECTION.—The Secretary of Defense shall ensure that the provisions of this section are construed broadly so as enable accurate and full accounting for the volume and costs associated with contractor support of the Department of Defense.".

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

"2222. Information system to track quantity and value of non-Federal services.".

(b) EFFECTIVE DATE.—The system required by subsection (a) of section 2222 of title 10, United States Code, as added by subsection (a), shall be implemented not later than one year after 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 1999 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 H.R. 3616 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 re-

quirements 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. OUTLAY LIMITATIONS.

(a) DEPARTMENT OF DEFENSE.—The Secretary of Defense shall ensure that outlays of the Department of Defense during fiscal year 1999 from amounts appropriated or otherwise available to the Department of Defense for military functions of the Department of Defense (including military construction and military family housing) do not exceed $252,650,000,000.

(b) DEPARTMENT OF ENERGY.—The Secretary of Energy shall ensure that outlays of the Department of Energy during fiscal year 1999 from amounts appropriated or otherwise made available to the Department of Energy for national security programs of that Department do not exceed $11,772,000,000.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. REVISION TO REQUIREMENT FOR CONTINUED LISTING OF TWO IOWA-CLASS BATTLESHIPS ON THE NAVAL VESSEL REGISTER.

In carrying out section 1011 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 421), the Secretary of the Navy shall list on the Naval Vessel Register, and maintain on that register, the following two Iowa-class battleships: the USS IOWA (BB–61) and the USS WISCONSIN (BB–64).

SEC. 1012. TRANSFER OF USS NEW JERSEY.

The Secretary of the Navy shall strike the USS NEW JERSEY (BB–62) from the Naval Vessel Register and shall transfer that vessel to a non-for-profit entity in accordance with section 7306 of title 10, United States Code. The Secretary shall require as a condition of the transfer of that vessel that the transferee locate the vessel in the State of New Jersey.

SEC. 1013. LONG-TERM CHARTER OF THREE VESSELS IN SUPPORT OF SUBMARINE RESCUE, ESCORT, AND TOWING.

The Secretary of the Navy may enter into contracts in accordance with section 2401 of title 10, United States

Code, for the charter through September 30, 2003, of the following vessels:

(1) The CAROLYN CHOUEST (United States official number D102057).

(2) The KELLIE CHOUEST (United States official number D1038519).

(3) The DOLORES CHOUEST (United States official number D600288).

SEC. 1014. TRANSFER OF OBSOLETE ARMY TUGBOAT.

In carrying out section 1023 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1876), the Secretary of the Army may substitute the obsolete, decommissioned tugboat Attleboro (LT–1977) for the tugboat Normandy (LT–1971) as one of the two obsolete tugboats authorized to be transferred by the Secretary under that section.

SEC. 1015. 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 specifically 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) 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.

"(e) 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.

"(f) 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.

"(g) 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.

"(h) DOMESTIC CONSTRUCTION REQUIREMENT FOR CERTAIN LEASES OF VESSELS.—(1) Notwithstanding section 2400 or 2401a of this title or any other provision of law, the Secretary of Defense may not enter into a contract for the lease or charter of a vessel described in paragraph (2) for a contract period in excess of 17 months (inclusive of any option periods) unless the vessel is constructed in a shipyard in the United States.

"(2) Paragraph (1) applies to vessels of the following types:

"(A) Auxiliary support vessel.

"(B) Strategic sealift vessel.

"(C) Tank vessel.

"(D) Combat logistics force vessel.

"(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 pe-

riod 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.''.

Subtitle C—Matters Relating to Counter Drug Activities

SEC. 1021. DEPARTMENT OF DEFENSE SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) CONTINUATION OF AUTHORITY.—Subsection (a) of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is amended by striking out ''through 1999'' and inserting in lieu thereof ''through 2000''.

(b) TYPES OF SUPPORT.—Subsection (b)(4) of such section is amended by inserting before the period at the end the following: ''conducted by the Department of Defense or a Federal, State, or local law enforcement agency, or a foreign law enforcement agency in the case of counter-drug activities outside the United States''.

(c) UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.—Such section is further amended by adding at the end the following new section:

''(h) UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.—Section 2805 of title 10, United States Code, shall apply with respect to any unspecified minor military construction project carried out using the authority provided under this section.''.

SEC. 1022. SUPPORT FOR COUNTER-DRUG OPERATION CAPER FOCUS.

(a) SUPPORT REQUIRED.—During fiscal year 1999, the Secretary of Defense shall make available such surface vessels of the Navy and maritime patrol aircraft and crews of the Navy as may be necessary to conduct the final phase of the counter-drug operation known as Caper Focus, which targets the maritime movement of cocaine on vessels in the eastern Pacific Ocean.

(b) FISCAL YEAR 1999 FUNDING.—Of the amount authorized to be appropriated pursuant to section 301(20) for drug interdiction and counter-drug activities, $24,400,000 shall be available only for the purpose of conducting the counter-drug operation known as Caper Focus.

SEC. 1023. SENSE OF THE CONGRESS REGARDING ESTABLISHMENT OF COUNTER-DRUG CENTER IN PANAMA.

In anticipation of the closure of all United States military installations in Panama by December 31, 1999, it is the sense of the Congress that the Secretary of Defense, in consultation with the Secretary of State, should continue negotiations with the Government of Panama for the establishment in Panama of a counter-drug center to be used by the Armed Forces of the United States in co-

operation with Panamanian forces and military personnel of other friendly nations.

SEC. 1024. ASSIGNMENT OF MEMBERS OF THE ARMED FORCES 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 members to assist border patrol and control

''(a) ASSIGNMENT AUTHORIZED.—The Secretary of Defense may assign members of the armed forces 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 members of the armed forces 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) TRAINING PROGRAM.—If the assignment of members of the armed forces is requested by the Attorney General or the Secretary of the Treasury, the Attorney General or the Secretary of the Treasury (as the case may be), together with the Secretary of Defense, shall establish a training program to ensure that members to be assigned receive general instruction regarding issues affecting law enforcement in the border areas in which the members will perform duties under the assignment. A member may not be deployed at a border location pursuant to an assignment under subsection (a) until the member has successfully completed the training program.

"(d) CONDITIONS ON USE.—(1) Whenever a member of the armed forces who is assigned under subsection (a) to assist the Immigration and Naturalization Service or the United States Customs Service is performing duties at a border location pursuant to the assignment, a civilian law enforcement officer from the agency concerned shall accompany the member.

"(2) Nothing in this section shall be construed to—

"(A) authorize a member assigned under subsection (a) to conduct a search, seizure, or other similar law enforcement activity or to make an arrest; and

"(B) supersede section 1385 of title 18 (popularly known as the 'Posse Comitatus Act').

"(e) NOTIFICATION REQUIREMENTS.—The Attorney General or the Secretary of the Treasury (as the case may be) shall notify the Governor of the State in which members of the armed forces are to be deployed pursuant to an assignment under subsection (a), and local governments in the deployment area, of the deployment of the members to assist the Immigration and Naturalization Service or the United States Customs Service (as the case may be) and the types of tasks to be performed by the members.

"(f) REIMBURSEMENT REQUIREMENT.—Section 377 of this title shall apply in the case of members of the armed forces assigned under subsection (a).

"(g) TERMINATION OF AUTHORITY.—No assignment may be made or continued under subsection (a) after September 30, 2001.".

(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 members to assist border patrol and control.".

SEC. 1025. RANDOM DRUG TESTING OF DEPARTMENT OF DEFENSE EMPLOYEES.

(a) EXPANSION OF EXISTING PROGRAM.—(1) Chapter 81 of title 10, United States Code, is amended by inserting after section 1581 the following new section:

"§ 1582. Random testing of employees for use of illegal drugs

"(a) PROGRAM REQUIRED.—The Secretary of Defense shall expand the drug testing program required for civilian employees of the Department of Defense by Executive Order 12564 (51 Fed. Reg. 32889; September 15, 1986) to include the random testing on a controlled and monitored basis of all such employees for the use of illegal drugs.

"(b) TESTING PROCEDURES AND PERSONNEL ACTIONS.—The requirements of Executive Order 12564 regarding drug testing procedures and the personnel actions to be taken with respect to any employee who is found to use illegal drugs shall apply to the expanded drug testing program required by this section.

"(c) NOTIFICATION TO NEW EMPLOYEES.—The Secretary of Defense shall notify persons employed after the date of the enactment of this section that, as a condition

of employment by the Department of Defense, the person may be required to submit to mandatory random drug testing under the expanded drug testing program required by this section.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1581 the following new item:

''1582. Random testing of employees for use of illegal drugs.''.

(b) FUNDING.—No additional funds are authorized to be appropriated on account of the amendment made by subsection (a). The Secretary of Defense shall carry out the expanded drug testing program for civilian employees of the Department of Defense under section 1582 of title 10, United States Code, as added by subsection (a), using amounts otherwise provided for the program.

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1031. ANNUAL REPORT ON RESOURCES ALLOCATED TO SUPPORT AND MISSION ACTIVITIES.

Section 113 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(l) The Secretary shall include in the annual report to Congress under subsection (c) the following:

"(1) A comparison of the amounts provided in the defense budget for support and for mission activities for each of the preceding five years.

"(2) A comparison of the number of military and civilian personnel, shown by major occupational category, assigned to support positions and to mission positions for each of the preceding five years.

"(3) An accounting, shown by service and by major occupational category, of the number of military and civilian personnel assigned to support positions during each of the preceding five years.

"(4) A listing of the number of military and civilian personnel assigned to management headquarters and headquarters support activities as a percentage of military end-strength for each of the preceding 10 years.".

SEC. 1032. TRANSMISSION OF EXECUTIVE BRANCH REPORTS PROVIDING CONGRESS WITH CLASSIFIED SUMMARIES OF ARMS CONTROL DEVELOPMENTS.

(a) REPORTING REQUIREMENT.—The Director of the Arms Control and Disarmament Agency (or the Secretary of State, if the Arms Control and Disarmament Agency becomes an element of the Department of State) shall

transmit to Congress on a periodic basis reports containing classified summaries of arms control developments.

(b) CONTENTS OF REPORTS.—The reports required by subsection (a) shall include information reflecting the activities of forums established to consider issues relating to treaty implementation and treaty compliance, including the Joint Compliance and Inspection Commission, the Joint Verification Commission, the Open Skies Consultative Commission, the Standing Consultative Commission, and the Joint Consultative Group.

SEC. 1033. REPORT ON PERSONNEL RETENTION.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing information on the retention of members of the Armed Forces on active duty in the combat, combat support, and combat service support forces of the Army, Navy, Air Force, and Marine Corps.

(b) REQUIRED INFORMATION.—The Secretary shall include in the report information on retention of members with military occupational specialties (or the equivalent) in combat, combat support, or combat service support positions in each of the Army, Navy, Air Force, and Marine Corps. Such information shall be shown by pay grade and shall be aggregated by enlisted grades and officers grades

and shall be shown by military occupational specialty (or the equivalent). The report shall set forth separately (in numbers and as a percentage) the number of members separated during each such fiscal year who terminate service in the Armed Forces completely and the number who separate from active duty by transferring into a reserve component.

(c) YEARS COVERED BY REPORT.—The report shall provide the information required in the report, shown on a fiscal year basis, for each of fiscal years 1989 through 1998.

Subtitle E—Other Matters

SEC. 1041. CLARIFICATION OF LAND CONVEYANCE AUTHORITY, ARMED FORCES RETIREMENT HOME, DISTRICT OF COLUMBIA.

(a) SALE REQUIRED.—Subsection (a) of section 1053 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2650) is amended—

(1) by striking out ", by sale or otherwise,"; and

(2) by adding at the end the following new sentence: "The conveyance of the real property shall be made by sale to the highest bidder, except that the

purchase price may not be less than the fair market value of the parcel.''.

(b) CONFORMING AMENDMENT.—Subsection (b)(1) of such section is amended by striking out ''the disposal'' and inserting in lieu thereof ''the sale''.

SEC. 1042. CONTENT OF NOTICE REQUIRED TO BE PROVIDED GARNISHEES BEFORE GARNISHMENT OF PAY OR BENEFITS.

(a) AUTHORIZATION OF ALTERNATIVE TO PROVIDING COPY OF NOTICE OR SERVICE RECEIVED BY THE SECRETARY.—(1) Whenever the Secretary of Defense (acting through the DOD section 459 agent) provides a section 459 notice to an individual, the Secretary may include as part of that notice the information specified in subsection (c) in lieu of sending with that notice a copy (otherwise required pursuant to the parenthetical phrase in section 459(c)(2)(A) of the Social Security Act) of the notice or service received by the DOD section 459 agent with respect to that individual's child support or alimony payment obligations.

(2) Whenever the Secretary of Defense (acting through the DOD section 5520a agent) provides a section 5520a notice to an individual, the Secretary may include as part of that notice the information specified in subsection (c) in lieu of sending with that notice a copy (oth-

erwise required pursuant to the second parenthetical phrase in section 5520a(c) of the title 5, United States Code) of the legal process received by the DOD section 5520a agent with respect to that individual.

(b) DEFINITIONS.—For purposes of this section:

(1) DOD SECTION 459 AGENT.—The term ''DOD section 459 agent'' means the agent or agents designated by the Secretary of Defense under subsection (c)(1)(A) of section 459 of the Social Security Act (42 U.S.C. 659) to receive orders and accept service of process in matters related to child support or alimony.

(2) SECTION 459 NOTICE.—The term ''section 459 notice'' means, with respect to the Department of Defense, the notice required by subsection (c)(2)(A) of section 459 of the Social Security Act (42 U.S.C. 659) to be sent to an individual in writing upon the receipt by the DOD section 459 agent of notice or service with respect to the individual's child support or alimony payment obligations.

(3) DOD SECTION 5520A AGENT.—The term ''DOD section 5520a agent'' means a person who is designated by law or regulation to accept service of process to which the Department of Defense is subject under section 5520a of title 5, United States

Code (including the regulations promulgated under subsection (k) of that section).

(4) SECTION 5520A NOTICE.—The term ''section 5520a notice'' means, with respect to the Department of Defense, the notice required by subsection (c) of section 5520a of title 5, United States Code, to be sent in writing to an employee (or, pursuant to the regulations promulgated under subsection (k) of that section, to a member of the Armed Forces) upon the receipt by the DOD section 5520a agent of legal process covered by that section.

(c) ALTERNATIVE REQUIREMENTS.—The information referred to in subsection (a) that is to be included as part of a section 459 notice or section 5520a notice sent to an individual (in lieu of sending with that notice a copy of the notice or service received by the DOD section 459 agent or the DOD section 5520a agent) is the following:

(1) A description of the pertinent court order, notice to withhold, or other order, process, or interrogatory received by the DOD section 459 agent or the DOD section 5520a agent.

(2) The identity of the court or judicial forum involved and (in the case of a notice or process concerning the ordering of a support or alimony obliga-

tion) the case number, the amount of the obligation, and the name of the beneficiary.

(3) Information on how the individual may obtain from the Department of Defense a copy of the notice, service, or legal process, including an address and telephone number that the individual may be contact for the purpose of obtaining such a copy.

(d) REPORT.—Not later than April 1, 2001, the Secretary shall submit to Congress a report describing the experience of the Department of Defense under the authority provided by this section. The report shall include the following:

(1) The number of section 459 notices provided by the DOD section 459 agent during the period the authority provided by this section was in effect.

(2) The number of individuals who requested the DOD section 459 agent to provide to them a copy of the actual notice or service.

(3) Any complaint the Secretary received by reason of not having provided the actual notice or service in the section 459 notice.

(4) The number of section 5520a notices provided by the DOD section 5520a agent during the period the authority provided by this section was in effect.

(5) The number of individuals who requested the DOD section 5520a agent to provide to them a copy of the actual legal process.

(6) Any complaint the Secretary received by reason of not having provided the actual legal process in the section 5520a notice.

SEC. 1043. TRAINING OF SPECIAL OPERATIONS FORCES WITH FRIENDLY FOREIGN FORCES.

(a) TRAINING EXPENSES FOR WHICH PAYMENT MAY BE MADE.—Subsection (a)(1) of section 2011 of title 10, United States Code, is amended by striking out ''and other security forces''.

(b) PURPOSE OF TRAINING.—Subsection (b) of such section is amended by striking out ''primary''.

(c) REGULATIONS.—Subsection (c) of such section is amended by inserting after the first sentence the following new sentence: ''The regulations shall require that training activities may be carried out under this section only with the prior approval of the Secretary of Defense.''.

(d) ELEMENTS OF ANNUAL REPORT.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

''(5) A summary of the expenditures under this section resulting from the training for which expenses were paid under this section.

"(6) A discussion of the unique military training benefit to United States special operations forces derived from the training activities for which expenses were paid under this section.".

SEC. 1044. PROHIBITION ON ASSIGNMENT OF UNITED STATES FORCES TO UNITED NATIONS RAPIDLY DEPLOYABLE MISSION HEADQUARTERS.

No funds available to the Department of Defense may be used to assign or detail any member of the Armed Forces to duty with the United Nations Rapidly Deployable Mission Headquarters (or any similar United Nations military operations headquarters).

SEC. 1045. CLARIFICATION OF STATE AUTHORITY TO TAX COMPENSATION PAID TO CERTAIN EMPLOYEES.

(a) LIMITATION ON STATE AUTHORITY TO TAX COMPENSATION PAID TO INDIVIDUALS PERFORMING SERVICES AT FORT CAMPBELL, KENTUCKY.—

(1) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following:

"§ 115. Limitation on State authority to tax compensation paid to individuals performing services at Fort Campbell, Kentucky

''Pay and compensation paid to an individual for personal services at Fort Campbell, Kentucky, shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following:

''115. Limitation on State authority to tax compensation paid to individuals performing services at Fort Campbell, Kentucky.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to pay and compensation paid after the date of the enactment of this Act.

(b) CLARIFICATION OF STATE AUTHORITY TO TAX COMPENSATION PAID TO CERTAIN FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Section 111 of title 4, United States Code, is amended—

(A) by inserting ''(a) GENERAL RULE.—'' before ''The United States'' the first place it appears; and

(B) by adding at the end the following:

''(b) TREATMENT OF CERTAIN FEDERAL EMPLOYEES EMPLOYED AT FEDERAL HYDROELECTRIC FACILI-

TIES LOCATED ON THE COLUMBIA RIVER.—Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

"(1) which is owned by the United States;

"(2) which is located on the Columbia River; and

"(3) portions of which are within the States of Oregon and Washington,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.

"(c) TREATMENT OF CERTAIN FEDERAL EMPLOYEES EMPLOYED AT FEDERAL HYDROELECTRIC FACILITIES LOCATED ON THE MISSOURI RIVER.—Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

"(1) which is owned by the United States;

"(2) which is located on the Missouri River; and

"(3) portions of which are within the States of South Dakota and Nebraska,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to pay and compensation paid after the date of the enactment of this Act.

SEC. 1046. REQUIREMENT TO PROVIDE BURIAL FLAGS WHOLLY PRODUCED IN THE UNITED STATES.

(a) REQUIREMENT.—Section 2301 of title 38, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) Any flag furnished pursuant to this section shall be wholly produced in the United States.

''(2) For the purpose of paragraph (1), the term 'wholly produced' means—

''(A) the materials and components of the flag are entirely grown, manufactured, or created in the United States;

''(B) the processing (including spinning, weaving, dyeing, and finishing) of such materials and components is entirely performed in the United States; and

''(C) the manufacture and assembling of such materials and components into the flag is entirely performed in the United States.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to flags furnished by the Sec-

retary of Veterans Affairs under section 2301 of title 38, United States Code, after September 30, 1998.

SEC. 1047. INVESTIGATION OF ACTIONS RELATING TO 174TH FIGHTER WING OF NEW YORK AIR NATIONAL GUARD.

(a) INVESTIGATION.—The Inspector General of the Department of Defense shall investigate the grounding of the 174th Fighter Wing of the New York Air National Guard and the subsequent dismissal, demotion, or reassignment of 12 decorated combat pilots of that wing.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Inspector General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the results of the investigation under subsection (a).

SEC. 1048. FACILITATION OF OPERATIONS AT EDWARDS AIR FORCE BASE, CALIFORNIA.

(a) FACILITATION OF OPERATIONS.—The Secretary of the Air Force may, in order to facilitate implementation of the Edwards Air Force Base Alliance Agreement, authorize equipment, facilities, personnel, and other resources available to the Air Force at Edwards Air Force Base to be used in such manner as the Secretary considers appropriate for the efficient operation and support of ei-

ther or both of the organizations that are parties to that agreement without regard to the provisions of section 1535 of title 31, United States Code (and any regulations of the Department of Defense prescribed under that section).

(b) PRESERVATION OF FINANCIAL INTEGRITY OF FUNDS.—The Secretary shall carry out subsection (a) so as to preserve the financial integrity of funds appropriated to the Department of the Air Force and the National Aeronautics and Space Administration.

(c) EDWARDS AIR FORCE BASE ALLIANCE AGREEMENT.—For purposes of this section, the term ''Edwards Air Force Base Alliance Agreement'' means the agreement entered into in May 1995, between the commander of the Air Force Flight Test Center and the director of the Dryden Flight Research Center of the National Aeronautics and Space Administration, both of which are located at Edwards Air Force Base, California, to develop and sustain a working relationship between the two organizations to improve the efficiency of the operations of both organizations while preserving the unique missions of both organizations.

(d) DELEGATION.—The authority of the Secretary under this section may be delegated, at the Secretary's

discretion, to the commander of the Air Force Flight Test Center, Edwards Air Force Base, California.

(e) REPORT.—Not later than May 1, 1999, the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration shall submit to Congress a joint report on the implementation of this section.

SEC. 1049. SENSE OF THE CONGRESS CONCERNING TAX TREATMENT OF PRINCIPAL RESIDENCE OF MEMBERS OF ARMED FORCES WHILE AWAY FROM HOME ON ACTIVE DUTY.

It is the sense of the Congress that a member of the Armed Forces should be treated as using property as a principal residence during any period that the member (or the member's spouse) is serving on extended active duty with the Armed Forces, but only if the member used the property as a principal residence for any period during or before the period of extended active duty.

SEC. 1050. OPERATION, MAINTENANCE, AND UPGRADE OF AIR FORCE SPACE LAUNCH FACILITIES.

Funds appropriated pursuant to the authorizations of appropriations in this Act for the operation, maintenance, or upgrade of the Western Space Launch Facilities of the Department of the Air Force (Program Element 35181F) and the Eastern Space Launch Facilities of the Depart-

ment of the Air Force (Program Element 351821F) may not be obligated for any other purpose.

SEC. 1051. SENSE OF THE CONGRESS CONCERNING NEW PARENT SUPPORT PROGRAM AND MILITARY FAMILIES.

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

(1) the New Parent Support Program that was begun as a pilot program of the Marine Corps at Camp Pendleton, California, has been an effective tool in curbing family violence within the military community;

(2) such program is a model for future programs throughout the Marine Corps, the Navy, and the Army; and

(3) in light of the pressures and strains placed upon military families and the benefits of the New Parent Support Program in helping these high ''at-risk'' families, the Department of Defense should seek ways to ensure that in future fiscal years funds are made available for those programs for each of the Armed Forces in amounts sufficient to meet requirements for those programs.

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

shall submit to Congress a report on the New Parent Support Program of the Department of Defense. The Secretary shall include in the report the following:

(1) A description of how the Army, Navy, Air Force, and Marine Corps are each implementing a New Parent Support Program and how each such program is organized.

(2) A description of how the implementation of programs for the Army, Navy, and Air Force compare to the fully implemented Marine Corps program.

(3) The number of installations that each service has scheduled to receive support for the New Parent Support Program.

(4) The number of installations delayed in providing the program.

(5) The number of programs terminated.

(6) The number of programs with reduced support.

(7) The funding provided for those programs for each of the four services for each of fiscal years 1994 through 1998 and the amount projected to be provided for those programs for fiscal year 1999 and, if the amount provided for any of those programs for any such year is less that the amount

needed to fully fund for that program for that year, an explanation of the reasons for the shortfall.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

SEC. 1101. AUTHORITY FOR RELEASE TO COAST GUARD OF DRUG TEST RESULTS OF CIVIL SERVICE MARINERS OF THE MILITARY SEALIFT COMMAND.

(a) IN GENERAL.—Chapter 643 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7479. Civil service mariners of Military Sealift Command: release of drug test results to Coast Guard

''(a) RELEASE OF DRUG TEST RESULTS TO COAST GUARD.—The Secretary of the Navy may release to the Commandant of the Coast Guard the results of a drug test of any employee of the Department of the Navy who is employed in any capacity on board a vessel of the Military Sealift Command. Any such release shall be in accordance with the standards and procedures applicable to the disclosure and reporting to the Coast Guard of drug tests results and drug test records of individuals employed on vessels documented under the laws of the United States.

"(b) WAIVER.—The results of a drug test of an employee may be released under subsection (a) without the prior written consent of the employee that is otherwise required under section 503(e) of the Supplemental Appropriations Act, 1987 (5 U.S.C. 7301 note).".

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

"7479. Civil service mariners of Military Sealift Command: release of drug test results to Coast Guard.".

SEC. 1102. LIMITATIONS ON BACK PAY AWARDS.

(a) In General.—Section 5596(b) of title 5, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) The pay, allowances, or differentials granted under this section for the period for which an unjustified or unwarranted personnel action was in effect shall not exceed that authorized by the applicable law, rule, regulations, or collective bargaining agreement under which the unjustified or unwarranted personnel action is found, except that in no case may pay, allowances, or differentials be granted under this section for a period beginning more than 6 years before the date of the filing of a timely appeal

or, absent such filing, the date of the administrative determination.''.

(b) CONFORMING AMENDMENT.—Section 7121 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(h) Settlements and awards under this chapter shall be subject to the limitations in section 5596(b)(4) of this title.''.

SEC. 1103. RESTORATION OF ANNUAL LEAVE ACCUMULATED BY CIVILIAN EMPLOYEES AT INSTALLATIONS IN THE REPUBLIC OF PANAMA TO BE CLOSED PURSUANT TO THE PANAMA CANAL TREATY OF 1977.

Section 6304(d)(3)(A) of title 5, United States Code, is amended by inserting ''the closure of an installation of the Department of Defense in the Republic of Panama in accordance with the Panama Canal Treaty of 1977,'' after ''2687 note) during any period,''.

SEC. 1104. REPEAL OF PROGRAM PROVIDING PREFERENCE FOR EMPLOYMENT OF MILITARY SPOUSES IN MILITARY CHILD CARE FACILITIES.

Section 1792 of title 10, United States Code, is amended—

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

(2) by redesignating subsection (e) as subsection (d).

SEC. 1105. ELIMINATION OF RETAINED PAY AS BASIS FOR DETERMINING LOCALITY-BASED ADJUSTMENTS.

Section 5302(8)(B) of title 5, United States Code, is amended by inserting ''(except a rate retained under subsection (a)(2) of that section)'' after ''section 5363''.

SEC. 1106. OBSERVANCE OF CERTAIN HOLIDAYS AT DUTY POSTS OUTSIDE THE UNITED STATES.

Section 6103(b) of title 5, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

''(3) Instead of a holiday that is designated under subsection (a) to occur on a Monday, for an employee at a duty post outside the United States whose basic workweek is other than Monday through Friday, and for whom Monday is a regularly scheduled workday, the legal public holiday is the first workday of the workweek in which the Monday designated for the observance of such holiday under subsection (a) occurs.''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

SEC. 1201. LIMITATION ON FUNDS FOR PEACEKEEPING IN THE REPUBLIC OF BOSNIA AND HERZEGOVINA.

(a) LIMITATION.—The Secretary of Defense may not expend from funds appropriated to the Department of Defense for fiscal year 1999 more than $1,858,600,000 for the purpose of providing for United States participation in Bosnia peacekeeping operations.

(b) EMERGENCY EXCEPTION.—The Secretary may increase the amount under subsection (a) by not more than $100,000,000 for the sole purpose of safeguarding United States forces in the event of hostilities, imminent hostilities, or other grave danger to their well-being. Such an increase may become effective only upon submission by the Secretary to Congress of a certification that such grave danger exists and that such additional funds are required to meet immediate security threats.

(c) REPORT.—Not later than April 1, 1999, the Secretary of Defense shall submit to Congress a report with respect to United States participation in Bosnia peacekeeping operations. The report shall provide a detailed projection of any additional funding that will be required by the Department of Defense to meet mission require-

ments for such operations for the remainder of fiscal year 1999.

(d) PRESIDENTIAL AUTHORITY.—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.

(e) BOSNIA PEACEKEEPING OPERATIONS.—For purposes of subsection (a), the term ''Bosnia peacekeeping operations'' means the operation designated as Operation Joint Force, the operation designated as Operation Joint Endeavor, and any other operation under which United States military forces participate in peacekeeping or peace enforcement activities in the Republic of Bosnia and Herzegovina and any activity that is directly related to the support of any such operation.

SEC. 1202. REPORTS ON THE MISSION OF UNITED STATES FORCES IN REPUBLIC OF BOSNIA AND HERZEGOVINA.

(a) FINDINGS.—Congress finds the following:

(1) In section 1202(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1929; approved November 18, 1997), it was stated to be the sense of the Congress that United States ground combat forces should not

participate in a follow-on force in the Republic of Bosnia and Herzegovina after June 1998.

(2) On December 16, 1997, the President announced his support for the continued deployment of United States ground combat forces in the Republic of Bosnia and Herzegovina after June 30, 1998, as part of a multinational peacekeeping force led by the North Atlantic Treaty Organization (NATO).

(3) The President's decision to extend the presence of United States ground combat forces in the Republic of Bosnia and Herzegovina has changed the mission of those forces in a fundamental manner.

(4) The President has in effect committed United States ground combat forces in the Republic of Bosnia and Herzegovina to providing a secure environment for complete implementation of the civilian provisions of the Dayton Accords.

(5) The Administration has not specified how long such an achievement will take and, therefore, the mission of United States ground combat forces in the Republic of Bosnia and Herzegovina is of indefinite duration.

(b) ANNUAL PRESIDENTIAL REPORT.—(1) The President shall submit to Congress an annual report on

the presence of United States ground combat forces in the Republic of Bosnia and Herzegovina. Each such report shall include the following:

(A) The President's assessment of progress toward the full implementation of the civilian goals of the Dayton Accord, as specified in subsection (c).

(B) The expected duration of the deployment of United States ground combat forces in the Republic of Bosnia and Herzegovina in support of implementation of those goals.

(C) The percentage of those goals that have been completed as of the date of the report, the percentage that are expected to be completed within the next reporting period, and the expected time for completion of the remaining tasks.

(2) The first report under this subsection shall be submitted not later than 90 days after the date of the enactment of this Act, and subsequent reports shall be submitted at yearly intervals thereafter. The requirement to submit an annual report under this subsection terminates upon the withdrawal of all United States ground combat forces from the Republic of Bosnia and Herzegovina.

(c) BASIS FOR ASSESSMENT OF PROGRESS.—For purposes of subsection (b)(1)(A), the President shall as-

sess whether progress is being made toward implementation of the civilian goals of the Dayton Accords based upon assessment of the following goals and associated matters:

(1) Accomplishment of military stability, as measured by—

(A) the maintenance of the cease-fire between the former warring parties;

(B) the continued cantonment of heavy weapons and the observance of arms limitations;

(C) the disbanding of special police;

(D) the termination of covert support to the Srpska Demokratska Stranka party by the Federal Republic of Yugoslavia; and

(E) similar measures.

(2) Police and judicial reform, as measured by—

(A) the restructuring and ethnic integration of local police;

(B) completion of human rights training by local police forces;

(C) the demonstrated ability of local police to deal effectively and impartially with civil disturbances and disorder;

(D) the implementation of an effective judicial reform program; and

(E) similar measures.

(3) Creation and implementation of effective national institutions untainted by ethnic separatism, as measured by—

(A) the dissolution of previously outlawed institutions;

(B) a functioning customs service with national control over customs revenues;

(C) transparency in national budgets and disbursements; and

(D) similar measures.

(4) Media reform, as measured by—

(A) the divestiture of control of broadcast networks from the control of political parties;

(B) opposition party access to media;

(C) the availability of alternative and independent media throughout the Republic of Bosnia and Herzegovina; and

(D) similar measures.

(5) Democratization and reform of the electoral process, as measured by—

(A) transparent functioning of local, entity, and national governments;

(B) acceptance of binding arbitration for the implementation of results in contested local elections;

(C) modification of electoral laws to meet international and Organization for Security and Cooperation in Europe (OSCE) standards;

(D) the free and fair conduct of the September 1998 national elections and subsequent elections; and

(E) similar measures.

(6) Return of refugees, as measured by—

(A) compliance of entity property laws with the Dayton Accords;

(B) participation by entity governments in orderly cross-ethnic returns;

(C) protection by local police of returnees;

(D) acceptance of substantial numbers of returned refugees in major cities; and

(E) similar measures.

(7) Resolution of the status of Brcko, as measured by—

(A) the implementation of local election results;

(B) the functioning of an ethnically integrated police force;

(C) ethnic reintegration of Brcko and the surrounding region; and

(D) similar measures.

(8) Compliance of persons indicted for war crimes by the International Tribunal for the Former Yugoslavia, as measured by—

(A) the termination of political, military, and media control by war criminals;

(B) the assistance of local authorities in apprehension of indictees;

(C) the cooperation of entity justice establishments in cooperating with the Tribunal; and

(D) similar measures.

(9) The ability of international organizations to carry out their functions within the Republic of Bosnia and Herzegovina without military support, as measured by—

(A) the ability of local authorities to carry out demining programs;

(B) the ability of the Office of the High Representative to enforce inter-entity agreements without accompanying military shows of force; and

(C) similar measures.

(10) Economic reconstruction and recovery, as measured by—

(A) local currency circulating freely and its use in official transactions;

(B) an agreement reached on a permanent national currency in use in all entities;

(C) the creation of privatization laws consistent with the Dayton Accords;

(D) government control over sources of revenue;

(E) substantial repair and functioning of major infrastructure elements;

(F) an in-place International Monetary Fund program; and

(G) similar measures.

(d) SECRETARY OF DEFENSE REPORT.—(1) Not later than December 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the effects of military operations in the Republic of Bosnia and Herzegovina and the Balkans region on the capabilities of United States military forces and, in particular, on the capability of United States military forces to conduct successfully two nearly simultaneous major theater wars as specified in current Defense Planning Guidance and in accordance with the deployment timelines

called for in the war plans of the commanders of unified combatant commands.

(2) Whenever the number of United States ground combat forces in the Republic of Bosnia and Herzegovina increases or decreases by 10 percent or more compared to the number of such forces as of the most recent previous report under this subsection, the Secretary shall submit an additional report as specified in paragraph (1). Any such additional report shall be submitted within 30 days of the date on which the requirement to submit the report becomes effective under the preceding sentence.

(3) The Secretary shall include in each report under this subsection information with respect to the effects of military operations in the Republic of Bosnia and Herzegovina and the Balkans region on the capabilities of United States military forces to conduct successfully two nearly simultaneous major theater wars as specified in current Defense Planning Guidance and in accordance with the deployment timelines called for in the war plans of the commanders of unified combatant commands. Such information shall include information on the effects of those operations upon anticipated deployment plans for major theater wars in Southwest Asia or on the Korean peninsula including the following:

(A) Deficiencies or delays in deployment of strategic lift, logistics support and infrastructure, ammunition (including precision guided munitions) support forces, intelligence assets, follow-on forces used for planned counteroffensives, and similar forces.

(B) Additional planned reserve component mobilization, including specific units to be ordered to active duty and required dates for activation of presidential call-up authority.

(C) Specific plans and timelines for redeployment of United States forces from the Republic of Bosnia and Herzegovina, the Balkans region, or supporting forces in the region, to both the first and second major theater war.

(D) Preventative actions or deployments involving United States forces in the Republic of Bosnia and Herzegovina and the Balkans region that would be taken in the event of a single theater war to deter the outbreak of a second theater war.

(E) Specific plans and timelines to replace forces deployed to the Republic of Bosnia and Herzegovina, the Balkans region, or the surrounding region to maintain United States military presence.

(F) An assessment, undertaken in consultation with the Chairman of the Joint Chiefs of Staff and the commanders of the unified combatant commands, of the level of increased risk to successful conduct of the major theater wars and the maintenance of security and stability in the Republic of Bosnia and Herzegovina and the Balkans region, by the requirement to redeploy forces from Bosnia and the Balkans in the event of a major theater war.

(e) DEFINITION OF DAYTON ACCORDS.—For purposes of this section, the term ''Dayton Accords'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, initialed by the parties in Dayton, Ohio, on November 21, 1995, and signed in Paris on December 14, 1995.

SEC. 1203. REPORT ON MILITARY CAPABILITIES OF AN EXPANDED NATO ALLIANCE.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the planned future military capabilities of the North Atlantic Treaty Organization (NATO) in light of the proposed inclusion of Poland, the Czech Republic, and Hungary in the NATO alliance. The report shall set forth—

(1) the tactical, operational, and strategic issues that would be raised by the inclusion of Po-

land, the Czech Republic, and Hungary in the NATO alliance;

(2) the required improvements to common alliance military assets that would result from the inclusion of those nations in the alliance;

(3) the planned improvements to national capabilities of current NATO members that would be required by reason of the inclusion of those nations in the alliance;

(4) the planned improvements to national capabilities of the military forces of those candidate member nations; and

(5) the additional requirements that would be imposed on the United States by NATO expansion.

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

(1) An assessment of the tactical and operational capabilities of the military forces of each of the candidate member nations.

(2) An assessment of the capability of each candidate member nation to provide logistical, command and control, and other vital infrastructure required for alliance defense (as specified in Article V of the NATO Charter), including a description in general terms of alliance plans for reinforcing each can-

didate member nation during a crisis or war and detailing means for deploying both United States and other NATO forces from current member states and from the continental United States or other United States bases worldwide and, in particular, describing plans for ground reinforcement of Hungary.

(3) An assessment of the ability of current and candidate alliance members to deploy and sustain combat forces in alliance defense missions conducted in the territory of any of the candidate member nations, as specified in Article V of the NATO Charter.

(4) A description of projected defense programs through 2009 (shown on an annual basis and cumulatively) of each current and candidate alliance member nation, including planned investments in capabilities relevant to Article V alliance defense and potential alliance contingency operations and showing both planned national efforts as well as planned alliance common efforts and describing any disparities in investments by current or candidate alliance member nations.

(5) A detailed comparison and description of any disparities in scope, methodology, assessments of common alliance or national responsibilities, or

any other factor related to alliance capabilities between (A) the report on alliance expansion costs prepared by the Department of Defense (in the report submitted to Congress in February 1998 entitled ''Report to the Congress on the Military Requirements and Costs of NATO Enlargement''), and (B) the report on alliance expansion costs prepared by NATO collectively and referred to as the ''NATO estimate'', issued at Brussels in November 1997.

(6) Any other factor that, in the judgment of the Secretary of Defense, bears upon the strategic, operational, or tactical military capabilities of an expanded NATO alliance.

(c) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than March 15, 1999.

SEC. 1204. ONE-YEAR EXTENSION OF COUNTER-PROLIFERATION AUTHORITIES FOR SUPPORT OF UNITED NATIONS SPECIAL COMMISSION ON IRAQ.

(a) AMOUNT AUTHORIZED FOR FISCAL YEAR 1999.—The total amount of assistance for fiscal year 1999 provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) that is provided in the form of funds, including funds used for activities of the Depart-

ment of Defense in support of the United Nations Special Commission on Iraq, may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking out ''1998'' and inserting in lieu thereof ''1999''.

SEC. 1205. REPEAL OF LANDMINE MORATORIUM.

Section 580 of the Foreign Operations Appropriations Act, 1996 (Public Law 104–107; 110 Sat 751), is repealed.

SEC. 1206. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) United States business interests must not be placed above United States national security interests;

(2) at the Presidential summit meeting to be held in the People's Republic of China in June of 1998, the United States should not—

(A) support membership of the People's Republic of China in the Missile Technology Control Regime;

(B) agree to issue any blanket waiver of the suspensions contained in section 902 of the Foreign Relations Authorization Act, Fiscal

Years 1990 and 1991 (Public Law 101-246), regarding the export of satellites of United States origin intended for launch from a launch vehicle owned by the People's Republic of China;

(C) agree to increase the number of launches of satellites to geosynchronous orbit by the People's Republic of China above the number contained in Article II(B)(ii) of the 1995 Memorandum of Agreement Between the Government of the United States of America and the Government of the People's Republic of China Regarding International Trade in Commercial Launch Services;

(D) support any cooperative project with the People's Republic of China to design or manufacture satellites;

(E) enter into any new scientific, technical, or other agreements, or amend any existing scientific, technical, or other agreements, with the People's Republic of China involving space or missile-related technology;

(F) agree to any arms control initiative that cannot be effectively verified, including any

initiative relating to detargeting of strategic offensive missiles; or

(G) support any increase in the number or frequency of military-to-military contacts between the United States and the People's Republic of China;

(3) the decision of the executive branch in 1998 to issue a waiver allowing the export of satellite technology to the People's Republic of China was not in the national interest of the United States, given the ongoing criminal investigation by the Justice Department of the transfer in 1996 of satellite technology to that country;

(4) the executive branch should ensure that United States law regarding the export of satellites to the Peoples Republic of China is enforced and that the criminal investigation described in paragraph (3) proceeds with all due dispatch; and

(5) the President should indefinitely suspend the export of satellites of United States origin to the People's Republic of China, including those satellites licensed in February 1998 as part of the Chinasat-8 program.

SEC. 1207. INVESTIGATIONS OF SATELLITE LAUNCH FAILURES.

(a) PARTICIPATION IN INVESTIGATIONS.—In the event of the failure of a launch from the People's Republic of China of a satellite of United States origin, no United States person may participate in any subsequent investigation of the failure.

(b) DEFINITION.—As used in this section, the term ''United States person'' has the meaning given that term in section 16 of the Export Administration Act of 1979, and includes any officer or employee of the Federal Government or of any other government.

SEC. 1208. PROHIBITION ON EXPORTS OF MISSILE EQUIPMENT AND TECHNOLOGY TO CHINA.

No missile equipment or technology (as defined in section 74 of the Arms Export Control Act (22 U.S.C. 2797c)) may be exported to the People's Republic of China.

SEC. 1209. PROHIBITION ON EXPORTS AND REEXPORTS OF SATELLITES TO CHINA.

(a) IN GENERAL.—No satellites of United States origin (including commercial satellites and satellite components) may be exported or reexported to the People's Republic of China.

(b) PROHIBITION WITH RESPECT TO INFORMATION, EQUIPMENT, AND TECHNOLOGY.—No information, equip-

ment, or technology that could be used in the acquisition, design, development (including codevelopment), or production (including coproduction) of any satellite or launch vehicle may be exported or reexported to the People's Republic of China.

(c) APPLICABILITY.—Subsections (a) and (b) apply to any satellite, information, equipment, or technology that as of the date of the enactment of this Act has not been exported or reexported to the People's Republic of China, whether or not an export license for such export or reexport has been approved as of such date.

SEC. 1210. PROHIBITION ON RESTRICTION OF ARMED FORCES UNDER KYOTO PROTOCOL TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE.

(a) IN GENERAL.—Notwithstanding any other provision of law, no provision of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or any regulation issued pursuant to such protocol, shall restrict the procurement, training, or operation and maintenance of the United States Armed Forces.

(b) WAIVER.—A provision of law may not be construed as modifying or superseding the provisions of subsection (a) unless that provision of law—

(1) specifically refers to this section; and

(2) specifically states that such provision of law modifies or supersedes the provisions of this section.

SEC. 1211. 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 1999 through 2011.

(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 expended for the costs of such expansion until that percentage is reduced to below 10 percent.

SEC. 1212. COMMODITY JURISDICTION FOR SATELLITE EXPORTS.

(a) CONTROL ON MUNITIONS LIST.—All satellites of United States origin, including commercial satellites and satellite components, shall be placed on the United States Munitions List, and the export of such satellites shall be controlled under the Arms Export Control Act, effective 60 days after the date of the enactment of this Act.

(b) REGULATIONS.—Regulations to carry out subsection (a) shall be issued within 60 days after the date of the enactment of this Act.

SEC. 1213. RELEASE OF EXPORT INFORMATION HELD BY THE DEPARTMENT OF COMMERCE FOR PURPOSE OF NATIONAL SECURITY ASSESSMENTS.

(a) RELEASE OF EXPORT INFORMATION.—The Secretary of Commerce shall transmit any information relating to exports that is held by the Department of Commerce and is requested by the officials designated in subsection (b) for the purpose of assessing national security risks. The Secretary of Commerce shall transmit such information within 5 days after receiving a written request for such information. Information referred to in this section includes—

(1) export licenses, and information on exports that were carried out under an export license issued by the Department of Commerce; and

(2) information collected by the Department of Commerce on exports from the United States that were carried out without an export license.

(b) REQUESTING OFFICIALS.—The officials referred to in subsection (a) are the Director of Central Intelligence, the Secretary of Defense, and the Secretary of Energy. The Director of Central Intelligence, the Secretary

of Defense, and the Secretary of Energy may delegate to other officials within their respective agency and departments the authority to request information under subsection (b).

SEC. 1214. EXECUTION OF OBJECTION AUTHORITY WITHIN THE DEPARTMENT OF DEFENSE.

Section 1211 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1932) is amended by adding at the end the following new subsection:

''(g) DELEGATION OF OBJECTION AUTHORITY WITHIN THE DEPARTMENT OF DEFENSE.—For the purposes of the Department of Defense, the authority to issue an objection referred to in subsection (a) shall be executed for the Secretary of Defense by an individual at the Assistant Secretary level within the office of the Under Secretary of Defense for Policy. In implementing subsection (a), the Secretary of Defense shall ensure that Department of Defense procedures maximize the ability of the Department of Defense to be able to issue an objection within the 10–day period specified in subsection (c).''.

SEC. 1215. TRANSFER OF EXCESS UH-1 HUEY HELICOPTERS AND AH-1 COBRA HELICOPTERS TO FOREIGN COUNTRIES.

(a) IN GENERAL.—(1) Chapter 153 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2581. Transfer of excess UH-1 Huey helicopters and AH-1 Cobra helicopters to foreign countries

"(a) REQUIREMENTS.—The Secretary of Defense shall make all reasonable efforts to ensure that any excess UH-1 Huey helicopter or AH-1 Cobra helicopter that is to be transferred on a grant or sales basis to a foreign country for the purpose of flight operations for such country shall meet the following requirements:

"(1) Prior to such transfer, the helicopter receives, to the extent necessary, maintenance and repair equivalent to the depot-level maintenance and repair, as defined in section 2460 of this title, that such helicopter would need were the helicopter to remain in operational use with the armed forces of the United States.

"(2) Maintenance and repair described in paragraph (1) is performed in the United States.

"(b) EXCEPTION.—The requirements of subsection (a) shall not apply with respect to salvage helicopters pro-

vided to the foreign country solely as a source for spare parts.''.

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

''2581. Transfer of excess UH-1 Huey helicopters and AH-1 Cobra helicopters to foreign countries.''.

(b) EFFECTIVE DATE.—Section 2581 of title 10, United States Code, as added by subsection (a), shall apply with respect to the transfer of a UH-1 Huey helicopter or AH-1 Cobra helicopter on or after the date of the enactment of this Act.

SEC. 1216. NUCLEAR EXPORT REPORTING REQUIREMENT.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 11-NUCLEAR EXPORT REPORTING

''SEC. 111. REPORTS ON EXPORTS.

''(a) ACTIONS REQUIRING REPORTING.—Unless and until the conditions set forth in subsection (b) are met—

''(1) no license may be issued for the export of—

''(A) any production facility or utilization facility;

"(B) any source material or special nuclear material; or

"(C) any component, substance, or item that has been determined under section 109b. of the Atomic Energy Act of 1954 to be especially relevant from the standpoint of export control because of its significance for nuclear explosive purposes;

"(2) the United States shall not approve the retransfer of any facility, material, item, technical data, component, or substance described in paragraph (1); and

"(3) no authorization may be given under section 57b.(2) of the Atomic Energy Act of 1954 for any person to engage, directly or indirectly, in the production of special nuclear material.

"(b) CONDITIONS.—

"(1) IN GENERAL.—The conditions referred to in subsection (a) are the following:

"(A) Before the export, retransfer, or activity is approved, the appropriate agency shall transmit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing such export, retransfer, or

activity and the basis for any proposed approval thereof, and, in the case of an authorization described in subsection (a)(3), the appropriate agency shall transmit to the Committee on Commerce of the House of Representatives a report describing the activity for which authorization is sought and the basis for any proposed approval thereof. Each report under this subparagraph report shall contain—

"(i) a detailed description of the proposed export, retransfer, or activity, as the case may be, including a brief description of the quantity, value, and capabilities of the export, retransfer, or activity;

"(ii) the name of each contractor expected to provide the proposed export, retransfer, or activity;

"(iii) an estimate of the number of officers and employees of the United States Government and of United States civilian contract personnel expected to be needed in the recipient country to carry out the proposed export, retransfer, or activity; and

"(iv) a description, including estimated value, from each contractor described in clause (ii) of any offset agreements proposed to be entered into in connection with such proposed export, retransfer, or activity (if known on the date of transmittal of the report), and the projected delivery dates and end user of the proposed export, retransfer, or activity; and

"(v) the extent to which the recipient country is in compliance with the conditions specified in paragraph (2) of section 129 of the Atomic Energy Act of 1954.

The report transmitted under this subparagraph shall be unclassified, unless the public disclosure thereof would be clearly detrimental to the security of the United States.

"(B) Unless the President determines that an emergency exists which requires immediate approval of the proposed export, retransfer, or activity in the national security interests of the United States, no such approval shall be given until at least 30 calendar days after Congress receives the report described in subparagraph (A), and shall not be ap-

proved then if Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export, retransfer, or activity. If the President determines that an emergency exists that requires immediate approval of the proposed export, retransfer, or activity in the national security interests of the United States, thus waiving the requirements of this paragraph, he shall submit in writing to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a detailed justification for his determination, including a description of the emergency circumstances that necessitate the immediate approval of the export, retransfer, or activity, and a discussion of the national security interests involved.

"(2) CONSIDERATION OF JOINT RESOLUTIONS IN THE SENATE.—Any joint resolution under paragraph (1)(B) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(c) PUBLICATION OF UNCLASSIFIED TEXT OF REPORTS.—The appropriate agency shall cause to be published in the Federal Register, upon transmittal to the Committee on International Relations of the House of

Representatives and the Committee on Foreign Relations of the Senate, the full unclassified text of each report submitted pursuant to subsection (b)(1)(A).

"(d) EXCEPTIONS.—The requirements of this section shall not apply to—

"(1) any export, retransfer, or activity for which a general license or general authorization is granted by the appropriate agency; or

"(2) any export or retransfer to, or activity in, a country that is a member of the Organization for Economic Cooperation and Development.

"(e) DEFINITIONS.—As used in this section, the terms 'production facility', 'utilization facility', 'source material', and 'special nuclear material', have the meanings given those terms in section 11 of the Atomic Energy Act of 1954.".

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs

specified in subsection (b) of section 406 of title 10, United States Code (as added by section 1305).

(b) FISCAL YEAR 1999 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 1999 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

SEC. 1302. FUNDING ALLOCATIONS.

(a) IN GENERAL.—Of the fiscal year 1999 Cooperative Threat Reduction funds, not more than the following amounts may be obligated for the purposes specified:

(1) Except as provided in paragraph (11), for strategic offensive arms elimination in Russia, $142,400,000.

(2) Except as provided in paragraph (11), for strategic nuclear arms elimination in Ukraine, $47,500,000.

(3) For activities to support warhead dismantlement processing in Russia, $9,400,000.

(4) For activities associated with chemical weapons destruction in Russia, $35,000,000.

(5) For weapons transportation security in Russia, $10,300,000.

(6) For planning, design, and construction of a storage facility for Russian fissile material, $60,900,000.

(7) For weapons storage security in Russia, $41,700,000.

(8) For development of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $29,800,000.

(9) For biological weapons proliferation prevention activities in Russia, $2,000,000.

(10) For activities designated as Other Assessments/Administrative Support $7,000,000.

(11) For strategic arms elimination in Russia or Ukraine, $31,400,000.

(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 paragraphs (2) and (3), 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. 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.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts appropriated for the purposes stated in any of paragraphs (3) through (10) of subsection (a) in excess of 115 percent of the amount stated in those paragraphs.

SEC. 1303. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 1999 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.

(5) Programs other than the programs specified in subsection (b) of section 406 of title 10, United States Code (as added by section 1305).

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this 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. 1304. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION FACILITY.

No fiscal year 1999 Cooperative Threat Reduction funds authorized to be obligated in section 1302(a)(4) for activities associated with chemical weapons destruction in Russia, and no funds appropriated for Cooperative Threat Reduction programs for any prior fiscal year and remaining available for obligation, may be used for construction of a chemical weapons destruction facility.

SEC. 1305. 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 2 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 of mass destruction 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 of mass destruction, components, and technology and expertise related to such weapons.

"(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.—The limitation described in section 406 of title 10, United States Code, as added by subsection (a), shall apply with respect to fiscal years beginning with fiscal year 1999.

SEC. 1306. REQUIREMENT TO SUBMIT BREAKDOWN OF AMOUNTS REQUESTED BY PROJECT CATEGORY.

The Secretary of Defense shall submit to Congress on an annual basis, not later than 30 days after the date that the President submits to Congress the budget of the United States Government for the following fiscal year—

(1) a breakdown, with respect to the appropriations requested for Cooperative Threat Reduction programs for the fiscal year after the fiscal year in which the breakdown is submitted, of the amounts requested for each project category under each Cooperative Threat Reduction program element; and

(2) a breakdown, with respect to appropriations for Cooperative Threat Reduction programs for the fiscal year in which the breakdown is submitted, of the amounts obligated or expended, or planned to be obligated or expended, for each project category under each Cooperative Threat Reduction program element.

SEC. 1307. LIMITATION ON USE OF FUNDS UNTIL COMPLETION OF FISCAL YEAR 1998 REQUIREMENTS.

(a) USE OF FUNDS FOR PROGRAMS RELATED TO START II TREATY.—No fiscal year 1999 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(f) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948)) until 30 days after the date on which the Secretary of Defense submits to Congress the certification described in section 1404 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1960).

(b) USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION FACILITY.—No fiscal year 1999 Cooperative Threat Reduction funds may be obligated or expended for activities relating to a chemical weapons destruction facil-

ity until 15 days after the date that is the later of the dates described in section 1405 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1960).

(c) USE OF FUNDS FOR DESTRUCTION OF CHEMICAL WEAPONS.—No funds authorized to be appropriated under this or any other Act for fiscal year 1999 for Cooperative Threat Reduction programs may be obligated or expended for chemical weapons destruction activities until the President submits to Congress the written certification described in section 1406(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1961).

(d) USE OF FUNDS FOR STORAGE FACILITY FOR RUSSIAN FISSILE MATERIAL.—No fiscal year 1999 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 dates described in section 1407 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1962).

(e) USE OF FUNDS FOR WEAPONS STORAGE SECURITY.—No fiscal year 1999 Cooperative Threat Reduction funds intended for weapons storage security activities in Russia may be obligated or expended until 15 days after

the date that the Secretary of Defense submits to Congress the report on the status of negotiations between the United States and Russia described in section 1408 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1962).

SEC. 1308. REPORT ON BIOLOGICAL WEAPONS PROGRAMS IN RUSSIA.

(a) REPORT.—Not later than December 31, 1998, the Secretary of Defense shall submit to the congressional defense committees a report, in classified and unclassified forms, containing—

(1) an assessment of the extent of compliance by Russia with international agreements relating to the control of biological weapons; and

(2) a detailed evaluation of the potential political and military costs and benefits of collaborative biological pathogen research efforts by the United States and Russia.

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

(1) An evaluation of the extent of the control and oversight by the Government of Russia over the military and civilian-military biological warfare programs formerly controlled or overseen by states of the former Soviet Union.

(2) The extent and scope of continued biological warfare research, development, testing, and production in Russia, including the sites where such activity is occurring and the types of activity being conducted.

(3) An assessment of compliance by Russia with the terms of the Biological Weapons Convention.

(4) An identification and assessment of the measures taken by Russia to comply with the obligations assumed under the Joint Statement on Biological Weapons, agreed to by the United States, the United Kingdom, and Russia on September 14, 1992.

(5) A description of the extent to which Russia has permitted individuals from the United States or other countries to visit military and nonmilitary biological research, development, testing, and production sites in order to resolve ambiguities regarding activities at such sites.

(6) A description of the information provided by Russia about its biological weapons dismantlement efforts to date.

(7) An assessment of the accuracy and comprehensiveness of declarations by Russia regarding its biological weapons activities.

(8) An identification of collaborative biological research projects carried out by the United States and Russia for which Cooperative Threat Reduction funds have been used.

(9) An evaluation of the political and military utility of prior, existing, and prospective cooperative biological pathogen research programs carried out between the United States and Russia, and an assessment of the impact of such programs on increasing Russian military transparency with respect to biological weapons activities.

(10) An assessment of the political and military utility of the long-term collaborative program advocated by the National Academy of Sciences in its October 27, 1997 report, ''Controlling Dangerous Pathogens: A Blueprint for U.S.-Russian Cooperation''.

SEC. 1309. LIMITATION ON USE OF FUNDS FOR BIOLOGICAL WEAPONS PROLIFERATION PREVENTION ACTIVITIES IN RUSSIA.

No fiscal year 1999 Cooperative Threat Reduction funds may be obligated or expended for biological weapons

proliferation prevention activities in Russia 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 a certification that no Cooperative Threat Reduction funds provided for cooperative research activities at biological research institutes in Russia have been used—

(A) to support activities that have resulted in the development of a new strain of anthrax; or

(B) for any purpose inconsistent with the objectives of providing such assistance.

(2) The date on which the Secretary submits to the congressional defense committees notification that the United States has examined and tested the new strain of anthrax reportedly developed at the State Research Center for Applied Microbiology in Obolensk, Russia.

SEC. 1310. LIMITATION ON USE OF CERTAIN FUNDS FOR STRATEGIC ARMS ELIMINATION IN RUSSIA OR UKRAINE.

No fiscal year 1999 Cooperative Threat Reduction funds authorized to be obligated in section 1302(a)(11) for strategic arms elimination in Russia or Ukraine may be obligated or expended until 30 days after the date that

the Secretary of Defense submits to the congressional defense committees notification on how the Secretary plans to use such funds.

SEC. 1311. 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 XIV—DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

SEC. 1401. SHORT TITLE.

This title may be cited as the ''Defense Against Weapons of Mass Destruction Act of 1998''.

SEC. 1402. FINDINGS.

The Congress finds the following:

(1) Many nations currently possess weapons of mass destruction and related materials and technologies, and such weapons are increasingly available to a variety of sources through legitimate and illegitimate means.

(2) The proliferation of weapons of mass destruction is growing, and will likely continue despite the best efforts of the international community to limit their flow.

(3) The increased availability, relative affordability, and ease of use of weapons of mass destruction may make the use of such weapons an increasingly attractive option to potential adversaries who are not otherwise capable of countering United States military superiority.

(4) On November 12, 1997, President Clinton issued an Executive Order stating that ''the proliferation of nuclear, biological, and chemical weapons (''weapons of mass destruction'') and the means of delivering such weapons constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States'' and declaring a national emergency to deal with that threat.

(5) The Quadrennial Defense Review concluded that the threat or use of weapons of mass destruction is a likely condition of future warfare and poses a potential threat to the United States.

(6) The United States lacks adequate preparedness at the Federal, State, and local levels to respond to a potential attack on the United States involving weapons of mass destruction.

(7) The United States has initiated an effort to enhance the capability of Federal, State, and local

governments as well as local emergency response personnel to prevent and respond to a domestic terrorist incident involving weapons of mass destruction.

(8) More than 40 Federal departments, agencies, and bureaus are involved in combating terrorism, and many, including the Department of Defense, the Department of Justice, the Department of Energy, the Department of Health and Human Services, and the Federal Emergency Management Agency, are executing programs to provide civilian personnel at the Federal, State, and local levels with training and assistance to prevent and respond to incidents involving weapons of mass destruction.

(9) The Department of Energy has established a Nuclear Emergency Response Team which is available to respond to incidents involving nuclear or radiological emergencies.

(10) The Department of Defense has begun to implement a program to train local emergency responders in major cities throughout the United States to prevent and respond to incidents involving weapons of mass destruction.

(11) The Department of Justice has established a National Center for Domestic Preparedness at

Fort McClellan, Alabama, to conduct nuclear, biological, and chemical preparedness training for Federal, State, and local officials to enhance emergency response to incidents involving weapons of mass destruction.

(12) Despite these activities, Federal agency initiatives to enhance domestic preparedness to respond to an incident involving weapons of mass destruction are hampered by incomplete interagency coordination and overlapping jurisdiction of agency missions, for example:

(A) The Secretary of Defense has proposed the establishment of 10 Rapid Assessment and Initial Detection elements, composed of 22 National Guard personnel, to provide timely regional assistance to local emergency responders during an incident involving chemical or biological weapons of mass destruction. However, the precise working relationship between these National Guard elements, the Federal Emergency Management Agency regional offices, and State and local emergency response agencies has not yet been determined.

(B) The Federal Emergency Management Agency, the lead Federal agency for con-

sequence management in response to a terrorist incident involving weapons of mass destruction, has withdrawn from the role of chair of the Senior Interagency Coordination Group for domestic emergency preparedness, and a successor agency to chair the Senior Interagency Coordinator has not yet been determined.

(C) In order to ensure effective local response capabilities to incidents involving weapons of mass destruction, the Federal Government, in addition to providing training, must concurrently address the need for—

(i) compatible communications capabilities for all Federal, State, and local emergency responders, which often use different radio systems and operate on different radio frequencies;

(ii) adequate equipment necessary for response to an incident involving weapons of mass destruction, and a means to ensure that financially lacking localities have access to such equipment;

(iii) local and regional planning efforts to ensure the effective execution of emergency response in the event of an inci-

dent involving a weapon of mass destruction; and

(iv) increased planning and training to prepare for emergency response capabilities in port areas and littoral waters.

(D) The Congress is aware that Presidential Decision Directives relating to domestic emergency preparedness for response to terrorist incidents involving weapons of mass destruction are being considered, but agreement has not been reached within the executive branch.

Subtitle A—Domestic Preparedness

SEC. 1411. DOMESTIC PREPAREDNESS FOR RESPONSE TO THREATS OF TERRORIST USE OF WEAPONS OF MASS DESTRUCTION.

(a) ENHANCED RESPONSE CAPABILITY.—In light of the continuing potential for terrorist use of weapons of mass destruction against the United States and the need to develop a more fully coordinated response to that threat on the part of Federal, State, and local agencies, the President shall act to increase the effectiveness at the Federal, State, and local level of the domestic emergency preparedness program for response to terrorist incidents involving weapons of mass destruction by developing an integrated program that builds upon the program estab-

lished under title XIV of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2714).

(b) REPORT.—Not later than January 31, 1999, the President shall submit to Congress a report containing information on the actions taken at the Federal, State, and local level to develop an integrated program to prevent and respond to terrorist incidents involving weapons of mass destruction.

SEC. 1412. REPORT ON DOMESTIC EMERGENCY PREPAREDNESS.

Section 1051 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1889) is amended by adding at the end the following new subsection:

"(c) ANNEX ON DOMESTIC EMERGENCY PREPAREDNESS PROGRAM.—As part of the report submitted to Congress under subsection (b), the President shall include an annex which provides the following information on the domestic emergency preparedness program for response to terrorist incidents involving weapons of mass destruction (as established under title XIV and section 1411 of the National Defense Authorization Act for Fiscal Year 1999):

"(1) information on program responsibilities for each participating Federal department, agency, and bureau;

"(2) a summary of program activities performed during the preceding fiscal year for each participating Federal department, agency, and bureau;

"(3) a summary of program obligations and expenditures during the preceding fiscal year for each participating Federal department, agency, and bureau;

"(4) a summary of the program plan and budget for the current fiscal year for each participating Federal department, agency, and bureau;

"(5) the program budget request for the following fiscal year for each participating Federal department, agency, and bureau;

"(6) recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction that have been made by the Advisory Commission on Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (as established

under section 1421 of the National Defense Authorization Act for Fiscal Year 1999), and actions taken as a result of such recommendations; and

"(7) requirements regarding additional program measures and legislative authority for which congressional action may be recommended.".

SEC. 1413. PERFORMANCE OF THREAT AND RISK ASSESSMENTS.

(a) THREAT AND RISK ASSESSMENTS.—(1) Assistance to Federal, State, and local agencies provided under the program under section 1411 shall include the performance of assessments of the threat and risk of terrorist employment of weapons of mass destruction against cities and other local areas. Such assessments shall be used by Federal, State, and local agencies to determine the training and equipment requirements under this program and shall be performed as a collaborative effort with State and local agencies.

(2) The Department of Justice, as lead Federal agency for crisis management in response to terrorism involving weapons of mass destruction, shall, through the Federal Bureau of Investigation, conduct any threat and risk assessment performed under paragraph (1) in coordina-

tion with appropriate Federal, State, and local agencies, and shall develop procedures and guidance for conduct of the threat and risk assessment in consultation with officials from the intelligence community.

(3) The President shall identify and make available the funds necessary to carry out this section.

(b) PILOT TEST.—(1) Before prescribing final procedures and guidance for the performance of threat and risk assessments under this section, the Attorney General, through the Federal Bureau of Investigation may, in coordination with appropriate Federal, State, and local agencies, conduct a pilot test of any proposed method or model by which such assessments are to be performed.

(2) The pilot test shall be performed in cities or local areas selected by the Department of Justice, through the Federal Bureau of Investigation, in consultation with appropriate Federal, State, and local agencies.

(3) The pilot test shall be completed not later than 4 months after the date of the enactment of this Act.

Subtitle B—Advisory Commission to Assess Domestic Response Capabilities For Terrorism Involving Weapons of Mass Destruction

SEC. 1421. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the ''Advisory Commission on Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction'' (hereinafter referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of 15 members, appointed as follows:

(1) four members appointed by the Speaker of the House of Representatives;

(2) four members appointed by the majority leader of the Senate;

(3) two members appointed by the minority leader of the House of Representatives;

(4) two members appointed by the minority leader of the Senate;

(5) three members appointed by the President.

(c) QUALIFICATIONS.—Members shall be appointed from among individuals with knowledge and expertise in emergency response matters.

(d) DEADLINE FOR APPOINTMENTS.—Appointments shall be made not later than the date that is 30 days after the date of the enactment of this Act.

(e) INITIAL MEETING.—The Commission shall conduct its first meeting not later than the date that is 30 days after the date that appointments to the Commission have been made.

(f) CHAIRMAN.—A Chairman of the Commission shall be elected by a majority of the members.

SEC. 1422. DUTIES OF COMMISSION.

The Commission shall—

(1) assess Federal agency efforts to enhance domestic preparedness for incidents involving weapons of mass destruction;

(2) assess the progress of Federal training programs for local emergency responses to incidents involving weapons of mass destruction;

(3) assess deficiencies in training programs for responses to incidents involving weapons of mass destruction, including a review of unfunded communications, equipment, and planning and maritime region needs;

(4) recommend strategies for ensuring effective coordination with respect to Federal agency weapons of mass destruction response efforts, and for ensur-

ing fully effective local response capabilities for weapons of mass destruction incidents; and

(5) assess the appropriate role of State and local governments in funding effective local response capabilities.

SEC. 1423. REPORT.

Not later than the date that is 6 months after the date of the first meeting of the Commission, the Commission shall submit a report to the President and to Congress on its findings under section 1422 and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction.

SEC. 1424. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out this Act, hold such hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel member considers advisable.

(b) INFORMATION.—The Commission may secure directly from any department or agency of the United States information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this Act.

SEC. 1425. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of a majority of the members.

(b) QUORUM.—Eight members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(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 panel shall not be considered 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 by this Act.

SEC. 1426. 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 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.

(2) 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 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 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 pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 1427. 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 United States.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this title.

(c) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 1428. TERMINATION OF COMMISSION.

The Commission shall terminate not later than 60 days after the date that the Commission submits its report under section 1423.

SEC. 1429. 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 1999.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1999''.

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
Alabama	Anniston Army Depot	$3,550,000
	Fort Rucker	$4,300,000
	Redstone Arsenal	$1,550,000
California	Fort Irwin	$14,800,000
Georgia	Fort Benning	$28,600,000
Hawaii	Schofield Barracks	$67,500,000
Illinois	Rock Island Arsenal	$5,300,000
Indiana	Crane Army Ammunition Activity	$7,100,000
Kansas	Fort Riley	$3,600,000
Kentucky	Blue Grass Army Depot	$5,300,000
	Fort Campbell	$41,000,000
	Fort Knox	$23,000,000
Louisiana	Fort Polk	$8,300,000
Maryland	Fort Detrick	$3,550,000
Missouri	Fort Leonard Wood	$28,200,000
New Jersey	Fort Monmouth	$7,600,000
	Picatinny Arsenal	$8,400,000
New York	Fort Drum	$4,650,000
	United States Military Academy, West Point	$85,000,000
North Carolina	Fort Bragg	$95,900,000
Oklahoma	Fort Sill	$13,800,000
	McAlester Army Ammunition Plant	$10,800,000
Texas	Fort Bliss	$4,100,000
	Fort Hood	$32,500,000
	Fort Sam Houston	$21,800,000
Utah	Tooele Army Depot	$3,900,000
Virginia	National Ground Intelligence Center, Charlottesville	$46,200,000
	Fort Eustis	$36,531,000
Washington	Fort Lewis	$18,200,000
CONUS Classified	Classified Location	$4,600,000
	Total	$639,631,000

(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
Belgium	80th Area Support Group	$6,300,000
Germany	Schweinfurt	$18,000,000
	Wurzburg	$4,250,000
Korea	Camp Casey	$13,400,000
	Camp Castle	$18,226,000
	Camp Humphreys	$8,500,000
	Camp Stanley	$5,800,000

Army: Outside the United States—Continued

Country	Installation or location	Amount
Kwajalein	Kwajalein Atoll	$48,600,000
	Total	$123,076,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including 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
Alabama	Redstone Arsenal	118 Units	$14,000,000
Hawaii	Schofield Barracks	64 Units	$14,700,000
North Carolina	Fort Bragg	170 Units	$19,800,000
Texas	Fort Hood	154 Units	$21,600,000
Virginia	Fort Lee	80 Units	$13,000,000
		Total	$83,100,000

(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 $6,350,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $37,429,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,010,036,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $535,631,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $87,076,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $5,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $63,792,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $126,879,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,097,697,000.

(6) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $7,500,000.

(7) For the construction of the missile software engineering annex, phase II, Redstone Arsenal, Alabama, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1966), $13,600,000.

(8) For the construction of a disciplinary barracks, phase II, Fort Leavenworth, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $29,000,000.

(9) For the construction of the whole barracks complex renewal, Fort Sill, Oklahoma, authorized by

section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $20,500,000.

(10) For rail yard expansion at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $23,000,000.

(11) For the construction of an aerial gunnery range at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $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 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $16,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a multipurpose digital training range at Fort Knox, Kentucky);

(3) $15,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a railhead facility at Fort Hood, Texas);

(4) $73,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a cadet development center at the United States Military Academy, West Point, New York); and

(5) $36,000,000 (the balance of the amount authorized under section 2101(b) for the construction of a powerplant on Roi Namur Island at Kwajalein Atoll, Kwajalein).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (11) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $2,639,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $6,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2105. INCREASE IN FISCAL YEAR 1998 AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT FORT DRUM, NEW YORK, AND FORT SILL, OKLAHOMA.

(a) INCREASE.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1967) is amended—

(1) in the item relating to Fort Drum, New York, by striking out ''$24,400,000'' in the amount column and inserting in lieu thereof ''$24,900,000'';

(2) in the item relating to Fort Sill, Oklahoma, by striking out ''$25,000,000'' in the amount column and inserting in lieu thereof ''$28,500,000''; and

(3) by striking out the amount identified as the total in the amount column and inserting in lieu thereof ''$602,750,000''.

(b) CONFORMING AMENDMENT.—Section 2104 of that Act (111 Stat. 1968) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out ''$2,010,466,000'' and inserting in lieu thereof ''$2,013,966,000''; and

(B) in paragraph (1), by striking out "$435,350,000" and inserting in lieu thereof "$438,850,000"; and

(2) in subsection (b)(8), by striking out "$8,500,000" and inserting in lieu thereof "$9,000,000".

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	$11,010,000
	Naval Observatory Detachment, Flagstaff	$990,000
California	Marine Corps Air Station, Miramar	$29,570,000
	Marine Corps Base, Camp Pendleton	$40,430,000
	Naval Air Station, Lemoore	$20,640,000
	Naval Air Warfare Center Weapons Division, China Lake.	$10,140,000
	Naval Facility, San Clemente Island	$8,350,000
	Naval Submarine Base, San Diego	$11,400,000
District of Columbia	Naval District, Washington	$790,000
Florida	Naval Air Station, Key West	$3,730,000
	Naval Air Station, Jacksonville	$1,500,000
	Naval Air Station, Whiting Field	$1,400,000
	Naval Station, Mayport	$6,163,000
Georgia	Marine Corps Logistics Base, Albany	$2,800,000
	Naval Submarine Base, Kings Bay	$2,550,000
Hawaii	Fleet and Industrial Supply Center, Pearl Harbor	$9,730,000
	Marine Corps Air Station, Kaneohe Bay	$27,410,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval Communications & Telecommunications Area Master Station Eastern Pacific, Wahiawa	$1,970,000
	Naval Shipyard, Pearl Harbor	$11,400,000
	Naval Station, Pearl Harbor	$18,180,000
	Naval Submarine Base, Pearl Harbor	$8,060,000
	Navy Public Works Center, Pearl Harbor	$28,967,000
Illinois	Naval Training Center, Great Lakes	$20,280,000
Indiana	Naval Surface Warfare Center, Crane	$11,110,000
Maryland	Naval Surface Warfare Center, Indian Head Division, Indian Head	$13,270,000
Mississippi	Naval Air Station, Meridian	$3,280,000
	Naval Construction Battalion Center Gulfport	$10,670,000
North Carolina	Marine Corps Air Station, Cherry Point	$6,040,000
	Marine Corps Base, Camp LeJeune	$14,600,000
Pennsylvania	Naval Surface Warfare Center Ship Systems Engineering Station, Philadelphia	$2,410,000
Rhode Island	Naval Education and Training Center, Newport	$5,630,000
	Naval Undersea Warfare Center Division, Newport	$9,140,000
South Carolina	Marine Corps Air Station, Beaufort	$1,770,000
	Marine Corps Reserve Detachment Parris Island	$15,990,000
	Naval Weapons Station, Charleston	$9,737,000
Texas	Naval Station, Ingleside	$12,200,000
Virginia	Fleet and Industrial Supply Center, Norfolk (Craney Island)	$1,770,000
	Fleet Training Center, Norfolk	$5,700,000
	Naval Air Station, Oceana	$6,400,000
	Naval Shipyard, Norfolk, Portsmouth	$6,180,000
	Naval Station, Norfolk	$45,530,000
	Naval Surface Warfare Center, Dahlgren	$15,680,000
	Tactical Training Group Atlantic, Dam Neck	$2,430,000
Washington	Naval Shipyard, Puget Sound	$4,300,000
	Strategic Weapons Facility Pacific, Bremerton	$2,750,000
	Total	$484,047,000

(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
Greece	Naval Support Activity, Souda Bay	$5,260,000
Guam	Naval Activities, Guam	$10,310,000
Italy	Naval Support Activity, Naples	$18,270,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$2,010,000
	Total	$35,850,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	162 Units	$30,379,000
Hawaii	Navy Public Works Center, Pearl Harbor	150 Units	$29,125,000
		Total	$59,504,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in 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 $15,618,000.

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 $221,991,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,776,726,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $470,547,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $35,850,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,900,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $60,346,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $297,113,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $915,293,000.

(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—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $13,500,000 (the balance of the amount authorized under section 2202(a) for the construction of a berthing pier at Naval Station, Norfolk, Virginia.

(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—

(1) $6,323,000 which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $5,000,000 which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2205. AUTHORIZATION TO ACCEPT ROAD CONSTRUCTION PROJECT, MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA.

The Secretary of the Navy may accept from the State of North Carolina, a road construction project valued at approximately $2,000,000, which is to be constructed at Marine Corps Base, Camp Lejeune, North Carolina, in accordance with plans and specifications acceptable to the Secretary of the Navy.

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 construc-

1 tion projects for the installations and locations inside the
2 United States, and in the amounts, set forth in the follow-
3 ing table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$19,398,000
Alaska	Eielson Air Force Base	$4,352,000
Arizona	Luke Air Force Base	$3,400,000
California	Edwards Air Force Base	$10,361,000
	Travis Air Force Base	$4,250,000
	Vandenberg Air Force Base	$18,709,000
Colorado	Falcon Air Force Station	$9,601,000
	United States Air Force Academy	$4,413,000
District of Columbia	Bolling Air Force Base	$2,948,000
Florida	Eglin Air Force Base	$20,437,000
	Eglin Auxiliary Field 9	$3,837,000
	MacDill Air Force Base	$9,808,000
	Tyndall Air Force Base	$3,600,000
Georgia	Robins Air Force Base	$11,894,000
Hawaii	Hickam Air Force Base	$5,890,000
Idaho	Mountain Home Air Force Base	$16,397,000
Kansas	McConnell Air Force Base	$4,450,000
Maryland	Andrews Air Force Base	$4,448,000
Mississippi	Keesler Air Force Base	$35,526,000
Nevada	Indian Springs Air Force Auxiliary Air Field	$15,013,000
	Nellis Air Force Base	$6,378,000
New Jersey	McGuire Air Force Base	$6,044,000
New Mexico	Holloman Air Force Base	$11,100,000
	Kirtland Air Force Base	$1,774,000
North Carolina	Seymour Johnson Air Force Base	$6,100,000
North Dakota	Grand Forks Air Force Base	$2,686,000
Ohio	Wright-Patterson Air Force Base	$22,000,000
Oklahoma	Altus Air Force Base	$5,300,000
	Tinker Air Force Base	$25,385,000
	Vance Air Force Base	$6,223,000
South Carolina	Charleston Air Force Base	$24,330,000
South Dakota	Ellsworth Air Force Base	$6,500,000
Tennessee	Arnold Air Force Base	$11,600,000
Texas	Brooks Air Force Base	$7,000,000
	Dyess Air Force Base	$3,350,000
	Lackland Air Force Base	$14,930,000
	Laughlin Air Force Base	$7,315,000
	Randolph Air Force Base	$3,166,000
Washington	Fairchild Air Force Base	$13,820,000
	McChord Air Force Base	$51,847,000
	Total	$445,580,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force 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:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	$13,967,000
Korea	Kunsan Air Base	$5,958,000
	Osan Air Base	$7,496,000
Turkey	Incirlik Air Base	$2,949,000
United Kingdom	Royal Air Force, Lakenheath	$15,838,000
	Royal Air Force, Mildenhall	$24,960,000
	Total	$71,168,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or location	Purpose	Amount
Alabama	Maxwell Air Force Base	143 Units	$16,300,000
Alaska	Eielson Air Force Base	46 Units	$12,932,000
California	Edwards Air Force Base	48 Units	$12,580,000
	Vandenberg Air Force Base	95 Units	$18,499,000
Delaware	Dover Air Force Base	55 Units	$8,998,000
Florida	MacDill Air Force Base	48 Units	$7,609,000
	Patrick Air Force Base	46 Units	$9,692,000
	Tyndall Air Force Base	122 Units	$14,500,000
Nebraska	Offutt Air Force Base	Ancillary Facility	$870,000
	Offutt Air Force Base	Ancillary Facility	$900,000

Air Force: Family Housing—Continued

State	Installation or location	Purpose	Amount
	Offutt Air Force Base	90 Units	$12,212,000
Nevada	Nellis Air Force Base	60 Units	$10,550,000
New Mexico	Kirtland Air Force Base	37 Units	$6,400,000
Ohio	Wright-Patterson Air Force Base	40 Units	$5,600,000
Texas	Dyess Air Force Base	64 Units	$9,415,000
	Sheppard Air Force Base	65 Units	$7,000,000
Washington	Fairchild Air Force Base	Ancillary Facility	$1,692,000
	Fairchild Air Force Base	14 Units	$2,300,000
		Total	$158,049,000

(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 $11,342,000.

SEC. 2303. 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 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $81,778,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September

30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,577,264,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $445,580,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $71,168,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,135,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $37,592,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $251,169,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $785,204,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(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—

(1) $9,584,000 which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $11,000,000 which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

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 2404(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
Chemical Demilitarization	Aberdeen Proving Ground, Maryland	$186,350,000
	Newport Army Depot, Indiana	$191,550,000
Defense Logistics Agency	Defense Fuel Support Point, Fort Sill, Oklahoma	$3,500,000
	Defense Fuel Support Point, Jacksonville Annex, Mayport, Florida	$11,020,000
	Defense Fuel Support Point, Jacksonville, Florida	$11,000,000
	Defense General Supply Center, Richmond (DLA), Virginia	$10,500,000
	Defense Fuels Supply Center, Camp Shelby, Mississippi	$5,300,000
	Defense Fuels Supply Center, Elmendorf Air Force Base, Alaska	$19,500,000
	Defense Fuels Supply Center, Pope Air Force Base, North Carolina	$4,100,000
	Various Locations	$1,300,000
Defense Medical Facilities Office	Barksdale Air Force Base, Louisiana	$3,450,000
	Beale Air Force Base, California	$3,500,000
	Carlisle Barracks, Pennsylvania	$4,678,000
	Cheatham Annex, Virginia	$11,300,000
	Edwards Air Force Base, California	$6,000,000
	Elgin Air Force Base, Florida	$9,200,000
	Fort Bragg, North Carolina	$6,500,000
	Fort Hood, Texas	$14,100,000
	Fort Stewart/Hunter Army Air Field, Georgia	$10,400,000
	Grand Forks Air Force Base, North Dakota	$5,600,000
	Holloman Air Force Base, New Mexico	$1,300,000
	Keesler Air Force Base, Mississippi	$700,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
	Marine Corps Air Station, Camp Pendleton, California..	$6,300,000
	McChord Air Force Base, Washington	$20,000,000
	Moody Air Force Base, Georgia	$11,000,000
	Naval Air Station, Pensacola, Florida	$25,400,000
	Naval Hospital, Bremerton, Washington	$28,000,000
	Naval Hospital, Great Lakes, Illinois	$7,100,000
	Naval Station, San Diego, California	$1,350,000
	Naval Submarine Base, Bangor, Washington	$5,700,000
	Travis Air Force Base, California	$1,700,000
Defense Education Activity	Marine Corps Base, Camp LeJeune, North Carolina	$16,900,000
	United States Military Academy, West Point, New York	$2,840,000
National Security Agency	Fort Meade, Maryland	$668,000
Special Operations Command	Elgin Auxiliary Field 3, Florida	$7,310,000
	Elgin Auxiliary Field 9, Florida	$2,400,000
	Fort Campbell, Kentucky	$15,000,000
	MacDill Air Force Base, Florida	$8,400,000
	Naval Amphibious Base, Coronado, California	$3,600,000
	Stennis Space Center, Mississippi	$5,500,000
	Total	$690,016,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(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	Kwajalein Atoll, Kwajalein	$4,600,000
Defense Logistics Agency	Lajes Field, Azores, Portugal	$7,700,000
Defense Medical Facilities Office	Naval Air Station, Sigonella, Italy	$5,300,000
	Royal Air Force, Lakenheath, United Kingdom	$10,800,000
Defense Education Activity	Fort Buchanan, Puerto Rico	$8,805,000
	Naval Activities, Guam	$13,100,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
Special Operations Command	Naval Station, Roosevelt Roads, Puerto Rico	$9,600,000
	Total	$59,905,000

SEC. 2402. 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 2404(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $345,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, 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 $2,386,023,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $369,966,000.

(2) For military construction projects outside the United States authorized by section 2401(a), $59,905,000.

(3) For construction of the Ammunition Demilitarization Facility, Pine Bluff Arsenal, Arkansas authorized by 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), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2405 of this Act, $16,500,000.

(4) For construction of the Ammunition Demilitarization Facility, Umatilla Army Depot, Oregon, authorized by section 2401 of the Military Construction Authorization Act for Fiscal Year 1995, as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996, section 2408 of the Military Construction Authorization Act

for Fiscal Year 1998, and section 2405 of this Act, $50,950,000.

(5) For military construction projects at Portsmouth Naval Hospital, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 106 Stat. 1640), as amended by section 2406 of this Act, $17,954,000.

(6) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,094,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $4,890,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $39,866,000.

(9) For energy conservation projects authorized by section 2404, $46,950,000.

(10) 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), $1,730,704,000.

(11) For military family housing functions:

(A) For improvement of military family housing and facilities, $345,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $36,899,000 of which not more than $31,139,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $7,000,000.

(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—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $162,050,000 (the balance of the amount authorized under section 2401(a) for the construc-

tion of the Ammunition Demilitarization Facility at Newport Army Depot, Indiana); and

(3) $158,000,000 (the balance of the amount authorized under section 2401(a) for the construction of the Ammunition Demilitarization Facility at Aberdeen Proving Ground, Maryland).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (11) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $12,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2405. INCREASE IN FISCAL YEAR 1995 AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT PINE BLUFF ARSENAL, ARKANSAS, AND UMATILLA ARMY DEPOT, OREGON.

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) and section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division

B of Public Law 105–85; 111 Stat. 1982), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out $134,000,000'' in the amount column and inserting in lieu thereof ''$154,400,000''; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out ''$187,000,000'' in the amount column and inserting in lieu thereof ''$193,377,000''.

SEC. 2406. INCREASE IN FISCAL YEAR 1990 AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECT AT PORTSMOUTH NAVAL HOSPITAL, VIRGINIA.

(a) INCREASE.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 100–189; 103 Stat. 1640) is amended in the item relating to Portsmouth Naval Hospital, Virginia, by striking out ''$330,000,000'' and inserting in lieu thereof ''$351,354,000''.

(b) CONFORMING AMENDMENT.—Section 2405(b)(2) of that Act (103 Stat. 1642) is amended by striking out ''$321,500,000'' and inserting in lieu thereof ''$342,854,000''.

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 Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, 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 $169,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years beginning after September 30, 1998, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $70,338,000; and

(B) for the Army Reserve, $84,608,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $33,721,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $97,701,000; and

(B) for the Air Force Reserve, $35,371,000.

(b) ADJUSTMENT.—(1) The amount authorized to be appropriated pursuant to subsection (a)(1)(A) is reduced

by $2,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

(2) The amount authorized to be appropriated pursuant to subsection (a)(3)(A) is reduced by $4,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. ARMY RESERVE CONSTRUCTION PROJECT, SALT LAKE CITY, UTAH.

(a) COST SHARE REQUIREMENT.—With regard to the military construction project for the Army Reserve concerning construction of a reserve center and organizational maintenance shop at an appropriate site in, or in the vicinity of, Salt Lake City, Utah, to be carried out using funds appropriated pursuant to the authorization of appropriations in section 2601(a)(1)(B), the Secretary of the Army shall enter into an agreement with the State of Utah under which the State agrees to provide financial or in-kind contributions in connection with the project.

(b) REPEAL OF SUPERSEDED AUTHORITY.—(1) Section 2603 of the Military Construction Authorization Act

for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1983) is repealed.

(2) Section 2601(a)(1)(B) of such Act is amended by striking out ''$66,267,000'' and inserting in lieu thereof ''$53,553,000''.

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, 2001; or

(2) the date of enactment of an Act authorizing funds for military construction for fiscal year 2002.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and con-

tributions 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, 2001; or

(2) the date of enactment of an Act authorizing funds for fiscal year 2002 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 1996 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541), authorizations for the projects set forth in the tables in subsection (b), as provided in sections 2201, 2302, or 2601 of that Act, shall remain in effect until October 1, 1999, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1996 Project Authorization

State	Installation or location	Project	Amount
Puerto Rico	Naval Station Roosevelt Roads	Housing Office	$710,000

Air Force: Extension of 1996 Project Authorization

State	Installation or location	Project	Amount
Texas	Lackland Air Force Base	Family Housing (67 units)	$6,200,000

Army National Guard: Extension of 1996 Project Authorization

State	Installation or location	Project	Amount
Mississippi	Camp Shelby	Multipurpose Range Complex (Phase I)	$5,000,000

SEC. 2703. EXTENSION OF AUTHORIZATION OF FISCAL YEAR 1995 PROJECT.

(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), the authorization for the project 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 1998 (division B of Public Law 105–85; 111 Stat. 1985), shall remain in effect until October 1, 1999, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Navy: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
Maryland	Indian Head Naval Surface Warfare Center	Denitrification/ Acid Mixing Facility	$6,400,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1998; or

(2) the date of enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. DEFINITION OF ANCILLARY SUPPORTING FACILITIES UNDER THE ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

Section 2871(1) of title 10, United States Code, is amended by inserting after ''including'' the following: ''facilities to provide or support elementary or secondary education,''.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. RESTORATION OF DEPARTMENT OF DEFENSE LANDS USED BY ANOTHER FEDERAL AGENCY.

(a) INCLUSION OF RESTORATION AS CONTRACT TERM.—Section 2691 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) As a condition of any lease, permit, license, or other grant of access entered into by the Secretary of a military department with another Federal agency authorizing the other agency to use lands under the control of the Secretary, the Secretary may require the other agency to agree to remove any improvements and to take any other action necessary in the judgment of the Secretary to restore the land used by the agency to the condition the land was in before its use by the agency. In lieu of performing the work itself, the Federal agency may elect, with the consent of the Secretary, to reimburse the Secretary for the costs incurred by the military department to perform the removal and restoration work.''.

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

"§ 2691. Restoration of land used by permit or lease".

(2) The table of sections at the beginning of chapter 159 of title 10, United States Code, is amended by striking the item relating to section 2691 and inserting in lieu thereof the following new item:

"2691. Restoration of land used by permit or lease.".

SEC. 2812. OUTDOOR RECREATION DEVELOPMENT ON MILITARY INSTALLATIONS FOR DISABLED VETERANS, MILITARY DEPENDENTS WITH DISABILITIES, AND OTHER PERSONS WITH DISABILITIES.

(a) ACCESS ENHANCEMENT.—Section 103 of the Sikes Act (16 U.S.C. 670c) is amended by adding at the end the following new subsections:

"(b) ACCESS FOR DISABLED VETERANS, MILITARY DEPENDENTS WITH DISABILITIES, AND OTHER PERSONS WITH DISABILITIES.—(1) In developing facilities and conducting programs for public outdoor recreation at military installations, consistent with the primary military mission of the installations, the Secretary of Defense shall ensure, to the extent reasonably practicable, that outdoor recreation opportunities (including fishing, hunting, trapping, wildlife viewing, boating, and camping) made available to the public also provide access for persons described in paragraph (2) when topographic, vegetative, and water re-

sources allow access for such persons without substantial modification to the natural environment.

"(2) Persons referred to in paragraph (1) are the following:

"(A) Disabled veterans.

"(B) Military dependents with disabilities.

"(C) Other persons with disabilities, when access to a military installation for such persons and other civilians is not otherwise restricted.

"(3) The Secretary of Defense shall carry out this subsection in consultation with the Secretary of Veterans Affairs, national service, military, and veterans organizations, and sporting organizations in the private sector that participate in outdoor recreation projects for persons described in paragraph (2).

"(c) ACCEPTANCE OF DONATIONS.—In connection with the facilities and programs for public outdoor recreation at military installations, in particular the requirement under subsection (b) to provide access for persons described in paragraph (2) of such subsection, the Secretary of Defense may accept—

"(1) the voluntary services of individuals and organizations; and

"(2) donations of money or property, whether real, personal, mixed, tangible, or intangible.

"(d) TREATMENT OF VOLUNTEERS.—A volunteer under subsection (c) shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

"(1) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, the volunteer shall be considered to be a Federal employee; and

"(2) for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, the volunteer shall be considered to be an employee, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply.".

(b) CONFORMING AMENDMENT.—Such section is further amended by striking out "SEC. 103." and inserting in lieu thereof the following:

"SEC. 103. PROGRAM FOR PUBLIC OUTDOOR RECREATION.

"(a) PROGRAM AUTHORIZED.—".

SEC. 2813. REPORT ON USE OF UTILITY SYSTEM CONVEYANCE AUTHORITY.

(a) REPORT REQUIRED.—Not later than March 1, 1999, the Secretary of each military department shall submit to Congress a report containing—

(1) the criteria to be used by the Secretary to select utility systems, and related real property, under the jurisdiction of the Secretary for conveyance to a municipal, private, regional, district, or cooperative utility company or other entity under the authority of section 2688 of title 10, United States Code; and

(2) a description of the manner in which the Secretary will ensure that any such conveyance does not adversely affect the national security of the United States.

(b) LIST OF LIKELY SYSTEMS FOR CONVEYANCE.—The report submitted by the Secretary of a military department under subsection (a) shall also contain a list of the utility systems, including the locations of the utility systems, that, as of the date of the submission of the report, the Secretary considers are likely to be conveyed under the authority of section 2688 of title 10, United States Code.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. PAYMENT OF STIPULATED PENALTIES ASSESSED UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980 IN CONNECTION WITH MCCLELLAN AIR FORCE BASE, CALIFORNIA.

(a) SOURCE OF PAYMENT.—Notwithstanding subsection (b) of section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of Title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary of Defense may use amounts in the Department of Defense Base Closure Account 1990 established under subsection (a) of such section to pay stipulated penalties assessed under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. 9601 et seq.) against McClellan Air Force Base, California.

(b) AMOUNT OF PAYMENT.—The amount expended under the authority of subsection (a) may not exceed $15,000.

SEC. 2822. ELIMINATION OF WAIVER AUTHORITY REGARDING PROHIBITION AGAINST CERTAIN CONVEYANCES OF PROPERTY AT NAVAL STATION, LONG BEACH, CALIFORNIA.

Section 2826 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 2001) is amended by striking out subsection (e).

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. LAND CONVEYANCE, ARMY RESERVE CENTER, MASSENA, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Village of Massena, New York (in this section referred to as the ''Village''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of the Army Reserve Center in Massena, New York, for the purpose of permitting the Village to develop the parcel for public benefit, including the development of municipal office space.

(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 Village.

(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. 2832. LAND CONVEYANCE, ARMY RESERVE CENTER, OGDENSBURG, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Ogdensburg, New York (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of the Army Reserve Center in Ogdensburg, New York, for the purpose of permitting the City to develop the parcel for public benefit, including the development of municipal office space.

(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 City.

(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. 2833. LAND CONVEYANCE, ARMY RESERVE CENTER, JAMESTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Greeneview Local School District of Jamestown, Ohio, all right, title, and interest of the United States in and to a parcel of excess Federal real property, including improvements thereon, that is located at 5693 Plymouth Road in Jamestown, Ohio, and contains an Army Reserve Center.

(b) PURPOSE OF CONVEYANCE.—The purpose of the conveyance under subsection (a) is to permit the Greeneview Local School District to retain and use the conveyed property for the benefit of the students of Greeneview schools.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Greeneview Local School District.

(d) 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. 2834. LAND CONVEYANCE, STEWART ARMY SUB-POST, NEW WINDSOR, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Town of New Windsor, New York (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 291 acres at the Stewart Army Sub-Post in New Windsor, New York.

(b) EXCLUSION.—The real property to be conveyed under subsection (a) does not include any portion of the approximately 89.2-acre parcel at Stewart Army Sub-Post that is proposed for transfer to the jurisdiction and control of the Marine Corps or the approximately 22-acre parcel at Stewart Army Sub-Post that is proposed for transfer to the jurisdiction and control of the Army Reserve.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(d) 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. 2835. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Indiana Army Ammunition Plant Reuse Authority (in this section referred to as the ''Reuse Authority'') all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4660 acres located at the Indiana Army Ammunition Plant, Charlestown, Indiana, for the purpose of developing the parcel as an industrial park to replace all or part of the economic activity lost at the inactivated plant.

(b) CONSIDERATION.—Except as provided in subsection (d), as consideration for the conveyance under subsection (a), the Reuse Authority shall pay to the Secretary an amount equal to the fair market value of the conveyed property as of the time of the conveyance, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(c) TIME FOR PAYMENT.—The consideration required under subsection (b) shall be paid by the Reuse Authority at the end of the 10-year period beginning on the date on which the conveyance under subsection (a) is completed.

(d) EFFECT OF RECONVEYANCE OR LEASE.—(1) If, during the 10-year period specified in subsection (c), the Reuse Authority reconveys all or any part of the property conveyed under subsection (a), the Reuse Authority shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the Reuse Authority, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(2) The Secretary may treat a lease of the property within such 10-year period as a reconveyance if the Secretary determines that the lease is being used to avoid application of paragraph (1).

(e) DEPOSIT OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b) or (d) in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(f) ADMINISTRATIVE EXPENSES.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the Reuse Authority or other persons to cover administrative expenses incurred by the Secretary in making the conveyance. Amounts received under this subsection for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid and shall be available, to the extent provided in appropriation Acts, for the same purposes and subject to the same limitations as other funds in such appropriation, fund, or account.

(g) DESCRIPTION OF PROPERTY.—The property to be conveyed under subsection (a) includes the administrative area of the Indiana Army Ammunition Plant as well as open space in the southern end of the plant. The exact acreage and legal description of the property to be conveyed shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Reuse Authority.

(h) 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.

(i) ADDITIONAL CONVEYANCE FOR RECREATIONAL PURPOSES.—Section 2858(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 571), as amended by section 2838 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2006), is further amended by adding at the end the following new paragraph:

''(3) The Secretary may also convey to the State, without consideration, another parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 2,000 acres of additional riverfront property in order to connect the parcel conveyed under paragraph (2) with the parcels of Charlestown State Park conveyed to the State under paragraph (1) and title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).''.

SEC. 2836. LAND CONVEYANCE, VOLUNTEER ARMY AMMUNITION PLANT, CHATTANOOGA, TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Hamilton County, Tennessee (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 1033 acres located at the Volunteer

Army Ammunition Plant, Chattanooga, Tennessee, for the purpose of developing the parcel as an industrial park to replace all or part of the economic activity lost at the inactivated plant.

(b) CONSIDERATION.—Except as provided in subsection (d), as consideration for the conveyance under subsection (a), the County shall pay to the Secretary an amount equal to the fair market value of the conveyed property as of the time of the conveyance, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(c) TIME FOR PAYMENT.—The consideration required under subsection (b) shall be paid by the County at the end of the 10-year period beginning on the date on which the conveyance under subsection (a) is completed.

(d) EFFECT OF RECONVEYANCE OR LEASE.—(1) If, during the 10-year period specified in subsection (c), the County reconveys all or any part of the property conveyed under subsection (a), the County shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the County, determined by the Secretary in

accordance with Federal appraisal standards and procedures.

(2) The Secretary may treat a lease of the property within such 10-year period as a reconveyance if the Secretary determines that the lease is being used to avoid application of paragraph (1).

(e) DEPOSIT OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b) or (d) in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(f) EFFECT ON EXISTING LEASES.—The conveyance of the real property under subsection (a) shall not affect the terms or length of any contract entered into by the Secretary before the date of the enactment of this Act with regard to the property to be conveyed.

(g) ADMINISTRATIVE EXPENSES.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the County or other persons to cover administrative expenses incurred by the Secretary in making the conveyance. Amounts received under this subsection for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid and shall be available, to the extent provided in appropriation Acts, for the same purposes and

subject to the same limitations as other funds in such appropriation, fund, or account.

(h) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the 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 County.

(i) 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. 2837. RELEASE OF REVERSIONARY INTEREST OF UNITED STATES IN FORMER REDSTONE ARMY ARSENAL PROPERTY CONVEYED TO ALABAMA SPACE SCIENCE EXHIBIT COMMISSION.

(a) RELEASE AUTHORIZED.—The Secretary of the Army may release, without consideration and to such extent as the Secretary considers appropriate to protect the interests of the United States, the reversionary interests of the United States in the real property described in subsection (b), which were retained by the United States when the property was conveyed to the Alabama Space Science Exhibit Commission, an agency of the State of

Alabama. The release shall be executed in the manner provided in this section.

(b) DESCRIPTION OF PROPERTY.—The real property referred to in this section is the real property conveyed to the Alabama Space Science Exhibit Commission under the authority of the following provisions of law:

(1) The first section of Public Law 90–276 (82 Stat. 68).

(2) Section 813 of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 952).

(3) Section 813 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 97 Stat. 790).

(c) RELEASE, WAIVER, OR CONVEYANCE OF OTHER RIGHTS, TERMS, AND CONDITIONS.—As part of the release under subsection (a), the Secretary may release, waive, or convey, without consideration and to such extent as the Secretary considers appropriate to protect the interests of the United States—

(1) any and all other rights retained by the United States in and to the real property described in subsection (b) when the property was conveyed to the Alabama Space Science Exhibit Commission; and

(2) any and all terms and conditions and restrictions on the use of the real property imposed as part of the conveyances described in subsection (b).

(d) CONDITIONS ON RELEASE, WAIVER, OR CONVEYANCE.—(1) The Secretary may execute the release under subsection (a) or a release, waiver, or conveyance under subsection (c) only after—

(A) the Secretary approves of the master plan prepared by the Alabama Space Science Exhibit Commission, as such plan may exist or be revised from time to time, for development of the real property described in subsection (b); and

(B) the installation commander at Redstone Arsenal, Alabama, certifies to the Secretary that the release, waiver, or conveyance is consistent with the master plan.

(2) A new facility or structure may not be constructed on the real property described in subsection (b) unless the facility or structure is included in the master plan, which has been approved and certified as provided in paragraph (1).

(e) INSTRUMENT OF RELEASE, WAIVER, OR CONVEYANCE.—In making a release, waiver, or conveyance authorized by this section, the Secretary shall execute and file in the appropriate office or offices a deed of release,

amended deed, or other appropriate instrument effectuating the release, waiver, or conveyance.

(f) EFFECT OF RELEASE.—Except as provided in subsection (g), upon release of any reversionary interest under this section, the right, title and interest of the Alabama Space Science Exhibit Commission in and to the real property described in subsection (b) shall, to the extent of the release, no longer be subject to the conditions prescribed in the provisions of law specified in such subsection. Except as provided in subsection (g), the Alabama Space Science Exhibit Commission may use the real property for any such purpose or purposes as it considers appropriate consistent with the master plan approved and certified as provided in subsection (d), and the real property may be conveyed by the Alabama Space Science Exhibit Commission without restriction and unencumbered by any claims or rights of the United States with respect to the property, subject to such rights, terms, and conditions of the United States previously imposed on the real property and not conveyed or released by the Secretary under subsection (c).

(g) EXCEPTIONS.—(1) Conveyance of the drainage and utility easement reserved to the United States pursuant to section 813(b)(3) of the Military Construction Au-

thorization Act, 1984 (Public Law 98–115; 97 Stat. 791), is not authorized under this section.

(2) In no event may title to any portion of the real property described in subsection (b) be conveyed by the Alabama Space Science Exhibit Commission or any future deed holder of the real property to any person other than an agency, instrumentality, political subdivision, municipal corporation, or public corporation of the State of Alabama, and the land use of such conveyed property may not be changed without the approval of the Secretary.

SEC. 2838. LAND CONVEYANCE, FORT SHERIDAN, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Lake Forest, Illinois (in this section referred to as the ''City''), all right, title, and interest, of the United States in and to all or some portion of the parcel of real property, including improvements thereon, at the former Fort Sheridan, Illinois, consisting of approximately 14 acres and known as the northern Army Reserve enclave area.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to not less than the fair market value of the real property to be conveyed, as determined by the Secretary.

(c) USE OF PROCEEDS.—In such amounts as are provided in advance in appropriations Acts, the Secretary may use the funds paid by the City under subsection (b) to provide for the construction of replacement facilities and for the relocation costs for Reserve units and activities affected by the conveyance.

(d) 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 City.

(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.

PART II—NAVY CONVEYANCES

SEC. 2841. EASEMENT, MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA.

(a) EASEMENT AUTHORIZED.—The Secretary of the Navy may grant an easement, in perpetuity, to the Foothill/Eastern Transportation Corridor Agency (in this section referred to as the ''Agency'') over a parcel of real property at Marine Corps Base, Camp Pendleton, California, consisting of approximately 340 acres to permit the

Recipient of the easement to construct, operate, and maintain a restricted access highway. The area covered by the easement shall include slopes and all necessary incidents thereto.

(b) CONSIDERATION.—As consideration for the conveyance of the easement under subsection (a), the Agency shall pay to the United States an amount equal to the fair market value of the easement, as determined by an independent appraisal satisfactory to the Secretary and paid for by the Agency.

(c) USE OF PROCEEDS.—In such amounts as are provided in advance in appropriation Acts, the Secretary shall use the funds paid by the Agency under subsection (b) to carry out one or more of the following programs at Camp Pendleton:

(1) Enhancement of access from Red, White, and Green Beach under the I–5 interstate highway and railroad crossings to inland areas.

(2) Improvement of roads and bridge structures in the range and training area.

(3) Realignment of Basilone Road.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the easement 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 Agency.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the easement under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, NAVAL RESERVE READINESS CENTER, PORTLAND, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the Gulf of Maine Aquarium Development Corporation, Portland, Maine (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon and any appurtenant interest in submerged lands thereon, consisting of approximately 3.72 acres in Portland, Maine, which is the site of the Naval Reserve Readiness Center, Portland, Maine.

(b) PURPOSE.—The purpose of the conveyance under subsection (a) is to facilitate economic development in accordance with the plan of the Corporation for the construction of an aquarium and marine research facility in Portland, Maine.

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (a), the Corporation shall provide for such facilities as the Secretary determines appropriate for the Naval Reserve to replace the facilities conveyed under that subsection.

(2) To provide the replacement facilities, the Corporation may—

(A) convey to the United States a parcel of real property determined by the Secretary to be an appropriate location for the facilities and design and construct the facilities on the conveyed parcel; or

(B) design and construct the facilities on such parcel of real property under the jurisdiction of the Secretary as the Secretary shall specify.

(3) The Secretary shall select the form in which the consideration under paragraph (2) will be provided.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of the real property, if any, to be conveyed under subsection (c), shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Corporation.

(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 interest of the United States.

SEC. 2843. LAND CONVEYANCE, NAVAL AND MARINE CORPS RESERVE FACILITY, YOUNGSTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of Youngstown, Ohio (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located at 315 East Laclede Avenue in Youngstown, Ohio, and is the location of a Naval and Marine Corps Reserve facility.

(b) PURPOSE.—The purpose of the conveyance under subsection (a) is to permit the City to use the parcel for educational purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) 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.

PART III—AIR FORCE CONVEYANCES

SEC. 2851. LAND CONVEYANCE, LAKE CHARLES AIR FORCE STATION, LOUISIANA.

(a) CONVEYANCES AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to McNeese State University of Louisiana (in this section referred to as the ''University'') all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 4.38 at Lake Charles Air Force Station, Louisiana, for the purpose of permitting the University to use the parcel for educational purposes and agricultural research.

(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 University.

(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. 2852. LAND CONVEYANCE, AIR FORCE HOUSING FACILITY, LA JUNTA, COLORADO.

(a) CONVEYANCE REQUIRED.—The Secretary of the Air Force may convey, without consideration, to the City

of La Junta, Colorado (in this section referred to as the ''City''), all right, title, and interest of the United States in and to the unused Air Force housing facility, consisting of approximately 28 acres and improvements thereon, located within the southern most boundary of the City.

(b) PURPOSE OF CONVEYANCE.—The purpose of the conveyance under subsection (a) is to permit the city to develop the conveyed property for housing and educational purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the 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 City.

(d) 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. 2861. REPEAL OF PROHIBITION ON JOINT USE OF GRAY ARMY AIRFIELD, FORT HOOD, TEXAS, WITH CIVIL AVIATION.

Section 319 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 3855) is repealed.

SEC. 2862. DESIGNATION OF BUILDING CONTAINING NAVY AND MARINE CORPS RESERVE CENTER, AUGUSTA, GEORGIA.

The building containing the Navy and Marine Corps Reserve Center located at 2869 Central Avenue in Augusta, Georgia, shall be known and designated as the ''A. James Dyess Building''.

SEC. 2863. EXPANSION OF ARLINGTON NATIONAL CEMETERY.

(a) LAND TRANSFER, NAVY ANNEX, ARLINGTON, VIRGINIA.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the transfer to the Secretary of the Army of administrative jurisdiction over the following parcels of land situated in Arlington, Virginia:

(A) Certain lands which comprise approximately 26 acres bounded by Columbia Pike to the south and east, Oak Street to the west, and

the boundary wall of Arlington National Cemetery to the north including Southgate Road.

(B) Certain lands which comprise approximately 8 acres bounded by Shirley Memorial Boulevard (Interstate 395) to the south, property of the Virginia Department of Transportation to the west, Columbia Pike to the north, and Joyce Street to the east.

(C) Certain lands which comprise approximately 2.5 acres bounded by Shirley Memorial Boulevard (Interstate 395) to the south, Joyce Street to the west, Columbia Pike to the north, and the cloverleaf interchange of Route 100 and Columbia Pike to the east.

(2) USE OF LAND.—The Secretary of the Army shall incorporate the parcels of land transferred under paragraph (1) into Arlington National Cemetery.

(3) REMEDIATION OF LAND FOR CEMETERY USE.—Before the transfer of administrative jurisdiction over the parcels of land under paragraph (1), the Secretary of Defense shall provide for the removal of any improvements on the parcels of land and, in consultation with the Superintendent of Arlington National Cemetery, the preparation of the

land for use for interment of remains of individuals in Arlington National Cemetery.

(4) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report explaining in detail the measures required to prepare the land for use as a part of Arlington National Cemetery.

(5) DEADLINE.—The Secretary of Defense shall complete the transfer of administrative jurisdiction over the parcels of land under this subsection not later than the earlier of—

(A) January 1, 2010; or

(B) the date when those parcels are no longer required (as determined by the Secretary) for use as temporary office space due to the renovation of the Pentagon.

(b) MODIFICATION OF BOUNDARY OF ARLINGTON NATIONAL CEMETERY.—

(1) IN GENERAL.—The Secretary of the Army shall modify the boundary of Arlington National Cemetery to include the following parcels of land situated in Fort Myer, Arlington, Virginia:

(A) Certain lands which comprise approximately 5 acres bounded by the Fort Myer Post

Traditional Chapel to the southwest, McNair Road to the northwest, the Vehicle Maintenance Complex to the northeast, and the masonry wall of Arlington National Cemetery to the southeast.

(B) Certain lands which comprise approximately 3 acres bounded by the Vehicle Maintenance Complex to the southwest, Jackson Avenue to the northwest, the water pumping station to the northeast, and the masonry wall of Arlington National Cemetery to the southeast.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report describing additional parcels of land located in Fort Myer, Arlington, Virginia, that may be suitable for use to expand Arlington National Cemetery.

(3) SURVEY.—The Secretary of the Army may determine the exact acreage and legal description of the parcels of land described in paragraph (1) by a survey.

SEC. 2864. REPORTING REQUIREMENTS UNDER DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

Section 816(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is amended by striking out ''and 1998'' and inserting in lieu thereof ''through 2000''.

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) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for weapons activities in carrying out programs necessary for national security in the amount of $4,142,100,000, to be allocated as follows:

(1) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Depart-

ment of Energy for fiscal year 1999 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $2,138,375,000, to be allocated as follows:

(A) For core stockpile stewardship, $1,591,375,000, to be allocated as follows:

(i) For operation and maintenance, $1,475,832,000.

(ii) 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), $115,543,000, to be allocated as follows:

Project 99–D–102, rehabilitation of maintenance facility, Lawrence Livermore National Laboratory, Livermore, California, $6,500,000.

Project 99–D–103, isotope sciences facility, Lawrence Livermore National Laboratory, Livermore, California, $4,000,000.

Project 99–D–104, protection of real property (roof reconstruction,

Phase II), Lawrence Livermore National Laboratory, Livermore, California, $7,300,000.

Project 99–D–105, central health physics calibration facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $3,900,000.

Project 99–D–106, model validation and system certification test center, Sandia National Laboratories, Albuquerque, New Mexico, $1,600,000.

Project 99–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 99–D–108, renovate existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $36,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization,

Phase VI, various locations, $20,423,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $6,400,000.

Project 96–D–104, processing and environmental technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $18,920,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,700,000.

(B) For inertial fusion, $498,000,000, to be allocated as follows:

(i) For operation and maintenance, $213,800,000.

(ii) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $284,200,000, to be allocated as follows:

Project 96–D–111, national ignition facility, Lawrence Livermore National Laboratory, Livermore, California, $284,200,000.

(C) For technology partnership and education, $49,000,000, to be allocated as follows:

(i) For technology partnership, $40,000,000.

(ii) For education, $9,000,000.

(2) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,134,625,000, to be allocated as follows:

(A) For operation and maintenance, $2,019,303,000.

(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), $115,322,000, to be allocated as follows:

Project 99–D–122, rapid reactivation, various locations, $11,200,000.

Project 99–D–123, replace mechanical utility systems Y–12, Oak Ridge, Tennessee, $1,900,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $1,000,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $13,700,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex consolidation, Amarillo, Texas, $1,108,000.

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,700,000.

Project 98–D–123, stockpile management restructuring initiative, tritium factory modernization and consolidation, Savannah River Site, Aiken, South Carolina, $27,500,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant

consolidation, Oak Ridge, Tennessee, $10,700,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,164,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $6,400,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $3,700,000.

Project 95–D–102, chemistry and metallurgy research (CMR) upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $16,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $3,250,000.

(3) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for program direction in carrying out weapons activities necessary for national security programs in the amount of $240,000,000.

(b) ADJUSTMENTS.—

(1) CONSTRUCTION.—The total amount authorized to be appropriated pursuant to paragraphs (1)(A)(ii), (1)(B)(ii), and (2)(B) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by the sum of $30,000,000.

(2) NON-CONSTRUCTION.—The total amount authorized to be appropriated pursuant to paragraphs (1)(A)(i), (1)(B)(i), (1)(C), (2)(A), and (3) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by the sum of $340,900,000, to be derived from use of prior year balances.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for environmental restoration and waste management in carrying out programs necessary for national security in the amount of $5,706,650,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—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 $1,046,240,000.

(2) PRIVATIZATION.—For privatization projects in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $286,857,000.

(3) SITE PROJECT AND COMPLETION.—For site project and completion in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,085,253,000, to be allocated as follows:

(A) For operation and maintenance, $886,090,000.

(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), $199,163,000, to be allocated as follows:

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $2,745,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering Laboratory, Idaho, $950,000.

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $3,120,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $26,814,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering Laboratory, Idaho, $7,710,000.

Project 97–D–450, Actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $79,184,000.

Project 97–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $7,000,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $38,680,000.

Project 96–D–408, waste management upgrades, Kansas City Plant, Kansas

City, Missouri, and Savannah River Site, Aiken, South Carolina, $4,512,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $11,544,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,000,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $485,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $3,667,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $4,752,000.

(4) POST-2006 COMPLETION.—For post-2006 project completion in carrying out environmental restoration and waste management activities nec-

essary for national security programs in the amount of $2,765,451,000, to be allocated as follows:

(A) For operation and maintenance, $2,684,195,000.

(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), $81,256,000, to be allocated as follows:

Project 99–D–403, privatization phase I infrastructure support, Richland, Washington, $14,800,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $22,723,000.

Project 96–D–408, waste management upgrades, Richland, Washington, $171,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $32,860,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah

River Site, Aiken, South Carolina, $10,702,000.

(5) SCIENCE AND TECHNOLOGY.—For science and technology in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $270,750,000.

(6) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $346,199,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1), (3)(A), (4)(A), (5), and (6) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by the sum of $94,100,000, to be derived from use of prior year balances.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for other defense activities in carrying out programs necessary for national security in the amount of $1,720,760,000, to be allocated as follows:

(1) NONPROLIFERATION AND NATIONAL SECURITY.—For nonproliferation and national security, $693,900,000, to be allocated as follows:

(A) For verification and control technology, $500,500,000, to be allocated as follows:

(i) For nonproliferation and verification research and development, $210,000,000.

(ii) For arms control, $256,900,000.

(iii) For intelligence, $33,600,000.

(B) For nuclear safeguards and security, $53,200,000.

(C) For security investigations, $30,000,000.

(D) For emergency management, $21,300,000.

(E) For program direction, $88,900,000.

(2) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $45,000,000, to be allocated as follows:

(A) For worker and community transition, $41,000,000.

(B) For program direction, $4,000,000.

(3) FISSILE MATERIALS CONTROL AND DISPOSITION.—For fissile materials control and disposition, $168,960,000, to be allocated as follows:

(A) For operation and maintenance, $111,372,000.

(B) For program direction, $4,588,000.

(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), $53,000,000, to be allocated as follows:

Project 99–D–141, pit disassembly and conversion facility, various locations, $25,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility, various locations, $28,000,000.

(4) ENVIRONMENT, SAFETY, AND HEALTH.—For environment, safety, and health, defense, $94,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $89,231,000.

(B) For program direction, $4,769,000.

(5) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $2,400,000.

(6) INTERNATIONAL NUCLEAR SAFETY.—For international nuclear safety, $35,000,000.

(7) NAVAL REACTORS.—For naval reactors, $681,500,000, to be allocated as follows:

(A) For naval reactors development, $661,400,000, to be allocated as follows:

(i) For operation and maintenance, $639,600,000.

(ii) 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), $21,800,000, to be allocated as follows:

GPN–101 general plant projects, various locations, $9,000,000.

Project 98–D–200, site laboratory/facility upgrade, various locations, $7,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $5,800,000.

(B) For program direction, $20,100,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in paragraphs (1) through (7) of subsection (a) reduced by the sum of $20,000,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 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 $5,000,000.

(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 $5,000,000, 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.—(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 authorizations 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.

(c) LIMITATION.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) 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 paragraph (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.

(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 $5,000,000; 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, design, 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. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2000.

SEC. 3129. 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.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the 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 the field office.

(4) 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.

(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, 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 transfer occurs.

(e) 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 paragraph (3) or (4) of section 3102.

(B) A program referred to in paragraph (3), (4), or (5) of section 3102.

(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, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of 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.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 1998, and ending on September 30, 1999.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. PROHIBITION ON FEDERAL LOAN GUARANTEES FOR DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.

Section 3132 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034) is amended by adding at the end the following new subsection:

''(g) PROHIBITION ON LOAN GUARANTEES.—The Secretary of Energy may not guarantee any loan made by a private sector entity to a contractor to pay for any costs (including costs described in subsection (a)(3)) borne

by the contractor to carry out a contract entered into under this section.''.

SEC. 3132. EXTENSION OF FUNDING PROHIBITION RELATING TO INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.

Section 3133(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2036) is amended by striking out ''for fiscal year 1998'' and inserting in lieu thereof ''for any fiscal year''.

SEC. 3133. USE OF CERTAIN FUNDS FOR MISSILE DEFENSE TECHNOLOGY DEVELOPMENT.

Of the funds authorized to be appropriated pursuant to section 3101, the Secretary of Energy shall make available not less than $60,000,000 for the purpose of developing, demonstrating, and testing hit-to-kill interceptor vehicles for theater missile defense systems. The Secretary shall carry out this section in cooperation with the Ballistic Missile Defense Organization of the Department of Defense.

SEC. 3134. SELECTION OF TECHNOLOGY FOR TRITIUM PRODUCTION.

(a) SELECTION OF TECHNOLOGY.—(1) Subject to paragraph (2), the Secretary of Energy shall select a primary technology for the production of tritium not later than December 31, 1999.

(2) The Secretary may not select a primary technology for the production of tritium until the date that is the later of the following:

(A) The date occurring 30 days after the completion of the test program at the Watts Bar Nuclear Station, Tennessee.

(B) The date on which the report required by subsection (b) is submitted.

(b) REPORT.—The Secretary of Energy shall submit to Congress a report on the results of the test program at the Watts Bar Nuclear Station. The report shall include—

(1) data on any leakage of tritium from the test rods;

(2) the amount of tritium produced during the test; and

(3) any other technical findings resulting from the test.

SEC. 3135. LIMITATION ON USE OF CERTAIN FUNDS AT HANFORD SITE.

(a) LIMITATION.—(1) None of the funds described in subsection (b) may be used unless the Secretary of Energy certifies to Congress not later than 90 days after the date of the enactment of this Act that the Department of Energy does not intend to pay overhead costs that exceed

more than 33 percent of total contract costs during fiscal year 1999 for the Project Hanford Management Contractors (at the Hanford Site, Richland, Washington), including the prime contractor and subcontractors at any tier (including Enterprise Company contractors).

(2) For purposes of paragraph (1), overhead costs include—

(A) indirect overhead costs, which include all activities whose costs are spread across other accounts of the contractor or site;

(B) support service overhead costs, which include activities or services for which programs pay per unit used;

(C) all fee, awards, and other profit on indirect and support service overhead costs, or fees that are not attributable to performance on a single project;

(D) any portion of Enterprise Company costs for which there is no competitive bid and which, under the prior contract, had been an indirect or service function; and

(E) all computer service and information management costs that had previously been reported in indirect overhead or service center pool accounts.

(b) FUNDS.—The funds referred to in subsection (a) are the following:

(1) $12,000,000 for reactor decontamination and decommissioning, as authorized to be appropriated by section 3102 and allocated under subsection (a)(4)(A).

(2) $18,000,000 for single-shell tank drainage, as authorized to be appropriated by section 3102 and allocated under subsection (a)(4)(A).

(c) USE OF SAVINGS.—The expected savings during fiscal year 1999 from compliance with subsection (a) shall be used at the Hanford Site for ensuring full compliance with the Hanford Federal Facility Agreement and Consent Order and recommendations of the Defense Nuclear Facilities Safety Board.

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

(1) overhead costs for contractors performing environmental cleanup work at defense nuclear facilities are out of control;

(2) some of the increase in overhead costs can be attributed to unnecessary regulation by the Department of Energy; and

(3) the Department of Energy should take whatever actions possible to minimize any increased costs of contractor overhead that are attributable to unnecessary regulation by the Department.

SEC. 3136. HANFORD TANK CLEANUP PROGRAM REFORMS.

(a) ESTABLISHMENT OF OFFICE OF RIVER PROTECTION.—The Secretary of Energy shall establish an office at the Hanford Reservation, Richland, Washington, to be known as the ''Office of River Protection''.

(b) MANAGEMENT.—The Office shall be headed by a senior official of the Department of Energy, who shall be responsible for managing all aspects of the Tank Waste Remediation System (also referred to as the Hanford Tank Farm operations), including those portions under privatization contracts, of the Department of Energy at the Hanford Reservation. The Office shall be responsible for developing the integrated management plan under subsection (d).

(c) DEPARTMENT OF ENERGY RESPONSIBILITIES.—The Secretary of Energy shall—

(1) provide the manager of the Office of River Protection with the resources and personnel necessary to manage the tank waste privatization program in an efficient and streamlined manner; and

(2) establish a five-member advisory committee, including the manager of the Richland operations office and a representative of the Office of Privatization and Contract Reform, to advise the Office.

(d) INTEGRATED MANAGEMENT PLAN.—Not later than 90 days after the date of the enactment of this Act,

the Secretary of Energy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives an integrated management plan for all aspects of the Hanford Tank Farm operations, including the roles, responsibilities, and reporting relationships of the Office of River Protection. In developing the plan, the Secretary shall consider the extent to which the Office should be physically and administratively separate from the Richland operations office.

(e) REPORT.—After the Office of River Protection has been in operation for two years, the Secretary of Energy shall submit to Congress a report on the success of the Tank Waste Remediation System and the Office in improving the management structure of the Department of Energy.

(f) TERMINATION.—The Office of River Protection shall terminate after it has been in operation for five years, unless the Secretary of Energy determines that such termination would disrupt effective management of Hanford Tank Farm operations. The Secretary shall inform the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of this determination in writing.

Subtitle D—Other Matters

SEC. 3151. TERMINATION OF WORKER AND COMMUNITY TRANSITION ASSISTANCE.

(a) PROHIBITION.—No funds may be used by the Secretary of Energy after September 30, 2000, to provide worker or community transition assistance with respect to defense nuclear facilities, including assistance provided under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(b) REPEAL.—Effective October 1, 2000, section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h) is repealed.

(c) STUDY BY THE GENERAL ACCOUNTING OFFICE.—

(1) STUDY REQUIREMENT.—The Comptroller General 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).

(2) 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:

(A) An analysis of the number of jobs created by any employee retraining, education, and reemployment assistance and any community impact assistance provided in each workforce restructuring plan developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993.

(B) An analysis of other benefits provided pursuant to such plans, including any assistance provided to community reuse organizations.

(C) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(D) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(E) A comparison of any similar benefits provided—

(i) pursuant to such a plan to employees whose employment at the defense nuclear facility covered by the plan is terminated; and

(ii) to employees whose employment at a facility where more than 50 percent of

the revenues are derived from contracts with the Department of Defense has been terminated as a result of cancellation, termination, or completion of contracts with the Department of Defense and the employees whose employment is terminated constitute more than 15 percent of the employees at that facility.

(F) A comparison of—

(i) involuntary separation benefits provided to employees of Department of Energy contractors and subcontractors under such plans; and

(ii) involuntary separation benefits provided to employees of the Federal Government.

(G) A comparison of costs to the Federal Government (including costs of involuntary separation benefits) for—

(i) involuntary separations of employees of Department of Energy contractors and subcontractors; and

(ii) involuntary separations of employees of contractors and subcontractors of

other Federal Government departments and agencies.

(H) A description of the length of service and hiring dates of employees of Department of Energy contractors and subcontractors provided benefits under such plans in the two-year period preceding the date of the enactment of this Act.

(3) REPORT ON STUDY.—The Comptroller General shall submit a report to Congress on the results of the study not later than March 31, 1999.

(4) DEFINITION.—In this section, 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).

(d) EFFECT ON USEC PRIVATIZATION ACT.—(1) 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)) is amended by adding at the end the following: ''With respect to such section 3161, the Secretary shall, on and after the effective date of the repeal of such section, provide assistance to any such employee in accordance with the terms of such section as in effect on the day before the effective date of its repeal.''.

(2) After the effective date of the repeal of section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h), no funds appropriated to the Department of Energy for atomic energy defense activities may be used to provide assistance under that section (by reason of the amendment made by paragraph (1)) to the adversely affected employees described in 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)).

SEC. 3152. REQUIREMENT FOR PLAN TO MODIFY EMPLOYMENT SYSTEM USED BY DEPARTMENT OF ENERGY IN DEFENSE ENVIRONMENTAL MANAGEMENT PROGRAMS.

(a) PLAN REQUIREMENT.—(1) The Secretary of Energy shall develop a plan to modify the Federal employment system used within the defense environmental management programs of the Department of Energy to allow for workforce restructuring in those programs.

(2) The plan shall address strategies to recruit and hire—

(A) individuals with a high degree of scientific and technical competence in the areas of nuclear and toxic waste remediation and environmental restoration; and

(B) individuals with the necessary skills to manage large construction and environmental remediation projects.

(3) The plan shall include an identification of the provisions of Federal law that would need to be changed to allow the Secretary of Energy to restructure the Department of Energy defense environmental management workforce to hire individuals described in paragraph (2), while staying within any numerical limitations required by law (including section 3161 of Public Law 103–337 (42 U.S.C. 7231 note)) on employment of such individuals.

(b) REPORT.—The Secretary shall submit to Congress a report on the plan developed under subsection (a).

(c) LIMITATION ON USE OF CERTAIN FUNDS.—The Secretary of Energy may not use more than 75 percent of the funds available to the Secretary pursuant to the authorization of appropriations in section 3102(a)(6) (relating to program direction) until the Secretary submits the report required by subsection (b).

SEC. 3153. REPORT ON STOCKPILE STEWARDSHIP CRITERIA.

(a) REQUIREMENT FOR CRITERIA.—The Secretary of Energy shall develop clear and specific criteria for judging whether the science-based tools being used by the Department of Energy for determining the safety and reliability

of the nuclear weapons stockpile are performing in a manner that will provide an adequate degree of certainty that the stockpile is safe and reliable.

(b) REPORT.—Not later than March 1, 1999, the Secretary of Energy 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 efforts by the Department of Energy to develop the criteria required by subsection (a). The report shall include—

(1) a description of the information needed to determine that the nuclear weapons stockpile is safe and reliable and the relationship of the science-based tools to the collection of that information; and

(2) a description of the criteria required by subsection (a) to the extent they have been defined as of the date of the submission of the report.

SEC. 3154. PROHIBITION ON USE OF TRITIUM PRODUCED IN FACLITIES LICENSED UNDER THE ATOMIC ENERGY ACT FOR NUCLEAR EXPLOSIVE PURPOSES.

(a) PROHIBITION.—Section 57(e) of the Atomic Energy Act of 1954 (42 U.S.C. 2077(e)) is amended by inserting after ''section 11,'' the following: ''or tritium''.

(b) CONFORMING AMENDMENT.—Section 108 of such Act (42 U.S.C. 2138) is amended by inserting ''or tritium'' after ''special nuclear material'' in the second and third sentences each place it appears.

SEC. 3155. HAZARDOUS MATERIALS MANAGEMENT AND EMERGENCY RESPONSE TRAINING PROGRAM.

The Secretary of Energy may enter into partnership arrangements with Federal and non-Federal entities to share the costs of operating the hazardous materials management and hazardous materials emergency response training program authorized under section 3140(a) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3088). Such arrangements may include the exchange of equipment and services, in lieu of payment for the training program.

SEC. 3156. ADVANCED TECHNOLOGY RESEARCH PROJECT.

(a) FINDINGS.—Congress finds the following:

(1) Currently in the post-cold war world, there are new opportunities to facilitate international political and scientific cooperation on cost-effective, advanced, and innovative nuclear management technologies.

(2) There is increasing public interest in monitoring and remediation of nuclear waste.

(3) It is in the best interest of the United States to explore and develop options with the international community to facilitate the exchange of evolving advanced nuclear wastes technologies.

(4) The Advanced Technology Research Project facilitates an international clearinghouse and marketplace for advanced nuclear technologies.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should instruct the Secretary of Energy, in consultation with the Secretary of State, the Secretary of Defense, the Administrator of the Environmental Protection Agency, and other officials as appropriate, to consider the Advanced Technology Research Project and submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the following:

(1) An assessment of whether the United States should encourage the establishment of an international project to facilitate the international exchange of information (including costs data) relating to advanced nuclear waste technologies, including technologies for solid and liquid radioactive wastes and contaminated soils and sediments.

(2) An assessment of whether such a project could be funded privately through industry, public interest, and scientific organizations and administered by an international nongovernmental organization, with operations in the United States, Russia, and other countries that have an interest in developing such technologies.

(3) Recommendations for any legislation that the Secretary of Energy believes would be required to enable such a project to be undertaken.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1999, $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.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. DEFINITIONS.

In this title:

(1) The term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the

Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term ''National Defense Stockpile Transaction Fund'' means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1999, the National Defense Stockpile Manager may obligate up to $82,647,000 of the funds in the National 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.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. DEFINITIONS.

In this title:

(1) The term ''naval petroleum reserves'' has the meaning given the term in section 7420(2) of title 10, United States Code.

(2) The term ''Naval Petroleum Reserve Numbered 2'' means the naval petroleum reserve, commonly referred to as the Buena Vista unit, that is located in Kern County, California, and was established by Executive order of the President, dated December 13, 1912.

(3) The term ''Naval Petroleum Reserve Numbered 3'' means the naval petroleum reserve, commonly referred to as the Teapot Dome unit, that is located in the State of Wyoming and was established by Executive order of the President, dated April 30, 1915.

(4) The term ''Oil Shale Reserve Numbered 2'' means the naval petroleum reserve that is located in

the State of Utah and was established by Executive order of the President, dated December 6, 1916.

(5) The term ''antitrust laws'' means has the meaning given the term in section 1(a) of the Clayton Act (15 U.S.C. 12(a)), except that the term also includes—

(A) the Act of June 19, 1936 (15 U.S.C. 13 et seq.; commonly known as the Robinson-Patman Act); and

(B) section 5 of the Federal Trade Commission Act (15 U.S.C. 45), to the extent that such section applies to unfair methods of competition.

(6) The term ''general land laws'' includes the Mineral Leasing Act (30 U.S.C. 181 et seq.) and the Materials Act of 1947 (30 U.S.C. 601 et seq.), but excludes the Mining Law of 1872 (30 U.S.C. 22 et seq.).

(7) The term ''petroleum'' has the meaning given the term in section 7420(3) of title 10, United States Code.

SEC. 3402. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary

of Energy $22,500,000 for fiscal year 1999 for the purpose of carrying out—

(1) activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves;

(2) closeout activities at Naval Petroleum Reserve Numbered 1 upon the sale of that reserve under 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); and

(3) activities under this title relating to the disposition of Naval Petroleum Reserve Numbered 2, Naval Petroleum Reserve Numbered 3, and Oil Shale Reserve Numbered 2.

(b) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

SEC. 3403. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1999.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1999, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserve Numbered 2 or Naval Petroleum Reserve Numbered 3, shall be made at a price not less than 90 percent of the current sales price, as esti-

mated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3404. DISPOSAL OF NAVAL PETROLEUM RESERVE NUMBERED 2.

(a) DISPOSAL OF FORD CITY LOTS.—(1) Subject to section 3407, the Secretary of Energy shall dispose of that portion of Naval Petroleum Reserve Numbered 2 located within the town lots in Ford City, California, as generally depicted on the map of Naval Petroleum Reserve Numbered 2 that accompanies the report of the Secretary entitled ''Report and Recommendations on the Management and Disposition of the Naval Petroleum and Oil Shale Reserves (Excluding Elk Hills)'', dated March 1997.

(2) The Secretary of Energy may carry out the disposal of that portion of Naval Petroleum Reserve Numbered 2 described in paragraph (1) by competitive sale or lease consistent with commercial practices, by transfer to another Federal agency or a public or private entity, or by any other means. Any competitive sale or lease under this subsection shall provide for the disposal of all right, title, and interest of the United States in the property to be conveyed. The Secretary of Energy may use the authority provided by the Act of June 14, 1926 (43 U.S.C. 869 et seq.; commonly known as the Recreation and Public Purposes Act), in the same manner and to the same extent

as the Secretary of the Interior, to dispose of that portion of Naval Petroleum Reserve Numbered 2 described in paragraph (1).

(3) The Secretary of Energy may extend to a purchaser or other transferee of property under this subsection such indemnities and warranties as the Secretary considers reasonable and necessary to protect the purchaser or transferee from claims arising from the ownership of the property by the United States or the administration of the property by the Secretary of Energy.

(b) EVENTUAL TRANSFER OF ADMINISTRATIVE JURISDICTION.—(1) The Secretary of Energy shall continue to administer Naval Petroleum Reserve Numbered 2 (other than the portion of the reserve subject to disposal under subsection (a)) in accordance with chapter 641 of title 10, United States Code, until such time as the Secretary makes a determination to abandon oil and gas operations in Naval Petroleum Reserve Numbered 2 in accordance with commercial operating practices.

(2) After oil and gas operations are abandoned in Naval Petroleum Reserve Numbered 2 under paragraph (1), the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction and control over all public domain lands included within Naval Petroleum Reserve Numbered 2 (other than the portion

of the reserve subject to disposal under subsection (a)) for management in accordance with the general land laws.

(c) RELATIONSHIP TO ANTITRUST LAWS.—This section does not modify, impair, or supersede the operation of the antitrust laws.

SEC. 3405. DISPOSAL OF NAVAL PETROLEUM RESERVE NUMBERED 3.

(a) CONTINUED ADMINISTRATION PENDING TERMINATION OF OPERATIONS.—The Secretary of Energy shall continue to administer Naval Petroleum Reserve Numbered 3 in accordance with chapter 641 of title 10, United States Code, until such time as the Secretary makes a determination to abandon oil and gas operations in Naval Petroleum Reserve Numbered 3 in accordance with commercial operating practices.

(b) DISPOSAL AUTHORITY.—(1) After oil and gas operations are abandoned in Naval Petroleum Reserve Numbered 3, the Secretary of Energy may dispose of, subject to section 3407, the reserve by sale, lease, transfer, or other means. Any sale or lease shall provide for the disposal of all right, title, and interest of the United States in the property to be conveyed and shall be conducted in accordance with competitive procedures consistent with commercial practices, as established by the Secretary of Energy.

(2) The Secretary of Energy may extend to a purchaser or other transferee of property under this subsection such indemnities and warranties as the Secretary considers reasonable and necessary to protect the purchaser or transferee from claims arising from the ownership of the property by the United States or the administration of the property by the Secretary of Energy.

(c) RELATIONSHIP TO ANTITRUST LAWS.—This section does not modify, impair, or supersede the operation of the antitrust laws.

SEC. 3406. DISPOSAL OF OIL SHALE RESERVE NUMBERED 2.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Subject to section 3407, effective September 30, 1999, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction and control over all public domain lands included within Oil Shale Reserve Numbered 2 for management in accordance with the general land laws.

(b) RELATIONSHIP TO INDIAN RESERVATION.—The transfer of administrative jurisdiction under this section does not affect any interest, right, or obligation respecting the Uintah and Ouray Indian Reservation located in Oil Shale Reserve Numbered 2.

SEC. 3407. ADMINISTRATION.

(a) CONTRACT AUTHORITY.—Using the authority provided by section 303(c)(7) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(7)), the Secretary of Energy and the Secretary of the Interior may separately enter into contracts for the acquisition of such services as the Secretary considers necessary to carry out the requirements of this title, except that the notification required under subparagraph (B) of such section for each such contract shall be submitted to Congress not less than seven days before the award of the contract.

(b) PROTECTION OF EXISTING RIGHTS.—At the discretion of the Secretary of Energy, the disposal of property under this title shall be subject to any contract related to the United States ownership interest in the property in effect at the time of disposal, including any lease agreement pertaining to the United States interest in Naval Petroleum Reserve Numbered 2.

(c) DEPOSIT OF RECEIPTS.—Notwithstanding any other law, all monies received by the United States from the disposal of property under this title or under section 7439 of title 10, United States Code, including monies received from a lease entered into under this title or such section, shall be deposited in the general fund of the Treasury.

(d) TREATMENT OF ROYALTIES.—Any petroleum accruing to the United States as royalty from any lease of lands transferred under this title or under section 7439 of title 10, United States Code, shall be delivered to the United States, or shall be paid for in money, as the Secretary of the Interior may elect.

(e) ELEMENTS OF LEASE.—A lease under this title may provide for the exploration for, and development and production of, petroleum, other than petroleum in the form of oil shale.

(f) RELATIONSHIP TO CURRENT LAW.—Except as otherwise provided in this title, chapter 641 of title 10, United States Code, does not apply to the disposal of property under this title and ceases to apply to property in Naval Petroleum Reserve Numbered 2, Naval Petroleum Reserve Numbered 3, and Oil Shale Reserve Numbered 2, upon the final disposal of the property.

SEC. 3408. TREATMENT OF STATE OF CALIFORNIA CLAIM REGARDING NAVAL PETROLEUM RESERVE NUMBERED 1.

Section 3415(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 7420 note) is amended by striking out the first sentence and inserting in lieu thereof the following: ''Amounts in the contingent fund shall be available for

paying a claim described in subsection (a) in accordance with the terms of, and the payment schedule contained in, the Settlement Agreement entered into between the State of California and the Department of Energy, dated October 11, 1996, and supplemented on December 10, 1997. The Secretary shall modify the Settlement Agreement to negate the requirements of the Settlement Agreement with respect to the request for and appropriation of funds.''.

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE; REFERENCES TO PANAMA CANAL ACT OF 1979.

(a) SHORT TITLE.—This title may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1999''.

(b) REFERENCES TO PANAMA CANAL ACT OF 1979.—Except as otherwise expressly provided, whenever in this title 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. 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 1999.

(b) LIMITATIONS.—For fiscal year 1999, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $90,000 for official reception and representation expenses, of which—

(1) not more than $28,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $14,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $48,000 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 $23,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this title may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

SEC. 3505. DONATIONS TO THE COMMISSION.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

''(f)(1) The Commission may seek and accept donations of funds, property, and services from individuals, foundations, corporations, and other private and public entities for the purpose of carrying out its promotional activities.

''(2) The Commission shall establish written guidelines setting forth the criteria to be used in determining whether the acceptance of funds, property, or services authorized by paragraph (1) would reflect unfavorably upon the ability of the Commission (or any employee of the Commission) to carry out its responsibilities or official duties in a fair and objective manner or would compromise

the integrity or the appearance of the integrity of its programs or of any official in those programs.''.

SEC. 3506. SUNSET OF UNITED STATES OVERSEAS BENEFITS JUST BEFORE TRANSFER.

(a) REPEALS.—Effective 11:59 p.m. (Eastern Standard Time), December 30, 1999, the following provisions are repealed and any right or condition of employment provided for in, or arising from, those provisions is terminated: sections 1206 (22 U.S.C. 3646), 1207 (22 U.S.C. 3647), 1217(a) (22 U.S.C. 3657(a)), and 1224(11) (22 U.S.C. 3664(11)), subparagraphs (A), (B), (F), (G), and (H) of section 1231(a)(2) (22 U.S.C. 3671(a)(2)) and section 1321(e) (22 U.S.C. 3731(e)).

(b) SAVINGS PROVISION FOR BASIC PAY.—Notwithstanding subsection (a), benefits based on basic pay, as listed in paragraphs (1), (2), (3), (5), and (6) of section 1218 of the Panama Canal Act of 1979, shall be paid as if sections 1217(a) and 1231(a)(2) (A) and (B) of that Act had been repealed effective 12:00 p.m., December 31, 1999. The exception under the preceding sentence shall not apply to any pay for hours of work performed on December 31, 1999.

(c) NONAPPLICABILITY TO AGENCIES IN PANAMA OTHER THAN PANAMA CANAL COMMISSION.—Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking

out ''the Panama Canal Transition Facilitation Act of 1997'' and inserting in lieu thereof ''the Panama Canal Transition Facilitation Act of 1997 (subtitle B of title XXXV of Public Law 105–85; 110 Stat. 2062), or the Panama Canal Commission Authorization Act for Fiscal Year 1999''.

SEC. 3507. CENTRAL EXAMINING OFFICE.

Section 1223 (22 U.S.C. 3663) is repealed.

SEC. 3508. LIABILITY FOR VESSEL ACCIDENTS.

(a) COMMISSION LIABILITY SUBJECT TO CLAIMANT INSURANCE.—(1) Section 1411(a) (22 U.S.C. 3771(a)) is amended by inserting ''to section 1419(b) of this Act and'' after ''Subject'' in the first sentence.

(2) Section 1412 (22 U.S.C. 3772) is amended by striking out ''The Commission'' in the first sentence and inserting in lieu thereof ''Subject to section 1419(b) of this Act, the Commission''.

(3) Section 1416 (22 U.S.C. 3776) is amended by striking out ''A claimant'' in the first sentence and inserting in lieu thereof ''Subject to section 1419(b) of this Act, a claimant''.

(b) LIMITATION ON LIABILITY.—Section 1419 (22 U.S.C. 3779) is amended by designating the text as subsection (a) and by adding at the end the following:

"(b) The Commission may not consider or pay any claim under section 1411 or 1412 of this Act, nor may an action for damages lie thereon, unless the claimant is covered by one or more valid policies of insurance totalling at least $1,000,000 against the injuries specified in those sections. The Commission's liability on any such claim shall be limited to damages in excess of all amounts recovered or recoverable by the claimant from its insurers. The Commission may not consider or pay any claim by an insurer or subrogee of a claimant under section 1411 or 1412 of this Act.".

SEC. 3509. PANAMA CANAL BOARD OF CONTRACT APPEALS.

(a) ESTABLISHMENT AND PAY OF BOARD.—Section 3102(a) (22 U.S.C. 3862(a)) is amended—

(1) in paragraph (1), by striking out "shall" in the first sentence and inserting in lieu thereof "may"; and

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

"(3) Compensation for members of the Board of Contract Appeals shall be established by the Commission's supervisory board, except that such compensation may not be reduced during a member's term of office from the level established at the time of the appointment.".

(b) DEADLINE FOR COMMENCEMENT OF BOARD.—Section 3102(e) (22 U.S.C. 3862(e)) is amended by striking out ", but not later than January 1, 1999".

SEC. 3510. TECHNICAL AMENDMENTS.

(a) PANAMA CANAL ACT OF 1979.—The Panama Canal Act of 1979 is amended as follows:

(1) Section 1202(c) (22 U.S.C. 3642(c)) is amended—

(A) by striking out "the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997" and inserting in lieu thereof "November 17, 1997,";

(B) by striking out "on or after that date"; and

(C) by striking out "the day before the date of enactment" and inserting in lieu thereof "that date".

(2) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by inserting "the" after "by the head of".

(3) Section 1313 (22 U.S.C. 3723) is amended by striking out "subsection (d)" in each of subsections (a), (b), and (d) and inserting in lieu thereof "subsection (c)".

(4) Sections 1411(a) and 1412 (22 U.S.C. 3771(a), 3772) are amended by striking out ''the date of the enactment of the Panama Canal Transition Facilitation Act of 1997'' and inserting in lieu thereof ''by November 18, 1998''.

(b) PUBLIC LAW 104–201.—Effective as of September 23, 1996, and as if included therein as enacted, section 3548(b)(3) of the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104–201; 110 Stat. 2869) is amended by striking out ''section'' in both items of quoted matter and inserting in lieu thereof ''sections''.

TITLE XXXVI—MARITIME ADMINISTRATION

SEC. 3601. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1999.

Funds are hereby authorized to be appropriated for fiscal year 1999, 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, $70,553,000.

(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.), $20,000,000 of which—

(A) $16,000,000 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. CONVEYANCE OF NDRF VESSEL M/V BAYAMON.

(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 M/V BAYAMON (United States official number 530007) to the Trade Fair Ship Company, a corporation established under the laws of the State of Deleware and having its principal offices located in New York, New York (in this section referred to as the ''recipient''), for use as floating trade exposition to showcase United States technology, industrial products, and services.

(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) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient pays consideration equal to the domestic fair market value of the vessel as determined by the Secretary;

(B) the recipient agrees that any repair, restoration, or reconstruction work for the vessel will be performed in the United States;

(C) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date; and

(D) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid as-

sets, or a written loan commitment to complete the reconstruction of the vessel.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) PROCEEDS.—Any amounts received by the United States as proceeds from the sale of the M/V BAYAMON shall be deposited in the Vessel Operations Revolving Fund established by the Act of June 2, 1951 (chapter 121; 46 App. U.S.C. 1241a).

SEC. 3603. CONVEYANCE OF NDRF VESSELS BENJAMIN ISHERWOOD AND HENRY ECKFORD.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the vessels BENJAMIN ISHERWOOD (TAO–191) and HENRY ECKFORD (TAO–192) to a purchaser for the purpose of reconstruction of those vessels for sale or charter.

(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 the conveyance;

(B) in its condition on that date; and

(C) at no cost to the United States Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient pays consideration equal to the domestic fair market value of the vessel, as determined by the Secretary;

(B) the recipient agrees to sell or charter the vessel to a member nation of the North Atlantic Treaty Organization for use as an oiler;

(C) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid assets, or a written loan commitment to complete the reconstruction of the vessel;

(D) the recipient agrees that any repair, restoration, or reconstruction work for the vessel will be performed in the United States; and

(E) the recipient agrees to hold the Government harmless for any claims arising from defects in the vessel or from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the vessel, except for claims arising before the

date of the conveyance or from use of the vessel by the Government after that date.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with a conveyance authorized by this section as the Secretary considers appropriate.

(c) PROCEEDS.—Any amounts received by the United States as proceeds from the sale of a vessel under this section shall be deposited in the Vessel Operations Revolving Fund established by the Act of June 2, 1951 (chapter 121; 46 App. U.S.C. 1241a).

(d) DURATION OF AUTHORITY.—The authority of the Secretary under this section may only be exercised during the one-year period beginning on the date of the enactment of this Act.

SEC. 3604. CLEARINGHOUSE FOR MARITIME INFORMATION.

Of the amount authorized to be appropriated pursuant to section 3601(1) for operations of the Maritime Administration, $75,000 shall be available for the establishment at a State Maritime Academy of a clearinghouse for maritime information that makes that information publicly available, including by use of the Internet.

SEC. 3605. CONVEYANCE OF NDRF VESSEL EX-USS LORAIN COUNTY.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the Federal Government in and to the vessel ex-USS LORAIN COUNTY (LST–1177) to the Ohio War Memorial, Inc., located in Sandusky, Ohio (in this section referred to as the ''recipient''), for use as a memorial to Ohio veterans.

(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 Federal Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after conveyance of the vessel, except for claims arising before the date of the conveyance or from use

of the vessel by the Government after that date; and

(B) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(3) 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.

Passed the House of Representatives May 21, 1998.

Attest:

Clerk.