

108TH CONGRESS
1ST SESSION

S. 927

To promote the national security by providing a National Security Personnel System for the Department of Defense; a streamlined acquisition system both efficient and effective in order to provide servicemembers on the battlefield with the most modern and lethal equipment; realistic appropriations and authorization laws responsive to an ever-changing national security environment; and the coordination of the activities of the Department of Defense with other departments and agencies of the Government concerned with national security.

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2003

Mr. WARNER (for himself and Mr. LEVIN) (by request) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To promote the national security by providing a National Security Personnel System for the Department of Defense; a streamlined acquisition system both efficient and effective in order to provide servicemembers on the battlefield with the most modern and lethal equipment; realistic appropriations and authorization laws responsive to an ever-changing national security environment; and the coordination of the activities of the Department of Defense with other departments and agencies of the Government concerned with national security.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Defense Trans-
 5 formation for the 21st Century Act of 2003”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—PERSONNEL TRANSFORMATION

Subtitle A—Transformation of Civilian Personnel

Sec. 101. National security personnel system.

Sec. 102. Defense Acquisition Workforce Improvement Act streamlining.

Sec. 103. Priority placement of displaced civilian employees.

Sec. 104. Establishment of auxiliaries within the military departments to co-
 ordinate volunteers.

Subtitle B—Transformation of Management of Senior Military Leadership

Sec. 111. Equivalency of pay for service chiefs of staff and combatant com-
 manders.

Sec. 112. Length of service for the senior leaders of the military departments.

Sec. 113. Length of service for the Chairman and Vice Chairman of the Joint
 Chiefs of Staff.

Sec. 114. Length of service for the assistants to the Chairman of the Joint
 Chiefs of Staff for National Guard and Reserve matters.

Sec. 115. Eliminate mandatory terms of service for certain general and flag
 staff officers.

Sec. 116. Lateral reassignment of certain generals and admirals.

Sec. 117. Eliminate distribution quotas for general and flag officers serving in
 the grades of O-7 and O-8.

Sec. 118. Extending age limits for active duty general and flag officers.

Sec. 119. Extending age limits for Reserve and National Guard general and
 flag officers.

Sec. 120. Eliminate mandatory retirement of active duty general and flag offi-
 cers after 30 years of service.

Sec. 121. More flexible retirement rules for military officers.

Sec. 122. More flexible computation of retired pay for officers and senior en-
 listed members.

Sec. 123. Eliminate retired pay limit applicable to general and flag officers.

Subtitle C—Transformation of Military Personnel

Sec. 131. Measuring personnel strengths.

Sec. 132. Access to secondary schools by military recruiters.

- Sec. 133. Waiver of military education eligibility and post-education placement requirements.
- Sec. 134. Length of joint duty assignments.
- Sec. 135. Ordering reserve component members to active duty to respond to disasters, accidents, or catastrophes.
- Sec. 136. Improved involuntary access to reserve component members for enhanced training.
- Sec. 137. Medical and dental screening for members of selected reserve units alerted for mobilization.

TITLE II—ACQUISITION TRANSFORMATION

Subtitle A—Transformation of Acquisition Process

- Sec. 201. Repeal requirements for major defense acquisition programs.
- Sec. 202. Applicability of Clinger-Cohen Act to equipment integral to a weapon or weapon system and Department of Defense information technology management.
- Sec. 203. Inflation adjustment of acquisition-related dollar thresholds.
- Sec. 204. Security interest exception to domestic source or content requirements.
- Sec. 205. Clarification of Buy American requirements.
- Sec. 206. Amendment of cataloging and standardization provisions.

Subtitle B—Transformation of Contracting Process

- Sec. 211. Contracting for security guards and firefighting services.
- Sec. 212. Contracts with small businesses.
- Sec. 213. Performance based logistics: special procurement and funding authority.
- Sec. 214. Depot-related legislative reform.

TITLE III—INSTALLATION MANAGEMENT TRANSFORMATION

- Sec. 301. Readiness and range preservation initiative.

TITLE IV—ADMINISTRATIVE TRANSFORMATION

Subtitle A—Transformation of DoD Organization

- Sec. 401. Reorganization within the Department of Defense.
- Sec. 402. Reassignment of personnel serving in the Office of the Secretary of Defense.
- Sec. 403. Appointments of retired members of the armed forces to positions in the Department of Defense.
- Sec. 404. Transfer of Department of Defense personnel security investigative functions and defense personnel performing those functions.
- Sec. 405. Conversions of commercial activities.

Subtitle B—Transformation of Appropriations and Budget Process

- Sec. 411. Enhanced general transfer authority.
- Sec. 412. Transfer of funds to correct specific acquisition funding problems.
- Sec. 413. Ballistic missile defense system.
- Sec. 414. Funding for the Missile Defense Agency.

Subtitle C—Transformation of Information Gathering for Congress

Sec. 421. Sunset on recurring reports.

Sec. 422. Repeal of various reports required of the Department of Defense.

Subtitle D—Transformation of Management of Naval Vessels

Sec. 431. Repeal of notice and wait period prior to reducing the inventory of combatant surface vessels.

Sec. 432. Overhaul and repair of ships on extended deployments.

Subtitle E—Miscellaneous Provisions

Sec. 441. Support of foreign nations committed to combating global terrorism.

1 **TITLE I—PERSONNEL**
 2 **TRANSFORMATION**
 3 **Subtitle A—Transformation of**
 4 **Civilian Personnel**

5 **SEC. 101. DEPARTMENT OF DEFENSE NATIONAL SECURITY**
 6 **PERSONNEL SYSTEM.**

7 (a) IN GENERAL.—

8 (1) Subpart I of part III of title 5, United
 9 States Code, is amended by adding at the end the
 10 following new chapter:

11 **“CHAPTER 99—DEPARTMENT OF DEFENSE**
 12 **NATIONAL SECURITY PERSONNEL SYSTEM**

“Sec.

“9901. Definitions.

“9902. Establishment of human resources management system.

“9903. Contracting for personal services.

“9904. Attracting highly qualified experts.

“9905. Employment of older Americans.

“9906. Special pay and benefits for certain employees outside the United States.

13 **“§ 9901. Definitions**

14 “For purposes of this chapter—

15 “(1) the term ‘Director’ means the Director of
 16 the Office of Personnel Management; and

1 “(2) the term ‘Secretary’ means the Secretary
2 of Defense.

3 **“§ 9902. Establishment of human resources manage-**
4 **ment system**

5 “(a) IN GENERAL.—

6 “(1) Notwithstanding any other provision of
7 this title, the Secretary may, in regulations pre-
8 scribed jointly with the Director, establish, and from
9 time to time adjust, a human resources management
10 system for some or all of the organizational or func-
11 tional units of the Department of Defense. If the
12 Secretary certifies that issuance or adjustment of a
13 regulation, or the inclusion, exclusion, or modifica-
14 tion of a particular provision therein, is essential to
15 the national security, the Secretary may, subject to
16 the direction of the President, waive the requirement
17 in the preceding sentence that the regulation or ad-
18 justment be issued jointly with the Director.

19 “(2) Any regulations established pursuant to
20 this chapter shall be established as internal rules of
21 departmental procedure, consistent with section 553
22 of this title.

23 “(b) SYSTEM REQUIREMENTS.—Any system estab-
24 lished under subsection (a) shall—

25 “(1) be flexible;

1 “(2) be contemporary;

2 “(3) not waive, modify, or otherwise affect—

3 “(A) the public employment principles of
4 merit and fitness set forth in section 2301, in-
5 cluding the principles of hiring based on merit,
6 fair treatment without regard to political affili-
7 ation or other non-merit considerations, equal
8 pay for equal work, and protection of employees
9 against reprisal for whistleblowing;

10 “(B) any provision of section 2302, relat-
11 ing to prohibited personnel practices;

12 “(C)(i) any provision of law referred to in
13 section 2302(b)(1), (8), and (9); or

14 “(ii) any provision of law implementing
15 any provision of law referred to in section
16 2302(b)(1), (8), and (9) by—

17 “(I) providing for equal employment
18 opportunity through affirmative action; or

19 “(II) providing any right or remedy
20 available to any employee or applicant for
21 employment in the public service;

22 “(D) any other provision of this part (as
23 described in subsection (c)); or

1 “(E) any rule or regulation prescribed
2 under any provision of law referred to in this
3 paragraph;

4 “(4) ensure that employees may organize, bar-
5 gain collectively as provided for in this chapter, and
6 participate through labor organizations of their own
7 choosing in decisions which affect them, subject to
8 the provisions of this chapter and any exclusion from
9 coverage or limitation on negotiability established
10 pursuant to law; and

11 “(5) not be limited by any specific law or au-
12 thority under this title that is waivable under this
13 chapter or by any provision of this chapter or any
14 rule or regulation prescribed under this title that is
15 waivable under this chapter, except as specifically
16 provided for in this section.

17 “(c) OTHER NONWAIVABLE PROVISIONS.—The other
18 provisions of this part referred to in subsection (b)(3)(D)
19 are (to the extent not otherwise specified in this title)—

20 “(1) subparts A, E, G, and H of this part;

21 “(2) chapters 34, 45, 47, 57, 72, 73, and 79;

22 and

23 “(3) sections 3131, 3132(a), 3305(b), 3309,
24 3310, 3311, 3312, 3313, 3314, 3315, 3316,

1 3317(b), 3318, 3320, 3351, 3352, 3363, 3501,
2 3502(b), and 3504.

3 “(d) LIMITATIONS RELATING TO PAY.—

4 “(1) Nothing in this section shall constitute au-
5 thority to modify the pay of any employee who
6 serves in an Executive Schedule position under sub-
7 chapter II of chapter 53 of this title.

8 “(2) Except as provided for in paragraph (1),
9 the total amount in a calendar year of allowances,
10 differentials, bonuses, awards, or other similar cash
11 payments paid under this title to any employee who
12 is paid under section 5376 or 5383 of this title or
13 under title 10 or under other comparable pay au-
14 thority established for payment of Department of
15 Defense senior executive or equivalent employees
16 may not exceed the total annual compensation pay-
17 able to the Vice President under section 104 of title
18 3.

19 “(e) PROVISIONS TO ENSURE COLLABORATION WITH
20 EMPLOYEE REPRESENTATIVES.—

21 “(1) IN GENERAL.—In order to ensure that the
22 authority of this section is exercised in collaboration
23 with, and in a manner that ensures the participation
24 of, employee representatives in the planning, devel-
25 opment, and implementation of any human resources

1 management system or adjustments to such system
2 under this section, the Secretary and the Director
3 shall provide for the following:

4 “(A) NOTICE OF PROPOSAL.—The Sec-
5 retary and the Director shall, with respect to
6 any proposed system or adjustment—

7 “(i) provide to the employee rep-
8 resentatives representing any employees
9 who might be affected a written description
10 of the proposed system or adjustment (in-
11 cluding the reasons why it is considered
12 necessary);

13 “(ii) give such representatives at least
14 30 calendar days (unless extraordinary cir-
15 cumstances require earlier action) to re-
16 view and make recommendations with re-
17 spect to the proposal; and

18 “(iii) give any recommendations re-
19 ceived from such representatives under
20 clause (ii) full and fair consideration in de-
21 ciding whether or how to proceed with the
22 proposal.

23 “(B) PRE-IMPLEMENTATION CONGRES-
24 SIONAL NOTIFICATION, CONSULTATION, AND
25 MEDIATION.—Following receipt of recommenda-

1 tions, if any, from such employee representa-
2 tives with respect to a proposal described in
3 subparagraph (A), the Secretary and the Direc-
4 tor shall accept such modifications to the pro-
5 posal in response to the recommendations as
6 they determine advisable and shall, with respect
7 to any parts of the proposal as to which they
8 have not accepted the recommendations—

9 “(i) notify Congress of those parts of
10 the proposal, together with the rec-
11 ommendations of the employee representa-
12 tives;

13 “(ii) meet and confer for not less than
14 30 calendar days with the employee rep-
15 resentatives, in order to attempt to reach
16 agreement on whether or how to proceed
17 with those parts of the proposal; and

18 “(iii) at the Secretary’s option, or if
19 requested by a majority of the employee
20 representatives participating, use the serv-
21 ices of the Federal Mediation and Concilia-
22 tion Service during such meet and confer
23 period to facilitate the process of attempt-
24 ing to reach agreement.

25 “(C) IMPLEMENTATION.—

1 “(i) Any part of the proposal as to
2 which the representatives do not make a
3 recommendation, or as to which the rec-
4 ommendations are accepted by the Sec-
5 retary and the Director, may be imple-
6 mented immediately.

7 “(ii) With respect to any parts of the
8 proposal as to which recommendations
9 have been made but not accepted by the
10 Secretary and the Director, at any time
11 after 30 calendar days have elapsed since
12 the initiation of the congressional notifica-
13 tion, consultation, and mediation proce-
14 dures set forth in subparagraph (B), if the
15 Secretary determines, in the Secretary’s
16 sole and unreviewable discretion, that fur-
17 ther consultation and mediation is unlikely
18 to produce agreement, the Secretary may
19 implement any or all of such parts, includ-
20 ing any modifications made in response to
21 the recommendations as the Secretary de-
22 termines advisable.

23 “(iii) The Secretary shall notify Con-
24 gress promptly of the implementation of
25 any part of the proposal and shall furnish

1 with such notice an explanation of the pro-
2 posal, any changes made to the proposal as
3 a result of recommendations from the em-
4 ployee representatives, and of the reasons
5 why implementation is appropriate under
6 this subparagraph.

7 “(D) CONTINUING COLLABORATION.—If a
8 proposal described in subparagraph (A) is im-
9 plemented, the Secretary and the Director
10 shall—

11 “(i) develop a method for the em-
12 ployee representatives to participate in any
13 further planning or development which
14 might become necessary; and

15 “(ii) give the employee representatives
16 adequate access to information to make
17 that participation productive.

18 “(2) NATIONAL LEVEL COLLABORATION.—The
19 Secretary may, at the Secretary’s discretion, engage
20 in any and all collaboration activities described in
21 this subsection at an organizational level above the
22 level of exclusive recognition.

23 “(3) PROVISIONS FOR EMPLOYEES NOT IN A
24 UNIT.—In the case of any employees who are not
25 within a unit with respect to which a labor organiza-

1 tion is accorded exclusive recognition, the Secretary
2 and the Director may develop procedures for rep-
3 resentation by any appropriate organization which
4 represents a substantial percentage of those employ-
5 ees or, if none, in such other manner as may be ap-
6 propriate, consistent with the purposes of this sub-
7 section.

8 “(4) PROCEDURES.—Any procedures necessary
9 to carry out this subsection shall be established as
10 internal rules of department procedure which shall
11 not be subject to review.

12 “(f) PROVISIONS REGARDING NATIONAL LEVEL
13 BARGAINING.—

14 “(1) Any human resources management system
15 implemented or modified under this chapter may in-
16 clude employees of the Department of Defense from
17 any bargaining unit with respect to which a labor or-
18 ganization has been accorded exclusive recognition
19 under chapter 71 of this title.

20 “(2) For any bargaining unit so included under
21 paragraph (1), the Secretary at his sole and exclu-
22 sive discretion may bargain at an organizational
23 level above the level of exclusive recognition. Any
24 such bargaining shall—

1 “(A) be binding on all subordinate bar-
2 gaining units at the level of recognition and
3 their exclusive representatives, and the Depart-
4 ment of Defense and its subcomponents, with-
5 out regard to levels of recognition;

6 “(B) supersede all other collective bar-
7 gaining agreements, including collective bar-
8 gaining agreements negotiated with an exclusive
9 representative at the level of recognition, except
10 as otherwise determined by the Secretary;

11 “(C) not be subject to further negotiations
12 for any purpose, including bargaining at the
13 level of recognition, except as provided for by
14 the Secretary; and

15 “(D) except as otherwise specified in this
16 chapter, not be subject to review or to statutory
17 third-party dispute resolution procedures out-
18 side the Department of Defense.

19 “(3) The National Guard Bureau and the Army
20 and Air Force National Guard are excluded from
21 coverage under this subsection.

22 “(4) Any bargaining completed pursuant to this
23 subsection with a labor organization not otherwise
24 having national consultation rights with the Depart-
25 ment of Defense or its subcomponents shall not cre-

1 ate any obligation on the Department of Defense or
2 its subcomponents to confer national consultation
3 rights on such a labor organization.

4 “(g) PROVISIONS RELATING TO APPELLATE PROCE-
5 DURES.—

6 “(1) It is the sense of Congress that—

7 “(A) employees of the Department of De-
8 fense are entitled to fair treatment in any ap-
9 peals that they bring in decisions relating to
10 their employment; and

11 “(B) in prescribing regulations for any
12 such appeals procedures, the Secretary—

13 “(i) should ensure that employees of
14 the Department of Defense are afforded
15 the protections of due process; and

16 “(ii) toward that end, should be re-
17 quired to consult with the Merit Systems
18 Protection Board before issuing any such
19 regulations.

20 “(2) Any regulations under this section that re-
21 late to any matters within the purview of chapter 77
22 of this title shall—

23 “(A) be issued only after consultation with
24 the Merit Systems Protection Board;

1 “(B) ensure the availability of procedures
2 that—

3 “(i) are consistent with requirements
4 of due process; and

5 “(ii) provide, to the maximum extent
6 practicable, for the expeditious handling of
7 any matters involving the Department of
8 Defense; and

9 “(C) modify procedures under chapter 77
10 only insofar as such modifications are designed
11 to further the fair, efficient, and expeditious
12 resolution of matters involving the employees of
13 the Department of Defense.

14 “(h) PROVISIONS RELATED TO SEPARATION AND RE-
15 TIREMENT INCENTIVES.—

16 “(1) The Secretary may establish a program
17 within the Department of Defense under which em-
18 ployees may be eligible for early retirement, offered
19 separation incentive pay to separate from service vol-
20 untarily, or both. This authority may be used to re-
21 duce the number of personnel employed by the De-
22 partment of Defense or to restructure the workforce
23 to meet mission objectives without reducing the over-
24 all number of personnel. This authority is in addi-

1 tion to, and notwithstanding, any other authorities
2 established by law or regulation for such programs.

3 “(2) For purposes of this section, the term ‘em-
4 ployee’ means an employee of the Department of De-
5 fense, serving under an appointment without time
6 limitation, except that such term does not include—

7 “(A) a reemployed annuitant under sub-
8 chapter III of chapter 83 or chapter 84 of this
9 title, or another retirement system for employ-
10 ees of the Federal Government;

11 “(B) an employee having a disability on
12 the basis of which such employee is or would be
13 eligible for disability retirement under any of
14 the retirement systems referred to in paragraph
15 (1); or

16 “(C) for purposes of eligibility for separa-
17 tion incentives under this section, an employee
18 who is in receipt of a decision notice of involun-
19 tary separation for misconduct or unacceptable
20 performance.

21 “(3) EARLY RETIREMENT.—An employee who
22 is at least 50 years of age and has completed 20
23 years of service, or has at least 25 years of service,
24 may, pursuant to regulations promulgated under
25 this section, apply and be retired from the Depart-

1 ment of Defense and receive benefits in accordance
2 with chapter 83 or 84 if the employee has been em-
3 ployed continuously within the Department of De-
4 fense for more than 30 days before the date on
5 which the determination to conduct a reduction or
6 restructuring within one or more Department of De-
7 fense Component is approved pursuant to the pro-
8 gram established under subsection (a).

9 “(4) SEPARATION PAY.—

10 “(A) Separation pay shall be paid in a
11 lump sum or in installments and shall be equal
12 to the lesser of—

13 “(i) an amount equal to the amount
14 the employee would be entitled to receive
15 under section 5595(c) of this title, if the
16 employee were entitled to payment under
17 such section; or

18 “(ii) \$25,000.

19 “(B) Separation pay shall not be a basis
20 for payment, and shall not be included in the
21 computation, of any other type of Government
22 benefit. Separation pay shall not be taken into
23 account for the purpose of determining the
24 amount of any severance pay to which an indi-

1 vidual may be entitled under section 5595 of
2 this title, based on any other separation.

3 “(C) Separation pay, if paid in install-
4 ments, shall cease to be paid upon the recipi-
5 ent’s acceptance of employment by the Federal
6 Government, or commencement of work under a
7 personal services contract as described in para-
8 graph (6).

9 “(5) REEMPLOYMENT.—

10 “(A) An employee who receives separation
11 pay under such program may not be reemployed
12 by the Department of Defense for a 12-month
13 period beginning on the effective date of the
14 employee’s separation, unless this prohibition is
15 waived by the Secretary on a case-by-case basis.

16 “(B) An employee who receives separation
17 pay under this section on the basis of a separa-
18 tion occurring on or after the date of the enact-
19 ment of the Federal Workforce Restructuring
20 Act of 1994 (Public Law 103–236; 108 Stat.
21 111) and accepts employment with the Govern-
22 ment of the United States, or who commences
23 work through a personal services contract with
24 the United States within 5 years after the date
25 of the separation on which payment of the sepa-

1 ration pay is based, shall be required to repay
2 the entire amount of the separation pay to the
3 Department of Defense. If the employment is
4 with an Executive agency (as defined by section
5 105 of this title) other than the Department of
6 Defense, the Director may, at the request of the
7 head of that agency, waive the repayment if the
8 individual involved possesses unique abilities
9 and is the only qualified applicant available for
10 the position. If the employment is within the
11 Department of Defense, the Secretary may
12 waive the repayment if the individual involved is
13 the only qualified applicant available for the po-
14 sition. If the employment is with an entity in
15 the legislative branch, the head of the entity or
16 the appointing official may waive the repayment
17 if the individual involved possesses unique abili-
18 ties and is the only qualified applicant available
19 for the position. If the employment is with the
20 judicial branch, the Director of the Administra-
21 tive Office of the United States Courts may
22 waive the repayment if the individual involved
23 possesses unique abilities and is the only quali-
24 fied applicant available for the position.

1 “(6) Under this program, early retirement and
2 separation pay may be offered only pursuant to reg-
3 ulations established by the Secretary, subject to such
4 limitations or conditions as the Secretary may re-
5 quire.

6 “(i) PROVISIONS RELATING TO REEMPLOYMENT.—
7 If an annuitant receiving an annuity from the Civil Service
8 Retirement and Disability Fund becomes employed in a
9 position within the Department of Defense, his annuity
10 shall continue. An annuitant so reemployed shall not be
11 considered an employee for purposes of chapter 83 or 84.

12 **“§ 9903. Contracting for personal services**

13 “(a) OUTSIDE THE UNITED STATES.—Funds avail-
14 able to the Department of Defense shall be available to
15 contract with individuals for services to be performed out-
16 side the United States as determined by the Secretary to
17 be necessary and appropriate for supporting the Depart-
18 ment’s programs and activities abroad. Such individuals
19 employed by contract to perform such services shall not,
20 by virtue of such employment, be considered to be employ-
21 ees of the United States Government for purposes of any
22 law administered by the Office of Personnel Management
23 or under any human resources management system estab-
24 lished pursuant to this chapter. Such contracts are author-
25 ized to be negotiated, the terms of the contracts to be pre-

1 scribed, and the work to be performed where necessary,
2 without regard to such statutory provisions as relate to
3 the negotiation, making and performance of contracts and
4 performance of work in the United States.

5 “(b) NATIONAL SECURITY MISSIONS.—Notwith-
6 standing any other provision of law, sums made available
7 to the Department of Defense by appropriation or other-
8 wise may be expended as determined by the Secretary to
9 be necessary to carry out the national security mission of
10 the Department of Defense, for personal services con-
11 tracts, including personal services without regard to limi-
12 tations on types of persons to be employed.

13 “(c) EXPERTS AND CONSULTANTS.—

14 “(1) Subject to paragraphs (2) and (3) and
15 notwithstanding the provisions of section 129b of
16 title 10, the Secretary may—

17 “(A) procure by contract the services of ex-
18 perts or consultants (or of organizations of ex-
19 perts or consultants), who may provide such
20 services with or without compensation, as deter-
21 mined by the Secretary, and may perform such
22 duties as the Secretary may prescribe without
23 being deemed to be employees of the Depart-
24 ment of Defense except, at the discretion of the
25 Secretary, for the purposes of—

1 “(i) the Ethics in Government Act of
2 1978;

3 “(ii) chapter 73 of this title; and

4 “(iii) section 27 of the Office of Fed-
5 eral Procurement Policy Act; and

6 “(B) pay in connection with such services
7 travel expenses of individuals, including trans-
8 portation and per diem in lieu of subsistence
9 while such individuals are traveling from their
10 homes or places of business to official duty sta-
11 tions and return, as may be authorized by law.

12 “(2) In order to procure the services of experts
13 or consultants (or an organization of experts or con-
14 sultants), the Secretary must determine that—

15 “(A) the procurement of such services is
16 advantageous to the United States; and

17 “(B) such services cannot be provided ade-
18 quately by the Department of Defense.

19 “(d) IMPLEMENTATION.—Implementation of this sec-
20 tion shall be at the Secretary’s sole, exclusive, and
21 unreviewable discretion.

22 **“§ 9904. Attracting highly qualified experts**

23 “(a) IN GENERAL.—The Secretary may carry out a
24 program using the authority provided in subsection (b) in

1 order to attract highly qualified experts in needed occupa-
2 tions, as determined by the Secretary.

3 “(b) AUTHORITY.—Under the program, the Sec-
4 retary may—

5 “(1) appoint personnel from outside the civil
6 service and uniformed services (as such terms are
7 defined in section 2101 of this title) to positions in
8 the Department of Defense without regard to any
9 provision of this title governing the appointment of
10 employees to positions in the Department of De-
11 fense;

12 “(2) prescribe the rates of basic pay for posi-
13 tions to which employees are appointed under para-
14 graph (1) at rates not in excess of the maximum
15 rate of basic pay authorized for senior-level positions
16 under section 5376 of this title, as increased by lo-
17 cality-based comparability payments under section
18 5304 of this title, notwithstanding any provision of
19 this title governing the rates of pay or classification
20 of employees in the executive branch; and

21 “(3) pay any employee appointed under para-
22 graph (1) payments in addition to basic pay within
23 the limit applicable to the employee under subsection
24 (d)(1).

25 “(c) LIMITATION ON TERM OF APPOINTMENT.—

1 “(1) Except as provided in paragraph (2), the
2 service of an employee under an appointment made
3 pursuant to this section may not exceed 5 years.

4 “(2) The Secretary may, in the case of a par-
5 ticular employee, extend the period to which service
6 is limited under paragraph (1) by up to one addi-
7 tional year if the Secretary determines that such ac-
8 tion is necessary to promote the Department of De-
9 fense’s national security missions.

10 “(d) LIMITATIONS ON ADDITIONAL PAYMENTS.—

11 “(1) The total amount of the additional pay-
12 ments paid to an employee under this section for
13 any 12-month period may not exceed the least of the
14 following amounts:

15 “(A) \$50,000 in fiscal year 2004, which
16 may be adjusted annually thereafter by the Sec-
17 retary, with a percentage increase equal to one-
18 half of one percentage point less than the per-
19 centage by which the Employment Cost Index,
20 published quarterly by the Bureau of Labor
21 Statistics, for the base quarter of the year be-
22 fore the preceding calendar year exceeds the
23 Employment Cost Index for the base quarter of
24 the second year before the preceding calendar
25 year.

1 “(B) The amount equal to 50 percent of
2 the employee’s annual rate of basic pay.

3 “(2) An employee appointed under this section
4 is not eligible for any bonus, monetary award, or
5 other monetary incentive for service except for pay-
6 ments authorized under this section.

7 “(e) SAVINGS PROVISIONS.—In the event that the
8 Secretary terminates this program, in the case of an em-
9 ployee who, on the day before the termination of the pro-
10 gram, is serving in a position pursuant to an appointment
11 under this section—

12 “(1) the termination of the program does not
13 terminate the employee’s employment in that posi-
14 tion before the expiration of the lesser of—

15 “(A) the period for which the employee
16 was appointed; or

17 “(B) the period to which the employee’s
18 service is limited under subsection (c), including
19 any extension made under this section before
20 the termination of the program; and

21 “(2) the rate of basic pay prescribed for the po-
22 sition under this section may not be reduced as long
23 as the employee continues to serve in the position
24 without a break in service.

1 **“§ 9905. Employment of older Americans**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of law, the Secretary, at his sole, exclusive, and
4 unreviewable discretion, may appoint older Americans into
5 positions in the excepted service for a period not to exceed
6 two years, provided that—

7 “(1) any such appointment shall not result in—

8 “(A) the displacement of individuals cur-
9 rently employed by the Department of Defense
10 (including partial displacement through reduc-
11 tion of non-overtime hours, wages, or employ-
12 ment benefits); or

13 “(B) the employment of any individual
14 when any other person is in a reduction-in-force
15 status from the same or substantially equivalent
16 job within the Department of Defense; and

17 “(2) the individual to be appointed is otherwise
18 qualified for the position, as determined by the Sec-
19 retary.

20 “(b) EFFECT ON EXISTING RETIREMENT BENE-
21 FITS.—Notwithstanding any other provision of law, an in-
22 dividual appointed pursuant to subsection (a) who other-
23 wise is receiving an annuity, pension, social security pay-
24 ment, retired pay, or other similar payment shall not have
25 the amount of said annuity, pension, social security, or

1 other similar payment reduced as a result of such employ-
2 ment.

3 “(c) EXTENSION OF APPOINTMENT.—Notwith-
4 standing subsection (a), the Secretary may extend an ap-
5 pointment made pursuant to this section for up to an addi-
6 tional two years if the individual employee possesses
7 unique knowledge or abilities that are not otherwise avail-
8 able to the Department of Defense.

9 “(d) DEFINITION.—For purposes of this section, the
10 term ‘older American’ means any citizen of the United
11 States who is at least 55 years of age.

12 **“§ 9906. Special pay and benefits for certain employ-**
13 **ees outside the United States**

14 “The Secretary may provide to certain civilian em-
15 ployees of the Department of Defense assigned to activi-
16 ties outside the United States and designated by the Sec-
17 retary for the purposes of this subsection—

18 “(1) allowances and benefits—

19 “(A) comparable to those provided by the
20 Secretary of State to members of the Foreign
21 Service under chapter 9 of title I of the Foreign
22 Service Act of 1980 (Public Law 96–465, 22
23 U.S.C. 4081 et seq.) or any other provision of
24 law; or

1 “(B) comparable to those provided by the
2 Director of Central Intelligence to personnel of
3 the Central Intelligence Agency; and

4 “(2) special retirement accrual benefits and dis-
5 ability in the same manner provided for by the Cen-
6 tral Intelligence Agency Retirement Act (50 U.S.C.
7 2001 et seq.) and in section 18 of the Central Intel-
8 ligence Agency Act of 1949 (50 U.S.C. 403r).”.

9 (2) The table of chapters for part III of such
10 title is amended by adding at the end of subpart I
11 the following new item:

“99. Department of Defense National Security Personnel System 9901”.

12 (b) IMPACT ON DEPARTMENT OF DEFENSE CIVILIAN
13 PERSONNEL.—

14 (1) Any exercise of authority under chapter 99
15 of such title (as added by subsection (a)), including
16 under any system established under such chapter,
17 shall be in conformance with the requirements of
18 this subsection.

19 (2) No other provision of this Act or of any
20 amendment made by this Act may be construed or
21 applied in a manner so as to limit, supersede, or
22 otherwise affect the provisions of this section, except
23 to the extent that it does so by specific reference to
24 this section.

25 (c) CONFORMING AMENDMENTS.—

1 (1) Section 6 of the Civil Service Miscellaneous
2 Amendments Act of 1983 (Public Law 98–224; 98
3 Stat. 49), as amended, is repealed.

4 (2) Section 342 of the National Defense Au-
5 thorization Act for Fiscal Year 1995 (Public Law
6 103–337; 108 Stat. 2721), as amended, is repealed.

7 (3) Section 1101 of the Strom Thurmond Na-
8 tional Defense Authorization Act for Fiscal Year
9 1999 (Public Law 105–261; 112 Stat. 2139), as
10 amended, is repealed.

11 (4) Section 4308 of the National Defense Au-
12 thorization Act for Fiscal Year 1996 (Public Law
13 104–106; 110 Stat. 669), as amended, is repealed.

14 **SEC. 102. DEFENSE ACQUISITION WORKFORCE IMPROVE-**
15 **MENT ACT STREAMLINING.**

16 (a) IN GENERAL.—Part II of subtitle A of title 10,
17 United States Code, is amended by inserting after chapter
18 87 the following new chapter:

19 **“CHAPTER 87A: DEFENSE ACQUISITION**
20 **WORKFORCE STREAMLINING**

“Sec.

“1701. Defense acquisition, technology, and logistics workforce.

“1702. Acquisition, technology, and logistic positions.

“1703. Assignment to critical acquisition, technology, and logistic positions.

“1704. Acquisition corps.

“1705. Defense Acquisition University.

1 **“§ 1701. Defense acquisition, technology, and logis-**
2 **tics workforce**

3 “(a) IN GENERAL.—The Secretary of Defense shall
4 establish policies and procedures for the effective manage-
5 ment (including accession, education, training, and career
6 development) of persons serving in acquisition, technology,
7 and logistics positions in the Department of Defense.

8 “(b) IMPLEMENTATION.—Implementation of this
9 chapter shall be consistent with chapter 99 of title 5.

10 “(c) SPECIAL PROGRAMS.—Pursuant to subsection
11 (a), the Secretary may establish—

12 “(1) a program to develop the knowledge, skills,
13 and abilities of individuals to meet the qualification
14 requirements established in section 1702 of this title
15 to serve in acquisition, technology, and logistics posi-
16 tions;

17 “(2) a contingency contracting force, consisting
18 of members of the armed forces and civilian employ-
19 ees whose mission is to deploy in support of contin-
20 gency operations and other operations of the Depart-
21 ment of Defense and establish the qualifications for
22 personnel assigned to such positions; and

23 “(3) such programs of rotation, internship, co-
24 operative education, scholarship, tuition reimburse-
25 ment, and centralized job referral as the Secretary
26 deems appropriate.

1 “(d) DEFINITIONS.—

2 “(1) The term ‘Acquisition Corps’ means that
3 group of military personnel and civilian employees of
4 the Department of Defense selected pursuant to cri-
5 teria established under section 1704 of this title.

6 “(2) The term ‘acquisition, technology, and lo-
7 gistics position’ means a position designated pursu-
8 ant to section 1702 of this title.

9 “(3) The term ‘acquisition, technology, and lo-
10 gistics workforce’ means those military personnel
11 and civilian employees of the Department of Defense
12 occupying positions designated by the Secretary of
13 Defense as acquisition, technology, and logistics po-
14 sitions pursuant to section 1702 of this title.

15 “(4) The term ‘critical acquisition, technology,
16 and logistics position’ means a position designated
17 pursuant to section 1702 of this title.

18 **“§ 1702. Acquisition, technology, and logistics posi-**
19 **tions**

20 “At his sole, exclusive, and unreviewable discretion,
21 the Secretary of Defense may—

22 “(1) establish and designate positions within
23 the Department of Defense as acquisition, tech-
24 nology, and logistics positions subject to this chap-
25 ter;

1 “(2) establish minimum qualification require-
2 ments and standards for each acquisition, tech-
3 nology, and logistics position or group of positions
4 (to include the minimum level of training, education,
5 and experience necessary to meet the minimum
6 qualifications for each position or group of posi-
7 tions), based on the level of complexity of duties car-
8 ried out in the position education requirements;

9 “(3) establish for civilian employees and mili-
10 tary personnel in acquisition, technology, and logis-
11 tics positions one or more career paths that are
12 identified in terms of the education, training, experi-
13 ence, and assignments necessary for career progres-
14 sion to the most senior acquisition, technology, and
15 logistics positions in the Department of Defense;
16 and

17 “(4) within those positions designated as acqui-
18 sition, technology, and logistics positions, designate
19 as critical acquisition, technology, and logistics posi-
20 tions those positions that, because of the knowledge,
21 skills, and abilities required to perform successfully
22 the duties required are considered critical to the suc-
23 cess of the Department of Defense acquisition mis-
24 sion.

1 **“§ 1703. Assignments to critical acquisition, tech-**
2 **nology, and logistics positions**

3 “The Secretary of Defense at his sole, exclusive, and
4 unreviewable discretion may—

5 “(1) establish minimum lengths of time for as-
6 signments of military and civilian personnel to serve
7 in critical acquisition, technology, and logistics posi-
8 tions;

9 “(2) limit reassignments within the period spec-
10 ified in paragraph (1); and

11 “(3) require that one or more senior acquisition
12 officials within the Department of Defense be re-
13 sponsible for the assignment of military and civilian
14 personnel to fill critical acquisition, technology, and
15 logistics positions.

16 **“§ 1704. Acquisition corps**

17 “(a) ESTABLISHMENT.—The Secretary of Defense at
18 this sole, exclusive, and unreviewable discretion may—

19 “(1) establish within the Department of De-
20 fense an acquisition corps; and

21 “(2) establish criteria for the selection of mili-
22 tary personnel and civilian employees to that corps.

23 “(b) PROMOTION RATE FOR OFFICERS IN ACQUI-
24 TION CORPS.—The qualifications of commissioned officers
25 selected for that acquisition corps shall be such that those
26 officers are expected, as a group, to be promoted at a rate

1 not less than the rate for all line (or the equivalent) offi-
 2 cers of the same armed force (both in the zone and below
 3 the zone) in the same grade.

4 **“§ 1705. Defense Acquisition University**

5 “(a) IN GENERAL.—The Secretary of Defense may
 6 establish and maintain a Defense Acquisition University
 7 to perform such educational, training, and research and
 8 analysis functions as the Secretary determines appro-
 9 priate.

10 “(b) FACULTY MEMBERS.—

11 “(1) The faculty of the university may consist
 12 of such military personnel, civilian employees, and
 13 other personnel as the Secretary determines are nec-
 14 essary to meet the mission of the university.

15 “(2) The Secretary of Defense may establish
 16 one or more systems of compensation and manage-
 17 ment for the civilian employees serving as faculty
 18 members.”.

19 (b) CLERICAL AND CONFORMING AMENDMENTS.—

20 (1) Chapter 87 of such title is repealed.

21 (2) The table of chapters at the beginning of
 22 subtitle A of such title and the beginning of part II
 23 of such subtitle are amended by striking the item re-
 24 lating to chapter 87 and inserting the following new
 25 item:

“87A. Defense Acquisition Workforce Streamlining 1701”.

1 (3) Such title is further amended by striking
2 “acquisition workforce” each place it appears and
3 inserting “acquisition, technology, and logistics
4 workforce”.

5 **SEC. 103. PRIORITY PLACEMENT OF DISPLACED CIVILIAN**
6 **EMPLOYEES.**

7 (a) IN GENERAL.—Chapter 81 of title 10, United
8 States Code, is amended by adding at the end the fol-
9 lowing new section:

10 **“§ 1599e. Defense priority placement program**

11 “(a) PRIORITY PLACEMENT.—The Secretary of De-
12 fense, at his sole and exclusive discretion and notwith-
13 standing the provisions of title 5, may establish one or
14 more programs to promote stability of employment for De-
15 partment of Defense civilian employees affected by chang-
16 ing mission requirements, streamlining efforts, overseas
17 rotations (including rotations undertaken pursuant to sec-
18 tion 1586 of this title), preferences established by law, and
19 other such actions as the Secretary shall determine, by
20 providing such employees priority consideration, as de-
21 fined by the Secretary, for placement in other positions
22 within the Department of Defense.

23 “(b) CONSTRUCTION.—The content of any program
24 developed under subsection (a), and any personnel action

1 undertaken pursuant to such program, shall not be review-
2 able outside the Department of Defense.”.

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

“1599e. Defense priority placement program.”.

6 **SEC. 104. ESTABLISHMENT OF AUXILIARIES WITHIN THE**
7 **MILITARY DEPARTMENTS TO COORDINATE**
8 **VOLUNTEERS.**

9 (a) IN GENERAL.—Part I of subtitle E of title 10,
10 United States Code, is amended by inserting after chapter
11 1013 the following new chapter:

12 **“CHAPTER 1015—AUXILIARIES**

“Sec.

“10701. Administration of auxiliaries.

“10702. Purpose of an auxiliary.

“10703. Eligibility, enrollments.

“10704. Members of the auxiliary; status.

“10705. Disenrollment.

“10706. Membership in other organizations.

“10707. Use of member’s equipment and facilities.

“10708. Availability of appropriations.

“10709. Assignment and performance of duties.

“10710. Injury or death in line of duty.

“10711. Limitation on liability.

13 **“§ 10701. Administration of auxiliaries**

14 “(a) An auxiliary of a military department is a non-
15 military organization administered by the Secretary of the
16 military department concerned under the direction of the
17 Secretary of Defense. For command, control, and adminis-
18 trative purposes, the auxiliary shall include such organiza-
19 tional elements and units as are approved by the Secretary

1 of the military department concerned, including, but not
2 limited to, a national board and staff (to be known as the
3 ‘auxiliary headquarters unit’), districts, regions, divisions,
4 and other organizational elements and units. The auxiliary
5 organization and its officers shall have such rights, privi-
6 leges, powers, and duties as may be granted to them by
7 the Secretary of the military department concerned, con-
8 sistent with this title and other applicable provisions of
9 law. The Secretary of the military department concerned
10 may designate the authority and responsibilities of the of-
11 ficers of the auxiliary that the Secretary considers nec-
12 essary or appropriate for the functioning, organization,
13 and internal administration of the auxiliary.

14 “(b) The national board of an auxiliary, and any aux-
15 iliary district or region, may form a corporation under
16 State law in accordance with policies established by the
17 Secretary of the military department concerned.

18 **“§ 10702. Purpose of an auxiliary**

19 “The purpose of an auxiliary is to assist the military
20 department under which it is established, as authorized
21 by the Secretary of the military department concerned, in
22 performing any non-combat function, power, duty, role,
23 mission, or operation authorized by law for that military
24 department.

1 **“§ 10703. Eligibility, enrollments**

2 “An auxiliary shall be composed of citizens of the
3 United States and its territories and possessions, who by
4 reason of their special training or experience are deemed
5 by the Secretary of the military department concerned to
6 be qualified for duties and functions of the auxiliary, and
7 who may be enrolled therein pursuant to regulations es-
8 tablished by the Secretary of the military department con-
9 cerned.

10 **“§ 10704. Members of the auxiliary; status**

11 “(a) Except as otherwise provided in this chapter, a
12 member of an auxiliary shall not be considered a Federal
13 employee and shall not be subject to the provisions of law
14 relating to Federal employment, including those relating
15 to hours of work, rates of compensation, leave, unemploy-
16 ment compensation, and Federal employee benefits.

17 “(b) A member of an auxiliary, while assigned to
18 duty, shall be considered to be a Federal employee and
19 shall be subject to the provisions of law relating to ethics,
20 conflicts of interest, corruption and any other criminal or
21 civil statutes and regulations governing the conduct of
22 Federal employees.

23 “(c) A member of an auxiliary, while assigned to
24 duty, shall be considered to be a Federal employee for pur-
25 poses of the following:

1 “(1) Compensation for work injuries under
2 chapter 81 of title 5.

3 “(2) The resolution of claims relating to dam-
4 age to or loss of personal property of the member in-
5 cident to service under the Military Personnel and
6 Civilian Employees’ Claims Act of 1964 (31 U.S.C.
7 3721).

8 “(d) A member of the auxiliary, while assigned to
9 duty, shall be deemed to be a person acting under an offi-
10 cer of the United States or an agency thereof for purposes
11 of section 1442(a)(1) of title 28.

12 “(e) A member of the auxiliary, while assigned to
13 duty, shall be deemed to be a member of a uniformed serv-
14 ice for purposes of sections 10708 and 10710 of this title.

15 **“§ 10705. Disenrollment**

16 “Members of an auxiliary may be disenrolled pursu-
17 ant to applicable regulations established by the Secretary
18 of the military department concerned.

19 **“§ 10706. Membership in other organizations**

20 “Members of an auxiliary may be appointed or en-
21 listed in a Reserve component, pursuant to applicable reg-
22 ulations. Membership in the auxiliary shall not bar mem-
23 bership in any other naval or military organization.

1 **“§ 10707. Use of member’s equipment and facilities**

2 “The military department concerned may utilize for
3 any purpose incident to carrying out its functions and du-
4 ties, as authorized by the Secretary, equipment or facilities
5 placed at its disposition for any such purpose by any mem-
6 ber of the auxiliary, by any corporation, partnership, or
7 association, or by any State or political subdivision there-
8 of.

9 **“§ 10708. Availability of appropriations**

10 “(a) Appropriations of the military department con-
11 cerned may be made available for the payment of actual
12 necessary traveling expenses and subsistence, or commuta-
13 tion of ration allowance in lieu of subsistence, of members
14 of the auxiliary assigned to authorized duties, but shall
15 not be available for the payment of compensation for per-
16 sonal services, incident to such operation, other than to
17 personnel of the military department.

18 “(b)(1) The Secretary of the military department
19 concerned may pay interest on a claim approved by the
20 Secretary under this section in any case in which a pay-
21 ment authorized under this section is not made within 60
22 days after the submission of the claim in a manner pre-
23 scribed by the Secretary.

24 “(2) The rate of interest for purposes of this section
25 shall be the annual rate established under section 6621
26 of the Internal Revenue Code of 1986.

1 **“§ 10709. Assignment and performance of duties**

2 “No member of an auxiliary, solely by reason of such
3 membership, shall be vested with, or exercise, any right,
4 privilege, power, or duty vested in or imposed upon the
5 personnel of the military department concerned, except
6 that any such member may, under applicable regulations,
7 be assigned duties which, after appropriate training and
8 examination, he has been found competent to perform, to
9 effectuate the purposes of the auxiliary. No member of the
10 auxiliary shall be placed in charge of an activity or organi-
11 zation assigned to the military department unless he has
12 been designated specifically by authority of the Secretary
13 of the military department concerned to perform such
14 duty. Members of the auxiliary, when assigned to duties
15 as herein authorized, shall, unless otherwise limited by the
16 Secretary of the military department concerned, be vested
17 with the same power and authority in the execution of
18 such duties as members of the regular or Reserve of that
19 military department assigned to similar duty. When any
20 member of the auxiliary is assigned to such duty, he may,
21 pursuant to regulations issued by the Secretary, be paid
22 actual necessary traveling expenses, including a per diem
23 allowance in conformity with standardized Government
24 travel regulations in lieu of subsistence, while traveling
25 and while on duty away from his home. No per diem shall

1 be paid for any period during which quarters and subsist-
2 ence in kind are furnished by the Government.

3 **“§ 10710. Injury or death in line of duty**

4 “(a) If a member of an auxiliary is physically injured,
5 or dies as a result of physical injury, and the injury is
6 incurred while performing any duty to which he has been
7 assigned by competent military authority, the law author-
8 izing compensation for employees of the United States suf-
9 fering injuries while in the performance of their duties,
10 applies, subject to this section. That law shall be adminis-
11 tered by the Secretary of Labor to the same extent as if
12 the member was a civil employee of the United States and
13 was injured in the performance of that duty. For benefit
14 computation, regardless of pay or pay status, the member
15 is considered to have had monthly pay of the monthly
16 equivalent of the minimum rate of basic pay in effect for
17 grade GS-9 of the General Schedule on the date the injury
18 is incurred.

19 “(b) This section does not apply if the workmen’s
20 compensation law of a State, a territory, or another juris-
21 diction provides coverage because of a concurrent employ-
22 ment status of the member. When the member or a de-
23 pendent is entitled to a benefit under this section and also
24 to a concurrent benefit from the United States on account

1 of the same disability or death, the member or dependent,
2 as appropriate, shall elect which benefit to receive.

3 “(c) If a claim is filed under this section with the
4 Secretary of Labor for benefits because of an alleged in-
5 jury or death, the Secretary of Labor shall notify the Sec-
6 retary of the military department concerned who shall di-
7 rect an investigation into the facts surrounding the alleged
8 injury or death. The Secretary of the military department
9 concerned then shall certify to the Secretary of Labor
10 whether or not the injured or deceased person was a mem-
11 ber of an auxiliary, the person’s military status, and
12 whether or not the injury or death was incurred incident
13 to military service.

14 “(d) A member of an auxiliary, who incurs or aggra-
15 vates an injury, illness, or disease while performing a duty
16 to which the member has been assigned by competent au-
17 thority, may be given medical care in facilities of the uni-
18 form services.

19 “(e) In administering section 8133 of title 5, for a
20 person covered by this section—

21 “(1) the percentages applicable to payments
22 under that section are—

23 “(A) 45 percent under subsection (a)(2) of
24 that section, where the member died fully or
25 currently insured under title II of the Social Se-

1 security Act (42 U.S.C. 401 et seq.), with no ad-
2 ditional payments for a child or children so long
3 as the widow or widower remains eligible for
4 payments under that subsection;

5 “(B) 20 percent under subsection (a)(3) of
6 that section, for one child, and 10 percent addi-
7 tional for each additional child, not to exceed a
8 total of 75 percent, where the member died
9 fully or currently insured under title II of the
10 Social Security Act; and

11 “(C) 25 percent under subsection (a)(4) of
12 that section, if one parent was wholly dependent
13 for support upon the deceased member at the
14 time of the member’s death and the other was
15 not dependent to any extent; 16 percent to each
16 if both were wholly dependent; and if one was,
17 or both were, partly dependent, a proportionate
18 amount in the discretion of the Secretary of
19 Labor;

20 “(2) payments may not be made under sub-
21 section (a)(5) of that section; and

22 “(3) the Secretary of Labor shall inform the
23 Commissioner of Social Security whenever a claim is
24 filed and eligibility for compensation is established
25 under subsection (a)(2) or (a)(3) of section 8133 of

1 title 5. The Commissioner of Social Security then
 2 shall certify to the Secretary of Labor whether or
 3 not the member concerned was fully or currently in-
 4 sured under title II of the Social Security Act at the
 5 time of the member's death.

6 **“§ 10711. Limitation on liability**

7 “A member of an auxiliary, while assigned to duty,
 8 shall be deemed a volunteer of a nonprofit organization
 9 or governmental entity for purposes of chapter 139 of title
 10 42 (popularly known as the ‘Volunteer Protection Act’).
 11 Subsection (d) of section 4 of such Act (42 U.S.C.
 12 14503(d)) shall not apply for purposes of any claim
 13 against a member of an auxiliary.”.

14 (b) CLERICAL AMENDMENT.—The tables of chapters
 15 at the beginning of such subtitle and the beginning of part
 16 I of such subtitle are amended by inserting after the item
 17 relating to chapter 1013 the following new item:

“1015. Auxiliaries10701”.

18 **Subtitle B—Transformation of**
 19 **Management of Senior Military**
 20 **Leadership**

21 **SEC. 111. EQUIVALENCY OF PAY FOR SERVICE CHIEFS OF**
 22 **STAFF AND COMBATANT COMMANDERS.**

23 (a) PAY FOR CERTAIN POSITIONS.—

24 (1) Notwithstanding any other provision of law,
 25 but subject to paragraph (2), the rate of basic pay

1 for officers serving as Chairman or Vice Chairman
2 of the Joint Chiefs of Staff, Chief of Staff of the
3 Army, Chief of Naval Operations, Chief of Staff for
4 the Air Force, Commandant of the Marine Corps,
5 Commandant of the Coast Guard, or Commander of
6 a Combatant Command, shall be 110 percent of the
7 basic pay for an officer at the grade of O-10 with
8 over 26 years of service, regardless of the cumulative
9 years of service computed under section 205 of title
10 37, United States Code.

11 (2) The actual rate of basic pay may not exceed
12 the rate of pay for level III of the Executive Sched-
13 ule.

14 (b) RETIRED PAY.—Section 1406(i) of title 10,
15 United States Code, is amended—

16 (1) in the heading, by inserting “Combatant
17 Commanders,” after “Chiefs of Service”; and

18 (2) in paragraph (1), by inserting “as a Com-
19 batant Commander,” after “Chief of Service,”.

20 **SEC. 112. LENGTH OF SERVICE FOR THE SENIOR LEADERS**
21 **OF THE MILITARY DEPARTMENTS.**

22 (a) CHIEF OF STAFF OF THE ARMY.—Paragraph (1)
23 of section 3033(a) of title 10, United States Code, is
24 amended to read as follows:

1 “(a)(1) There is a Chief of Staff of the Army, ap-
2 pointed for a period of four years by the President, by
3 and with the advice and consent of the Senate, from the
4 general officers of the Army. He serves at the pleasure
5 of the President, and the President may extend the length
6 of service as he determines necessary.”.

7 (b) CHIEF OF NAVAL OPERATIONS.—Paragraph (1)
8 of section 5033(a) of such title is amended to read as fol-
9 lows:

10 “(a)(1) There is a Chief of Naval Operations, ap-
11 pointed by the President, by and with the advice and con-
12 sent of the Senate. The Chief of Naval Operations shall
13 be appointed for a term of four years, from officers on
14 the active-duty list in the line of the Navy who are eligible
15 to command at sea and who hold the grade of rear admiral
16 or above. He serves at the pleasure of the President, and
17 the President may extend the length of service as he deter-
18 mines necessary.”.

19 (c) COMMANDANT OF THE MARINE CORPS.—Para-
20 graph (1) of section 5043(a) of such title is amended to
21 read as follows:

22 “(a)(1) There is a Commandant of the Marine Corps,
23 appointed by the President, by and with the advice and
24 consent of the Senate. The Commandant shall be ap-
25 pointed for a term of four years from officers on the ac-

1 tive-duty list of the Marine Corps not below the grade of
 2 colonel. He serves at the pleasure of the President, and
 3 the President may extend the length of service as he deter-
 4 mines necessary.”.

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

8 “(a)(1) There is a Chief of Staff of the Air Force,
 9 appointed for a period of four years by the President, by
 10 and with the advice and consent of the Senate, from the
 11 general officers of the Air Force. He serves at the pleasure
 12 of the President, and the President may extend the length
 13 of service as he determines necessary.”.

14 **SEC. 113. LENGTH OF SERVICE FOR THE CHAIRMAN AND**
 15 **VICE CHAIRMAN OF THE JOINT CHIEFS OF**
 16 **STAFF.**

17 (a) CHAIRMAN OF THE JOINT CHIEFS OF STAFF.—
 18 Subsection (a) of section 152 of title 10, United States
 19 Code, is amended—

20 (1) by amending paragraph (1) to read as fol-
 21 lows:

22 “(1) There is a Chairman of the Joint Chiefs
 23 of Staff, appointed by the President, by and with the
 24 advice and consent of the Senate, from the officers
 25 of the regular components of the armed forces. The

1 Chairman serves at the pleasure of the President for
2 a term of two years, and the President may appoint
3 the Chairman for additional two-year terms as he
4 determines necessary.”; and

5 (2) by striking paragraph (3).

6 (b) VICE CHAIRMAN OF THE JOINT CHIEFS OF
7 STAFF.—Paragraph (3) of section 154(a) of such title is
8 amended to read as follows:

9 “(3) The Vice Chairman serves at the pleasure
10 of the President for a term of two years, and the
11 President may appoint the Chairman for additional
12 two-year terms as he determines necessary.”.

13 **SEC. 114. LENGTH OF TERMS FOR THE ASSISTANTS TO THE**
14 **CHAIRMAN OF THE JOINT CHIEFS OF STAFF**
15 **FOR NATIONAL GUARD AND RESERVE MAT-**
16 **TERS.**

17 Subsection (c) of section 901 of the National Defense
18 Authorization Act for Fiscal Year 1998 (Public Law 105–
19 85; 111 Stat. 1853), is amended by striking “for a term
20 of two years and may be continued in that assignment in
21 the same manner for one additional term. However, in
22 time of war there is no limit on the number of terms.”.

1 **SEC. 115. ELIMINATE MANDATORY TERMS OF OFFICE FOR**
2 **CERTAIN GENERAL AND FLAG STAFF OFFI-**
3 **CERS.**

4 (a) ARMY.—

5 (1) CHIEFS OF BRANCHES.—Section 3036 of
6 title 10, United States Code, is amended—

7 (A) by repealing subsection (c); and

8 (B) by redesignating subsections (d) and

9 (e) as subsections (c) and (d), respectively.

10 (2) JUDGE ADVOCATE GENERAL AND ASSIST-
11 ANT JUDGE ADVOCATE GENERAL.—Section 3037(a)
12 of such title is amended by striking “An officer ap-
13 pointed as the Judge Advocate General or Assistant
14 Judge Advocate General normally holds office for
15 four years. However, the President may terminate or
16 extend the appointment at any time.”.

17 (3) DEPUTY AND ASSISTANT CHIEFS OF
18 BRANCHES.—Section 3039(a) of such title is amend-
19 ed by striking “for a tour of duty of not more than
20 four years,”.

21 (4) CHIEF OF ARMY NURSE CORPS.—Section
22 3069(b) of such title is amended by striking “, but
23 not for more than four years, and may not be re-
24 appointed to the same position”.

25 (5) CHIEF OF THE ARMY MEDICAL SPECIALIST
26 CORPS.—Section 3070(b) of such title is amended by

1 striking “, but not for more than four years, and
2 may not be reappointed”.

3 (b) NAVY/MARINE CORPS.—

4 (1) CHIEF OF THE BUREAU OF MEDICINE AND
5 SURGERY.—Section 5137(a) of such title is amended
6 by striking “for a term of four years,”.

7 (2) CHIEF OF THE BUREAU OF NAVAL PER-
8 SONNEL.—Section 5141(a) of such title is amended
9 by striking “for a term of four years,”.

10 (3) CHIEF OF CHAPLAINS.—Subsection (c) of
11 section 5142 of such title is repealed.

12 (4) JUDGE ADVOCATE GENERAL.—Section
13 5148(b) of such title is amended by striking “, for
14 a term of four years”.

15 (5) DIRECTOR OF THE NURSE CORPS OR DIREC-
16 TOR OF THE MEDICAL SERVICE CORPS.—Section
17 5150(e) of such title is amended by striking “for a
18 term of four years,”.

19 (c) AIR FORCE JUDGE ADVOCATE GENERAL AND
20 DEPUTY JUDGE ADVOCATE GENERAL.—Section 8037(a)
21 of such title is amended—

22 (1) in subsection (a), by striking “The term of
23 office is four years, but may be sooner terminated
24 or extended by the President.”; and

1 (2) in subsection (d)(1), by striking “The term
2 of office of the Deputy Judge Advocate General is
3 four years, but may be sooner terminated or ex-
4 tended by the President.”.

5 **SEC. 116. LATERAL REASSIGNMENT OF CERTAIN GEN-**
6 **ERALS AND ADMIRALS.**

7 Subsection (a) of section 601 of title 10, United
8 States Code, is amended to read as follows:

9 “(a)(1) The President may designate positions of im-
10 portance and responsibility to carry the grade of general
11 or admiral or lieutenant general or vice admiral. The
12 President may assign to any such position an officer of
13 the Army, Navy, Air Force, or Marine Corps who is serv-
14 ing on active duty in any grade above colonel or, in the
15 case of an officer of the Navy, any grade above captain.
16 An officer assigned to any such position has the grade
17 specified by the President for such position, as provided
18 in paragraph (2).

19 “(2) An officer may be appointed initially to the
20 grade of general or admiral or lieutenant general or vice
21 admiral if he is appointed to that grade by the President,
22 by and with the advice and consent of the Senate. If the
23 President or Secretary of Defense reassigns such an offi-
24 cer to another position of importance and responsibility
25 at the same grade, no further appointment to that grade

1 is required unless the position to which the officer is reas-
2 signed is established by law.

3 “(3) Except as provided in subsection (b), the ap-
4 pointment of an officer to a grade under this section for
5 service in a position of importance and responsibility ends
6 on the date of the termination of the assignment of the
7 officer to that position.”.

8 **SEC. 117. ELIMINATE DISTRIBUTION QUOTAS FOR GEN-**
9 **ERAL AND FLAG OFFICERS SERVING IN THE**
10 **GRADES OF O-7 AND O-8.**

11 Section 525 of title 10, United States Code, is
12 amended—

13 (1) by repealing subsection (a); and

14 (2) by redesignating subsections (b), (c), and
15 (d) as subsections (a), (b), and (c), respectively.

16 **SEC. 118. EXTENDING AGE LIMITS FOR ACTIVE DUTY GEN-**
17 **ERAL AND FLAG OFFICERS.**

18 Section 1251, of title 10, United States Code, is
19 amended to read as follows:

20 **“§ 1251. Regular commissioned officers; exceptions**

21 “(a)(1) Unless retired or separated earlier, each reg-
22 ular commissioned officer of the Army, Air Force, or Ma-
23 rine Corps serving in a grade at or above brigadier general
24 or rear admiral (lower half) in the Navy shall be retired

1 on the first day of the month following the month in which
2 the officer becomes 68 years of age.

3 “(2) Notwithstanding paragraph (1), the Secretary of
4 Defense may defer the retirement of a general or flag offi-
5 cer, but such a deferment may not extend beyond the first
6 day of the month following the month in which the officer
7 becomes 72 years of age.

8 “(b)(1) Unless retired or separated earlier, each reg-
9 ular commissioned officer of the Army, Air Force, or Ma-
10 rine Corps (other than an officer who is a permanent pro-
11 fessor, director of admissions, or registrar of the United
12 States Military Academy or United States Air Force Acad-
13 emy or a commissioned warrant officer) serving in a grade
14 below brigadier general or rear admiral (lower half) in the
15 Navy shall be retired on the first day of the month fol-
16 lowing the month in which he becomes 62 years of age.
17 An officer who is a permanent professor at the United
18 States Military Academy or United States Air Force Acad-
19 emy, the director of admissions at the United States Mili-
20 tary Academy, or the registrar of the United States Air
21 Force Academy shall be retired on the first day of the
22 month following the month in which he becomes 64 years
23 of age.

24 “(2) The Secretary of the military department con-
25 cerned may defer the retirement under paragraph (1) of

1 a health professions officer if during the period of the
2 deferment the officer will be performing duties consisting
3 primarily of providing patient care or performing other
4 clinical duties.

5 “(3) The Secretary of the military department con-
6 cerned may defer the retirement under paragraph (1) of
7 an officer who is appointed or designated as a chaplain
8 if the Secretary determines that such deferral is in the
9 best interest of the military department concerned.

10 “(4)(A) Except as provided in subparagraph (B), a
11 deferment under this subsection may not extend beyond
12 the first day of the month following the month in which
13 the officer becomes 68 years of age.

14 “(B) The Secretary of the military department con-
15 cerned may extend a deferment under this subsection be-
16 yond the day referred to in subparagraph (A) if the Sec-
17 retary determines that extension of the deferment is nec-
18 essary for the needs of the military department concerned.
19 Such an extension shall be made on a case-by-case basis
20 and shall be for such period as the Secretary considers
21 appropriate.

22 “(5) For purposes of this subsection, a health profes-
23 sions officer is—

24 “(A) a medical officer;

25 “(B) a dental officer; or

1 “(C) an officer in the Army Nurse Corps, an
2 officer in the Navy Nurse Corps, or an officer in the
3 Air Force designated as a nurse.”.

4 **SEC. 119. EXTENDING AGE LIMITS FOR RESERVE AND NA-**
5 **TIONAL GUARD GENERAL AND FLAG OFFI-**
6 **CERS.**

7 (a) MAXIMUM AGE FOR RESERVE COMPONENT GEN-
8 ERAL AND FLAG OFFICERS.—

9 (1) Section 14511 of title 10, United States
10 Code, is amended to read as follows:

11 **“§14511. Separation at age 68: reserve officers in**
12 **grades above colonel or Navy captain**

13 “(a) MAXIMUM AGE.—Unless retired, transferred to
14 the Retired Reserve, or discharged at an earlier date, each
15 reserve officer of the Army, Air Force, or Marine Corps
16 in the grade above colonel and each reserve officer of the
17 Navy in the grade above captain shall be separated in ac-
18 cordance with section 14515 of this title on the last day
19 of the month in the month in which the officer becomes
20 68 years of age.

21 “(b) RETENTION BEYOND AGE 68.—Notwith-
22 standing subsection (a), the Secretary of Defense may
23 defer the retirement of a reserve officer serving in a grade
24 above colonel in the case of the Army, Air Force, or Ma-
25 rine Corps, or a reserve officer serving in a grade above

1 captain in the case of the Navy, but such a deferment may
2 not extend beyond the last day of the month following the
3 month in which the officer becomes 72 years of age.”.

4 (2) Sections 14510 and 14512 of such title are
5 repealed.

6 (b) REPEAL YEARS OF SERVICE REQUIREMENT FOR
7 RESERVE COMPONENT GENERAL AND FLAG OFFICER.—
8 Section 14508 of such title is repealed.

9 (c) ELIMINATION OF TERM LIMITATION FOR RE-
10 SERVE COMPONENT GENERAL AND FLAG OFFICER POSI-
11 TIONS.—

12 (1) Section 10502 of such title is amended—

13 (A) by striking subsection (b); and

14 (B) by redesignating subsections (c) and
15 (d) as subsections (b) and (c), respectively.

16 (2) Subsection (a) of section 10505 of such title
17 is amended—

18 (A) by striking paragraph (3); and

19 (B) by redesignating paragraph (4) as
20 paragraph (3).

21 (3) Subsection (c) of section 3038 of such title
22 is amended to read to read as follows:

23 “(c) GRADE.—The Chief of Army Reserve, while so
24 serving, holds the grade of lieutenant general.”.

1 (4) Subsection (c) of section 5143 of such title
2 is amended to read as follows:

3 “(c) GRADE.—The Chief of Naval Reserve, while so
4 serving, holds the grade of vice admiral.”.

5 (5) Subsection (c) of section 5144 of such title
6 is amended to read as follows:

7 “(c) GRADE.—The Commander, Marine Forces Re-
8 serve, while so serving, holds the grade of lieutenant gen-
9 eral.”.

10 (6) Subsection (c) of section 8038 of such title
11 is amended to read as follows:

12 “(c) GRADE.—(1) The Chief of Air Force Reserve,
13 while so serving, holds the grade of lieutenant general.”.

14 (7) Paragraph (3) of section 10506(a) of such
15 title is amended by striking subparagraph (E).

16 (d) CONFORMING AMENDMENTS.—

17 (1) Section 10214 of such title is amended by
18 striking “sections 12004(b)(1), 12215, 12642(c),
19 14507(b), 14508(e), and 14512” and inserting “sec-
20 tions 12004(b)(1), 12215, 12642(c), and 14507(b)”.

21 (2) Section 14514 of such title is amended by
22 striking “section 14507, 14508, 14704, or 14705”
23 and inserting “section 14507, 14704, or 14705”.

1 (3) Section 14515 of such title is amended by
2 striking “section 14509, 14510, 14511, or 14512”
3 and inserting “section 14509 or 14511”.

4 (4) Section 14702 of such title is amended by
5 striking “section 14506, 14507, or 14508” and in-
6 serting “section 14506 or 14507”.

7 (5) Section 14705 of such title is repealed.

8 (6) The table of sections at the beginning of
9 chapter 1407 of such title is amended—

10 (A) by amending the item relating to sec-
11 tion 14511 to read as follows:

“14511. Separation at age 68: reserve officers in grades above colonel or Navy
captain”;

12 and

13 (B) by striking the items relating to sec-
14 tions 14508, 14510, and 14512.

15 (7) Subsection (a) of section 324 of title 32,
16 United States Code, is amended by striking “An of-
17 ficer” and inserting “Except as provided in section
18 14511 of title 10, an officer”.

19 **SEC. 120. ELIMINATE MANDATORY RETIREMENT OF ACTIVE**
20 **DUTY GENERAL AND FLAG OFFICERS AFTER**
21 **30 YEARS OF SERVICE.**

22 (a) IN GENERAL.—Sections 635 and 636 of title 10,
23 United States Code, are repealed.

1 (b) CONFORMING AMENDMENT.—Section 637(b) of
2 such title is amended-

3 (1) by striking paragraph (2); and

4 (2) by redesignating paragraph (3) as para-
5 graph (2).

6 **SEC. 121. MORE FLEXIBLE RETIREMENT RULES FOR MILI-
7 TARY OFFICERS.**

8 (a) IN GENERAL.—Section 1370 of title 10, United
9 States Code, is amended to read as follows:

10 **“§ 1370. Commissioned officers: general rule; excep-
11 tions**

12 “(a) RULE FOR RETIREMENT IN HIGHEST GRADE
13 HELD SATISFACTORILY.—

14 “(1) Unless entitled to a higher retired grade
15 under some other provision of law, a commissioned
16 officer (other than a commissioned warrant officer)
17 of the Army, Navy, Air Force, or Marine Corps who
18 retires under any provision of law other than chapter
19 61 or chapter 1223 of this title shall, subject to the
20 criteria specified under paragraph (2) or (3), be re-
21 tired in the highest grade in which he served on ac-
22 tive duty satisfactorily, as determined by the Sec-
23 retary of the military department concerned.

24 “(2) In order to be eligible for voluntary retire-
25 ment in a grade at or below the grade of major or

1 lieutenant commander, a commissioned officer of the
2 Army, Navy, Air Force, or Marine Corps covered by
3 paragraph (1) must have served on active duty in
4 that grade for not less than six months.

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

15 “(B) An officer at or above the grade of lieu-
16 tenant general or vice admiral may be retired in the
17 highest grade in which he served on active duty sat-
18 isfactorily, upon approval by the Secretary of the
19 military department concerned and concurrence by
20 the Secretary of Defense or another civilian official
21 in the Office of the Secretary of Defense appointed
22 by the President, by and with the advice and consent
23 of the Senate.

24 “(C) The President may waive subparagraph
25 (A) in individual cases involving extreme hardship or

1 exceptional or unusual circumstances. The authority
2 of the President under the preceding sentence may
3 not be delegated.

4 “(4) A reserve or temporary officer who is noti-
5 fied that he will be released from active duty without
6 his consent, and thereafter requests retirement
7 under section 3911, 6323, or 8911 of this title and
8 is retired pursuant to that request, is considered for
9 purposes of this section to have been retired involun-
10 tarily. An officer retired pursuant to section
11 1186(b)(1) of this title is considered for purposes of
12 this section to have been retired voluntarily.

13 “(b) RETIREMENT IN NEXT LOWER GRADE.—An of-
14 ficer whose length of service in the highest grade he held
15 while on active duty does not meet the service in grade
16 requirements specified in subsection (a) or whose service
17 on active duty in that grade was not determined to be sat-
18 isfactory by the Secretary of the military department con-
19 cerned shall be retired in the next lower grade in which
20 he served on active duty satisfactorily, as determined by
21 the Secretary of the military department concerned, for
22 not less than six months.

23 “(c) RESERVE OFFICERS.—

24 “(1) Unless entitled to a higher grade, or to
25 credit for satisfactory service in a higher grade,

1 under some other provision of law, a person who is
2 entitled to retired pay under chapter 1223 of this
3 title shall, upon application under section 12731 of
4 this title, be credited with satisfactory service in the
5 highest grade in which that person served satisfac-
6 torily at any time in the armed forces, as determined
7 by the Secretary concerned in accordance with this
8 subsection.

9 “(2) In order to be credited with satisfactory
10 service in an officer grade (other than a warrant of-
11 ficer grade) below the grade of lieutenant colonel or
12 commander, a person covered by paragraph (1) must
13 have served satisfactorily in that grade (as deter-
14 mined by the Secretary of the military department
15 concerned) as a reserve commissioned officer in an
16 active status, or in a retired status on active duty,
17 for not less than six months.

18 “(3)(A)(i) In order to be credited with satisfac-
19 tory service in an officer grade above major or lieu-
20 tenant commander and below brigadier general or
21 rear admiral (lower half), a person covered by para-
22 graph (1) must have served satisfactorily in that
23 grade (as determined by the Secretary of the mili-
24 tary department concerned) as a reserve commis-
25 sioned officer in an active status, or in a retired sta-

1 tus on active duty, for not less than three years, ex-
2 cept that the Secretary of Defense may authorize
3 the Secretary of the military department concerned
4 to reduce such period to a period not less than two
5 years.

6 “(ii) An officer at or above the grade of lieuten-
7 ant general or vice admiral may be retired in the
8 highest grade in which he served satisfactorily, upon
9 approval by the Secretary of the military department
10 concerned and concurrence by the Secretary of De-
11 fense or another civilian official in the Office of the
12 Secretary of Defense appointed by the president, by
13 and with the advice and consent of the Senate.

14 “(B) A person covered by subparagraph (A)(1)
15 who has completed at least six months of satisfac-
16 tory service in grade and is transferred from an ac-
17 tive status or discharged as a reserve commissioned
18 officer solely due to the requirements of a nondis-
19 cretionary provision of law requiring that transfer or
20 discharge due to the person’s age or years of service
21 may be credited with satisfactory service in the
22 grade in which serving at the time of such transfer
23 or discharge, notwithstanding the failure of the per-
24 son to complete three years of service in that grade.

1 “(C) To the extent authorized by the Secretary
2 of the military department concerned, a person who,
3 after having been recommended for promotion in a
4 report of a promotion board but before being pro-
5 moted to the recommended grade, served in a posi-
6 tion for which that grade is the minimum authorized
7 grade may be credited for purposes of subparagraph
8 (A)(1) as having served in that grade for the period
9 for which the person served in that position while in
10 the next lower grade. The period credited may not
11 include any period before the date on which the Sen-
12 ate provides advice and consent for the appointment
13 of that person in the recommended grade.

14 “(D) To the extent authorized by the Secretary
15 of the military department concerned, a person who,
16 after having been found qualified for Federal rec-
17 ognition in a higher grade by a board under section
18 307 of title 32, serves in a position for which that
19 grade is the minimum authorized grade and is ap-
20 pointed as a reserve officer in that grade may be
21 credited for the purposes of subparagraph (A)(1) as
22 having served in that grade. The period of the serv-
23 ice for which credit is afforded under the preceding
24 sentence may only be the period for which the per-

1 son served in the position after the Senate provides
2 advice and consent for the appointment.

3 “(4) A person whose length of service in the
4 highest grade held does not meet the service in
5 grade requirements specified in this subsection shall
6 be credited with satisfactory service in the next
7 lower grade in which that person served satisfac-
8 torily (as determined by the Secretary of the mili-
9 tary department concerned) for not less than six
10 months.”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply with respect to the computation
13 of retired or retainer pay of any individual who becomes
14 entitled to that pay on or after the date of enactment of
15 this Act.

16 **SEC. 122. MORE FLEXIBLE COMPUTATION OF RETIRED PAY**
17 **FOR OFFICERS AND SENIOR ENLISTED MEM-**
18 **BERS.**

19 (a) MODIFICATION OF RETIRED PAY FORMULAS.—

20 (1) Chapter 71 of title 10, United States Code,
21 is amended by inserting after section 1401a the fol-
22 lowing new section:

1 **“§ 1401b. Maximum multiplier in the computation of**
2 **retired pay**

3 “Notwithstanding any other provision of law that lim-
4 its retired pay, computed under this chapter or under
5 chapter 1223 of this title, to a maximum of 75 percent
6 of the member’s base determined under section 1406 or
7 1407 of this title, the maximum amount of retired pay
8 as a percentage of such base will be limited as follows:

9 “(1) For members retired before October 1,
10 2003, use limitations prescribed in other sections of
11 law.

12 “(2) For members retired on or after October
13 1, 2003, use the limitations prescribed in other sec-
14 tions of law except in the case of—

15 “(A) members retired in the grade O–7
16 and above with more than 30 years of cred-
17 itable service in the computation of the multi-
18 plier percentage under section 1409 of this title,
19 such percentage is not limited to 75 percent for
20 any time served in excess of 30 years otherwise
21 creditable after October 1, 2003; and

22 “(B) members retired in the grades E–8
23 and E–9 with more than 30 years of creditable
24 service in the computation of the multiplier per-
25 centage under section 1409 of this title, such
26 percentage is not limited to 75 percent for any

1 time served under conditions authorized such
 2 additional credit during a period established by
 3 the Secretary of Defense.”.

4 (2) The table of sections at the beginning of
 5 such chapter is amended by inserting after the item
 6 relating to section 1401a the following new item:

“1401b. Maximum multiplier in the computation of retired pay.”.

7 (b) **EFFECTIVE DATE.**—The amendments made by
 8 this section shall apply with respect to the computation
 9 of retired or retainer pay of any individual who becomes
 10 entitled to that pay on or after the date of enactment of
 11 this Act.

12 **SEC. 123. ELIMINATE RETIRED PAY LIMIT APPLICABLE TO**
 13 **GENERAL AND FLAG OFFICERS.**

14 (a) **RETIRED PAY BASE FOR MEMBERS WHO FIRST**
 15 **BECAME MEMBERS BEFORE SEPTEMBER 8, 1980.**—Sec-
 16 tion 1406 of title 10, United States Code, is amended by
 17 adding at the end the following new subsection:

18 “(j) In the case of a member at grade O–7 and above,
 19 the rates of basic pay used to compute the pay base pre-
 20 scribed in this section shall be the rates applicable to the
 21 grade or position without regard to any provision of law
 22 limiting such pay to the rate of pay for level III of the
 23 Executive Schedule.”.

24 (b) **RETIRED PAY BASE FOR MEMBERS WHO FIRST**
 25 **BECAME MEMBERS AFTER SEPTEMBER 7, 1980.**—Sec-

1 tion 1407 of such title is amended by adding at the end
2 the following new subsection:

3 “(g) In the case of a member at grade O–7 and
4 above, the rates of basic pay used to compute the pay base
5 prescribed in this section shall be the rates applicable to
6 the grade or position without regard to any provision of
7 law limiting such pay to the rate of pay for level III of
8 the Executive Schedule.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply with respect to the computation
11 of retired or retainer pay of any individual who becomes
12 entitled to that pay on or after the date of enactment of
13 this Act.

14 **Subtitle C—Transformation of**
15 **Military Personnel**

16 **SEC. 131. MEASURING PERSONNEL STRENGTHS.**

17 (a) STRENGTH ACCOUNTING REQUIREMENT.—Sec-
18 tion 115 of title 10, United States Code, is amended—

19 (1) by amending subsection (a) to read as fol-
20 lows:

21 “(a) Congress shall authorize personnel strength lev-
22 els for each fiscal year for each of the following:

23 “(1) The average strength for each of the
24 armed forces (other than the Coast Guard) for ac-

1 tive-duty personnel who are to be paid from funds
2 appropriated for active-duty personnel.

3 “(2) The average strength for each of the
4 armed forces (other than the Coast Guard) for ac-
5 tive-duty personnel and full-time National Guard
6 duty personnel who are to be paid from funds appro-
7 priated for reserve personnel.

8 “(3) The average strength for the Selected Re-
9 serve of each reserve component of the armed
10 forces.”;

11 (2) in subsection (b)—

12 (A) in paragraph (1), by striking “end
13 strength” and inserting “strength”; and

14 (B) in paragraph (2), by striking “end
15 strength” and inserting “strength”;

16 (3) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) by striking “end strength” both
19 places it appears and inserting “strength”;
20 and

21 (ii) by striking “(a)(1)(A)” and in-
22 serting “(a)(1)”;

23 (B) in paragraph (2)—

1 (i) by striking “end strength” both
2 places it appears and inserting “strength”;
3 and

4 (ii) by striking “(a)(1)(B)” and in-
5 serting “(a)(2)” and
6 (C) in paragraph (3)—

7 (i) by striking “end strength” both
8 places it appears and inserting “strength”;
9 and

10 (ii) by striking “(a)(2)” and inserting
11 “(a)(3)”;

12 (4) in subsection (d)—

13 (A) by striking “end-strengths” and insert-
14 ing “strengths”;

15 (B) by striking “subsection (a)(1)” and in-
16 serting “paragraphs (1) and (2) of subsection
17 (a)” and

18 (C) in paragraph (9)(B), by striking
19 “(a)(1)(A)” and inserting “(a)(1)”;

20 (5) in subsection (e), by striking “subsection
21 (a)(1)” and inserting “paragraphs (1) and (2) of
22 subsection (a)”;

23 (6) in subsection (f)—

24 (A) by striking “end strength” both places
25 it appears and inserting “strength” and

1 (B) by striking “(a)(1)(A)” and inserting
2 “(a)(1)”; and

3 (7) in subsection (g), by striking “end
4 strength” both places it appears and inserting
5 “strength”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Subparagraph (A) of section 168(f)(1) of
8 such title is amended—

9 (A) by striking “end strength” and insert-
10 ing “strength”; and

11 (B) by striking “section 115(a)(1)” and in-
12 serting “paragraphs (1) and (2) of section
13 115(a)”.

14 (2) Subsection (f) of section 691 of such title
15 is amended by striking “section 115(a)(1)” and in-
16 serting “paragraphs (1) and (2) of section 115(a)”.

17 (3) Subsection (b) of section 3201 of such title
18 is amended by striking “section 115(a)(1)” and in-
19 serting “paragraphs (1) and (2) of section 115(a)”.

20 (4) Paragraph (4) of section 12310(c) of such
21 title is amended—

22 (A) by striking “end strength” and insert-
23 ing “strength”; and

1 (B) by striking “section 115(a)(1)(B) and
2 115(a)(2)” and inserting “section 115(a)(2)
3 and 115(a)(3)”.

4 (5) Subsection (d) of section 16132 of such title
5 is amended—

6 (A) by striking “end strength” and insert-
7 ing “strength”; and

8 (B) by striking “section 115(a)(1)(B)” and
9 inserting “section 115(a)(2)”.

10 (6) Section 112 of title 32, United States Code,
11 is amended—

12 (A) in subsection (e)—

13 (i) in the heading, by striking “End-
14 Strength” and inserting “Strength”; and

15 (ii) by striking “end strength” and in-
16 serting “strength”;

17 (B) in subsection (f)—

18 (i) in the heading, by striking “End-
19 Strength” and inserting “Strength”; and

20 (ii) in paragraph (2), by striking “end
21 strength” and inserting “strength”; and

22 (C) in subsection (g)(1), by striking “end
23 strengths” and inserting “strengths”.

1 **SEC. 132. ACCESS TO SECONDARY SCHOOLS BY MILITARY**
2 **RECRUITERS.**

3 Paragraph (5) of section 503(c) of title 10, United
4 States Code, is amended to read as follows:

5 “(5) The requirements of this subsection do not
6 apply to a private secondary school that maintains
7 a religious objection to service in the armed forces
8 and which objection is verifiable through the cor-
9 porate or other organizational documents or mate-
10 rials of that school.”.

11 **SEC. 133. WAIVER OF MILITARY EDUCATION ELIGIBILITY**
12 **AND POST-EDUCATION PLACEMENT RE-**
13 **QUIREMENTS.**

14 Section 663 of title 10, United States Code, is
15 amended—

16 (1) in subparagraph (C) of subsection (a)(2), by
17 striking “scientific and technical” and inserting “ca-
18 reer field specialty”;

19 (2) by striking subsection (d); and

20 (3) by redesignating subsection (e) as sub-
21 section (d).

22 **SEC. 134. LENGTH OF JOINT DUTY ASSIGNMENTS.**

23 Section 664 of title 10, United States Code, is
24 amended to read as follows:

1 **“§ 664. Length of joint duty assignments**

2 “(a) LENGTH OF JOINT DUTY ASSIGNMENTS.—In
3 the case of officers serving in a grade not less than Major,
4 or, in the case of the Navy, Lieutenant Commander, the
5 length of a joint duty assignment will mirror the standard
6 tour length the Secretary of Defense establishes for each
7 installation or location at which joint duty assignments as
8 specified in section 668 of this title are authorized. Joint
9 duty credit is awarded as provided by subsection (c). Duty
10 at a qualified joint task force headquarters requires one
11 year of total service credited in the manner specified in
12 subsection (c).

13 “(b) EXCLUSIONS FROM TOUR LENGTH.—The Sec-
14 retary of a military department may request that the joint
15 activity to which an officer is assigned curtail the officer’s
16 joint assignment. The officer will receive full credit for
17 service when an assignment was curtailed from the stand-
18 ards prescribed in subsection (a), provided the officer has
19 served at least 24 months in a joint position with a tour
20 length of greater than 24 months, or the full term of a
21 Secretary of Defense-established tour length, and the joint
22 activity agreed to the curtailment.

23 “(c) FULL CREDIT FOR JOINT DUTY.—An officer
24 shall be considered to have completed a full tour of joint
25 duty in a joint duty assignment for the purposes of award-
26 ing full credit upon the completion of any of the following:

1 “(1) A joint duty assignment that meets the
2 standards prescribed in subsection (a) or (b).

3 “(2) Accumulation of partial credit totaling one
4 year of service earned by service in one or more joint
5 task force headquarters as specified in subsection
6 (a).

7 “(3) A joint duty assignment with respect to
8 which the Secretary of Defense has granted a waiver
9 under subsection (d).

10 “(4) A second joint duty assignment that is less
11 than 24 months, without regard to the nature of
12 credit awarded to the officer for his or her first as-
13 signment in a Joint Duty Assignment List position.

14 “(d) WAIVER AUTHORITY.—The Secretary of De-
15 fense may waive this section when it is considered essential
16 for military personnel management. Such a waiver may
17 be granted only on a case-by-case basis in the case of any
18 officer.”.

19 **SEC. 135. ORDERING RESERVE COMPONENT MEMBERS TO**
20 **ACTIVE DUTY TO RESPOND TO DISASTERS,**
21 **ACCIDENTS, OR CATASTROPHES.**

22 Section 12304 of title 10, United States Code, is
23 amended—

24 (1) in subsection (b)—

1 (A) by striking “or” at the end of para-
2 graph (1);

3 (B) by striking the period at the end of
4 paragraph (2) and inserting “; or”; and

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

7 “(3) a serious natural or manmade disaster, ac-
8 cident, or catastrophe.”; and

9 (2) in subsection (c)(1), by striking “or” and
10 all that follows and inserting a period.

11 **SEC. 136. IMPROVED INVOLUNTARY ACCESS TO RESERVE**
12 **COMPONENT MEMBERS FOR ENHANCED**
13 **TRAINING.**

14 (a) READY RESERVE.—Section 10147(a) of title 10,
15 United States Code, is amended—

16 (1) in paragraph (1), by inserting “(A)” after
17 “(1)”;

18 (2) by redesignating paragraph (2) as subpara-
19 graph (B);

20 (3) by striking the period at the end of sub-
21 paragraph (B) (as redesignated) and inserting “;
22 and”; and

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

1 “(2) serve an additional obligation of up to 90
2 days of active duty for training when directed by the
3 affected military department, with the consent of the
4 governor in the case of the National Guard, in in-
5 stances where additional training to meet deploy-
6 ment standards is required as prescribed by the Sec-
7 retary of the military department concerned.”.

8 (b) RESERVE COMPONENTS GENERALLY.—Section
9 12301 of such title is amended—

10 (1) by redesignating subsections (e) through (h)
11 as subsections (f) through (i), respectively;

12 (2) by inserting after subsection (d) the fol-
13 lowing new subsection (e):

14 “(e) At any time, an authority designated by the Sec-
15 retary concerned may order a member of a reserve compo-
16 nent under his jurisdiction to active duty for a period of
17 not more than 90 days, with the consent of the governor
18 in the case of the National Guard, in instances where addi-
19 tional training to meet deployment standards is required
20 as prescribed by the Secretary of the military department
21 concerned. Service of members pursuant to this subsection
22 will not affect subsequent mobilization under sections
23 12301, 12302, 12303, or 12304 of this title.”; and

1 (3) in subsection (g) (as redesignated), by strik-
2 ing “subsections (b) and (d)” and inserting “sub-
3 sections (b), (d), and (e)”.

4 **SEC. 137. MEDICAL AND DENTAL SCREENING FOR MEM-**
5 **BERS OF SELECTED RESERVE UNITS ALERT-**
6 **ED FOR MOBILIZATION.**

7 Section 1074a of title 10, United States Code, is
8 amended by adding at the end the following new sub-
9 section:

10 “(f)(1) The Department of Defense may provide med-
11 ical and dental screening and care to members of the Se-
12 lected Reserve who are assigned to a unit that has been
13 alerted that the unit will be mobilized for active duty serv-
14 ice in support of an operational mission or contingency
15 operation, during a national emergency, or in time of war.

16 “(2) The medical and dental screening and care that
17 may be provided under this subsection is screening and
18 care necessary to ensure that a member meets the medical
19 and dental standards for deployment.

20 “(3) The services provided under this subsection shall
21 be provided to a member at no cost to the member and
22 at any time after the unit to which the member is assigned
23 is alerted or otherwise notified the unit will be mobilized.”.

1 **TITLE II—ACQUISITION**
2 **TRANSFORMATION**
3 **Subtitle A—Transformation of**
4 **Acquisition Process**

5 **SEC. 201. REPEAL REQUIREMENTS FOR MAJOR DEFENSE**
6 **ACQUISITION PROGRAMS.**

7 (a) REPEALS.—Sections 2430, 2431, 2432, 2433,
8 2435, and 2440 of title 10, United States Code, are re-
9 pealed.

10 (b) INDEPENDENT COST ESTIMATES.—Section 2434
11 of such title 10 is amended—

12 (1) in the title, by striking “; **operational**
13 **manpower requirements**”;

14 (2) in subsection (a), by striking “and a man-
15 power estimate for the program have” and inserting
16 “has”; and

17 (3) in subsection (b)—

18 (A) by striking “s” in “estimates”;

19 (B) by striking “—” after “require”;

20 (C) by striking “(1)”;

21 (D) by striking “(A)” and inserting “(1)”;

22 (E) by striking “(i)” and inserting “(A)”;

23 (F) by striking “(ii)” and inserting “(B)”;

24 (G) by striking “(B)” and inserting “(2)”;

1 (H) by striking “; and” after “control”
2 and inserting a period; and

3 (I) by striking paragraph (2).

4 **SEC. 202. APPLICABILITY OF CLINGER-COHEN ACT TO**
5 **EQUIPMENT INTEGRAL TO A WEAPON OR**
6 **WEAPON SYSTEM AND DEPARTMENT OF DE-**
7 **FENSE INFORMATION TECHNOLOGY MAN-**
8 **AGEMENT.**

9 (a) EXCEPTION FOR EQUIPMENT INTEGRAL TO A
10 WEAPON OR WEAPON SYSTEM.—Subsection (c) of section
11 11103 of title 40, United States Code, is amended by add-
12 ing at the end the following new paragraph:

13 “(4) EQUIPMENT INTEGRAL TO A WEAPON OR
14 WEAPON SYSTEM.—Notwithstanding paragraphs (1),
15 (2), and (3), sections 11302, 11303, 11312, 11313,
16 and 11316 of this title do not apply to equipment
17 determined by the Secretary of Defense to be an in-
18 tegral part of a weapon or weapon system.”.

19 (b) ELIMINATION OF DUPLICATE NATIONAL SECUR-
20 RITY SYSTEMS.—Subsection (a) of section 2223 of title
21 10, United States Code, is amended—

22 (1) by inserting “and” at the end of paragraph
23 (3);

24 (2) by amending paragraph (4) to read as fol-
25 lows:

1 “(4) provide for the elimination of duplicate in-
2 formation technology systems, and recommend to
3 the Secretary of Defense the elimination of duplicate
4 national security systems, within and between the
5 military departments and Defense Agencies.”; and

6 (3) by striking paragraph (5).

7 (c) REPEAL OF CONGRESSIONAL NOTIFICATION AND
8 REPORTING REQUIREMENTS.—

9 (1) Section 811 of the Floyd D. Spence Na-
10 tional Defense Authorization Act for Fiscal Year
11 2001 (Public Law 106–398; 114 Stat. 1654) is re-
12 pealed.

13 (2) Section 351 of the Bob Stump National De-
14 fense Authorization Act for Fiscal Year 2003 (Pub-
15 lic Law 107–314; 116 Stat. 2458) is repealed.

16 **SEC. 203. INFLATION ADJUSTMENT FOR ACQUISITION-RE-**
17 **LATED DOLLAR THRESHOLDS.**

18 (a) AUTHORITY.—Subject to the requirements of sub-
19 section (b)—

20 (1) the Federal Acquisition Regulatory Council
21 (as defined in section 25 of the Office of Federal
22 Procurement Policy Act, 41 U.S.C. 421) may adjust
23 the dollar thresholds set out in statutes that apply
24 to the acquisition of goods or services by executive
25 agencies (as defined in section 4(1) of the Office of

1 Federal Procurement Policy Act, 41 U.S.C. 403(1));
2 and

3 (2) the head of an executive agency may adjust
4 the dollar thresholds set out in statutes that apply
5 exclusively to the acquisition of goods or services by
6 that agency.

7 (b) THRESHOLD ADJUSTMENTS.—Adjustments to
8 dollar thresholds shall be—

9 (1) made only after consultation with the Direc-
10 tor of the Office of Management and Budget and
11 calculated using escalation rates to be determined by
12 the Director;

13 (2) made from the date the threshold was en-
14 acted to the date of adjustment;

15 (3) rounded to facilitate implementation; and

16 (4) published in the Federal Register.

17 (c) EXCLUSION.—The authority of this section does
18 not apply to—

19 (1) the Act of March 3, 1931 (popularly known
20 as the Davis-Bacon Act), 40 U.S.C. 276(a); or

21 (2) the Service Contract Act of 1965 (41
22 U.S.C. 351 et seq.).

1 **SEC. 204. SECURITY INTEREST EXCEPTION TO DOMESTIC**
2 **SOURCE OR CONTENT REQUIREMENTS.**

3 (a) IN GENERAL.—Subchapter V of chapter 148 of
4 title 10, United States Code, is amended by adding at the
5 end the following new section:

6 **“§2539c. Waiver of domestic source or content re-**
7 **quirements**

8 “(a) AUTHORITY.—The Secretary of Defense may
9 waive the application of any domestic source requirement
10 or domestic content requirement, with the exception of the
11 Small Business Act (15 U.S.C. 631 et seq.), and articles
12 or items listed in subsection (b)(1)(B)–(E) of section
13 2533a of this title, if he determines that security interests
14 are served by a waiver of such a requirement. This waiver
15 authority includes, but is not limited to, circumstances in
16 which—

17 “(1) it is necessary to promote standardization,
18 interoperability of conventional defense equipment
19 with allied and friendly governments;

20 “(2) it is necessary to enable the Department
21 of Defense to obtain the best equipment available in
22 the most expeditious manner and thereby enhance
23 the readiness and capabilities of United States
24 Armed Forces;

25 “(3) it is necessary to encourage competition in
26 Department of Defense procurements;

1 “(4) significant cost savings for purchases of
2 Department of Defense supplies can be achieved;
3 and

4 “(5) it is necessary to support wartime, anti-
5 terrorist, or contingency operations.

6 “(b) COVERED REQUIREMENTS.—For purposes of
7 this section:

8 “(1) A ‘domestic source requirement’ is any re-
9 quirement under law that the Department of De-
10 fense must procure an item that is grown, reproc-
11 essed, reused, produced, or manufactured in the
12 United States or by a manufacturer that is a part
13 of the national technology and industrial base (as
14 defined in section 2500(1) of this title).

15 “(2) A ‘domestic content requirement’ is any
16 requirement under law that the Department of De-
17 fense must procure an item produced or manufac-
18 tured partly or wholly from components and mate-
19 rials grown, reprocessed, reused, produced, or manu-
20 factured in the United States.

21 “(c) RELATIONSHIP TO OTHER WAIVER AUTHOR-
22 ITY.—The authority under subsection (a) to waive a do-
23 mestic source requirement or domestic content require-
24 ment is in addition to any other authority to waive such
25 requirement.

1 “(d) CONSTRUCTION WITH RESPECT TO LATER EN-
 2 ACTED LAWS.—This section may not be construed as
 3 being inapplicable to a domestic source requirement or do-
 4 mestic content requirement contained in a law enacted
 5 after the enactment of this section solely on the basis of
 6 the later enactment.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
 8 at the beginning of such subchapter is amended by insert-
 9 ing after the item relating to section 2539b the following
 10 new item:

“2539c. Waiver of domestic source or content requirements.”.

11 **SEC. 205. CLARIFICATION OF BUY AMERICAN REQUIRE-**
 12 **MENTS.**

13 Section 2533a of title 10, United States Code, is
 14 amended—

15 (1) in subsection (a)—

16 (A) by striking “subsections (c) through
 17 (h)” and inserting “subsections (b) through
 18 (i)”; and

19 (B) by striking “if the item is not grown,
 20 reprocessed, reused, or produced in the United
 21 States”;

22 (2) in subsection (b), by amending paragraphs
 23 (1) through (3) to read as follows:

24 “(1) An article or item of—

1 “(A) meals ready-to-eat listed in Federal
2 Supply Class 8970 unless the article or item is
3 produced or manufactured in the United States;

4 “(B) textile fabrics listed in Federal Sup-
5 ply Class 8305; yarn or thread listed in Federal
6 Supply Class 8310; tents, tarpaulins, or covers
7 listed in Federal Supply Class 8340; or flags or
8 pennants listed in Federal Supply Class 8345
9 unless the article or item is produced or manu-
10 factured in the United States and the textile
11 components or materials are produced or manu-
12 factured wholly in the United States;

13 “(C) clothing or apparel listed in Federal
14 Supply Class 8405, 8410, 8415, 8420, 8425,
15 8450, 8470, or 8475; footwear listed in Federal
16 Supply Class 8430 or 8435; hosiery listed in
17 Federal Supply Class 8440 or 8445; or badges
18 or insignia listed in Federal Supply Class 8455
19 unless the article or item is produced or manu-
20 factured in the United States and the textile
21 components or materials are produced or manu-
22 factured wholly in the United States;

23 “(D) individual equipment listed in Fed-
24 eral Supply Class 8465 manufactured or pro-
25 duced from or containing textile components or

1 materials unless the article or item is produced
2 or manufactured in the United States and the
3 textile components or materials are produced or
4 manufactured wholly in the United States;

5 “(E) textile household furnishings listed in
6 Federal Supply Class 7210 and textile drap-
7 eries, awnings, or shades listed in Federal Sup-
8 ply Class 7230 unless the article or item is pro-
9 duced or manufactured in the United States
10 and the textile components or materials are
11 produced or manufactured wholly in the United
12 States; or

13 “(F) parachutes listed in Federal Supply
14 Group 1670, unless the article or item is pro-
15 duced or manufactured wholly in the United
16 States and the textile components or materials
17 are produced or manufactured wholly in the
18 United States.

19 “(2) Equipment of the following Federal supply
20 classifications that contain a specialty metal unless
21 the specialty metal used to produce or manufacture
22 the article or item, or an equivalent amount that is
23 acquired by the contractor or a subcontractor, was
24 smelted in the United States:

1 “(A) Weapons listed in Federal Supply
2 Group 10.

3 “(B) Nuclear ordnance listed in Federal
4 Supply Group 11.

5 “(C) Fire control equipment listed in Fed-
6 eral Supply Group 12.

7 “(D) Ammunition and explosives listed in
8 Federal Supply Group 13.

9 “(E) Guided missiles listed in Federal
10 Supply Group 14.

11 “(F) Aircraft and related components, ac-
12 cessories, and equipment listed in Federal Sup-
13 ply Groups 15, 16, and 17.

14 “(G) Space vehicles listed in Federal Sup-
15 ply Group 18.

16 “(H) Ships, small craft, pontoons, and
17 floating docks listed in Federal Supply Group
18 19.

19 “(I) Ship and marine equipment listed in
20 Federal Supply Group 20.

21 “(J) Passenger motor vehicles listed in
22 Federal Supply Class 2310.

23 “(K) Tracked combat vehicles listed in
24 Federal Supply Class 2350.

1 “(L) Engines, turbines, and components
2 listed in Federal Supply Group 28.

3 “For the purposes of this paragraph, ‘specialty
4 metal’ means:

5 “(A) steel—

6 “(i) where the maximum alloy content
7 exceeds one or more of the following limits:
8 manganese, 1.65 percent; silicon, 0.60 per-
9 cent; or copper, 0.60 percent; or

10 “(ii) that contains more than 0.25
11 percent of any of the following elements:
12 aluminum, chromium, cobalt, columbium,
13 molybdenum, nickel, titanium, tungsten, or
14 vanadium;

15 “(B) metal alloys consisting of nickel, iron-
16 nickel, and cobalt base alloys containing a total
17 of other alloying metals (except iron) in excess
18 of 10 percent;

19 “(C) titanium and titanium alloys; or

20 “(D) zirconium and zirconium base alloys.

21 “(3) Hand tools listed in Federal Supply Group
22 51 and measuring tools listed in Federal Supply
23 Group 52, unless the article or item is produced or
24 manufactured in the United States.”;

25 (3) in subsection (c)—

1 (A) by striking “Subsection (a)” and in-
2 serting “This section”;

3 (B) by inserting ”, or component thereof,”
4 after “such article or item”;

5 (C) by striking “(1) or specialty metals
6 (including stainless steel flatware)”;

7 (D) by inserting before the period at the
8 end the following: “or, for items listed in sub-
9 sections (b)(1)(A), (b)(2), and (b)(3), at a rea-
10 sonable cost”;

11 (4) in subsection (d)—

12 (A) in the catchline, by striking “Outside
13 the United States” and inserting “in Exigent
14 Circumstances”;

15 (B) by striking “Subsection (a) does not
16 apply” and inserting “This section does not
17 apply”;

18 (C) by amending paragraph (1) to read as
19 follows:

20 “(1) Procurements of items listed in sub-
21 sections (b)(1)(A), (b)(2), and (b)(3) in support of
22 contingency operations as defined in section
23 101(a)(13) of this title, and procurements outside
24 the United States of items listed in subsections

1 (b)(1)(B) through (b)(1)(F) in support of combat
2 operations.”;

3 (D) by amending paragraph (3) to read as
4 follows:

5 “(3) Procurements of items listed in sub-
6 sections (b)(1)(A), (b)(2), and (b)(3) of unusual and
7 compelling urgency under the authority of section
8 2304(e)(2) of this title, and emergency procurements
9 by an establishment located outside the United
10 States of items listed in subsections (b)(1)(B)
11 through (b)(1)(F) for the personnel attached to such
12 establishment.”;

13 (5) by amending subsections (e) and (f) to read
14 as follows:

15 “(e) EXCEPTION FOR SPECIALTY METALS.—This
16 section does not apply to procurements of end items or
17 components of equipment listed in subsection (b)(2) if the
18 specialty metal used to produce or manufacture the item,
19 or an equivalent amount that is acquired by the contractor
20 or a subcontractor, was smelted in a foreign country that
21 has a memorandum of understanding providing for recip-
22 rocal procurement of defense items that is entered into
23 with the Department of Defense in accordance with sec-
24 tion 2531 of this title.

1 “(f) EXCEPTION FOR WARFARE PROTECTIVE
2 CLOTHING.—This section does not apply to procurements
3 of nuclear, biological, chemical, or radiological warfare
4 protective clothing or personal armor listed in Federal
5 Supply Group 84 produced or manufactured in any for-
6 eign country that has a memorandum of understanding
7 providing for reciprocal procurement of defense items that
8 is entered into with the United States in accordance with
9 section 2531 of this title, provided that the textile and ap-
10 parel components or materials are substantially all from
11 textile and apparel components and materials produced or
12 manufactured wholly in the United States or in any such
13 foreign country.”;

14 (6) in subsection (g), by striking “Subsection
15 (a) does not apply” and inserting “This section does
16 not apply”;

17 (7) in subsection (h)—

18 (A) by striking “Subsection (a) does not
19 apply” and inserting “This section does not
20 apply”;

21 (B) by striking “2304(g) of this title” and
22 inserting “2302(7) of this title”; and

23 (C) by adding at the end the following new
24 sentence: “This section does not preclude the
25 purchase of covered items with textile compo-

1 nents and materials that are not produced or
 2 manufactured in the United States if the esti-
 3 mated value of all such textile components and
 4 materials is not greater than—

5 “(1) the simplified acquisition threshold; or

6 “(2) 10 percent of the total price of the covered
 7 items being purchased, whichever is less.”; and

8 (8) in subsection (i)—

9 (A) by striking “This section” and insert-
 10 ing “(1) Except as provided in paragraph (2),
 11 this section”; and

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

14 “(2) This section does not apply to commercial
 15 items, or components thereof, that are listed in sec-
 16 tions (b)(1)(A), (b)(2), and (b)(3), except if the end
 17 item is specialty metal.”.

18 **SEC. 206. AMENDMENT OF CATALOGING AND STANDARD-**
 19 **IZATION PROVISIONS.**

20 Chapter 145 of title 10, United States Code, is
 21 amended—

22 (1) in section 2451—

23 (A) by striking subsection (b);

24 (B) by redesignating subsection (c) as sub-
 25 section (b); and

1 (C) by amending subsection (b), as redese-
2 gnated, to read as follows:

3 “(b) In standardizing supplies, the Secretary shall,
4 to the highest degree practicable, standardize items used
5 throughout the Department of Defense by adopting and
6 using single voluntary standards, international or domes-
7 tic, or when necessary, developing and using single govern-
8 ment specifications, eliminating overlapping and duplicate
9 specifications, and reducing the number of sizes and kinds
10 of items that are generally similar.”;

11 (2) in section 2452—

12 (A) by striking paragraphs (2), (3), and
13 (4);

14 (B) by inserting a new paragraph (2) to
15 read as follows:

16 “(2) participate with industry in the develop-
17 ment of voluntary standards and use those stand-
18 ards in lieu of government specifications and stand-
19 ards to the maximum practical extent;”;

20 (C) by redesignating paragraph (5) as
21 paragraph (3);

22 (D) by redesignating paragraph (6) as
23 paragraph (4), and by striking the words “bu-
24 reaus, and services” and inserting “and defense
25 agencies”;

- 1 (E) by striking paragraph (7); and
 2 (F) by redesignating paragraph (8) as
 3 paragraph (5);
 4 (3) by repealing sections 2453 and 2454;
 5 (4) in section 2457—
 6 (A) by striking paragraph (d); and
 7 (B) by redesignating paragraphs (e) and
 8 (f) as paragraphs (d) and (e) respectively; and
 9 (5) by repealing section 2458.

10 **Subtitle B—Transformation of**
 11 **Contracting Process**

12 **SEC. 211. CONTRACTING FOR SECURITY GUARDS AND FIRE-**
 13 **FIGHTING SERVICES.**

14 Section 2465 of title 10, United States Code, is re-
 15 pealed.

16 **SEC. 212. CONTRACTS WITH SMALL BUSINESSES.**

17 (a) IN GENERAL.—Chapter 141 of title 10, United
 18 States Code, is amended by inserting after section 2381
 19 the following new section:

20 **“§ 2382. Contracts with small businesses**

21 “(a) SECRETARY OF DEFENSE AUTHORITY TO ES-
 22 TABLISH GOALS.—The Secretary of Defense shall annu-
 23 ally establish Department-wide goals for procurement con-
 24 tracts awarded to the small business concerns mentioned
 25 in section 15(g)(1) of the Small Business Act (15 U.S.C.

1 644(g)(1)). Each goal shall be higher than the statutory
2 goals for these categories stated in section 15(g)(1) of the
3 Small Business Act (15 U.S.C. 644(g)(1)). Achievement
4 of the combined prime contracting and subcontracting
5 goal will be calculated against the total prime contract
6 awards to United States business concerns in each of the
7 aforementioned categories. Notwithstanding the Depart-
8 ment-wide goal, each military department and defense
9 agency shall have annual goals that present, for that de-
10 partment or agency, the maximum practicable opportunity
11 for each of the aforementioned small business categories
12 in the performance of contracts and subcontracts.

13 “(b) EXEMPTION FROM REQUIREMENT TO NEGO-
14 TIATE GOALS.—The Department of Defense is exempt
15 from negotiation with the Small Business Administration
16 regarding small business goals.

17 “(c) PROVISIONS NOT AFFECTED.—Nothing in this
18 section shall be construed as modifying or superseding, or
19 as intended to impair or restrict, authorities or respon-
20 sibilities—

21 “(1) related to contract bundling, including
22 those established by sections 411 through 414 of the
23 Small Business Reauthorization Act of 1997 (Public
24 Law 105–135); or

1 “(2) under any other provision set forth in the
2 Small Business Act or this title, other than those
3 that address set-asides, preferences, and size stand-
4 ards to the extent addressed in this section.”.

5 **SEC. 213. PERFORMANCE BASED LOGISTICS: SPECIAL PRO-**
6 **CUREMENT AND FUNDING AUTHORITY.**

7 (a) **AUTHORITY.**—Notwithstanding any other provi-
8 sion of law, the Department of Defense may enter into
9 a Performance Based Logistics contract for a term not
10 to exceed 10 years or, in the alternative, a 5-year contract
11 with a 5-year option, if the Secretary of Defense deter-
12 mines that entering into such a contract is in the best
13 interest of Government. The Secretary shall fund each
14 Performance Based Logistics contract on an annual basis.
15 Notwithstanding any other provision of law, each Perform-
16 ance Based Logistics contract may contain a special termi-
17 nation cost clause of the type contained in Part 249 of
18 the Defense Federal Acquisition Regulation Supplement.

19 (b) **PERFORMANCE BASED LOGISTICS CON-**
20 **TRACTING.**—The Secretary shall implement policy and
21 regulations to foster savings and efficiencies in long-term
22 Performance Based Logistics support for weapon systems.
23 Such logistics support must efficiently use a combination
24 of public and private industry capabilities.

1 (c) SPECIFIC AUTHORITY.—Notwithstanding any
2 other provision of law, the Secretary may fund a Perform-
3 ance Based Logistics effort by utilizing procurement funds
4 in lieu of Operations & Maintenance or Research Develop-
5 ment, Testing & Evaluation funds without regard to the
6 restrictions of section 1301(a) of title 31, United States
7 Code.

8 (d) DEFINITION.—For the purposes of this section,
9 the term “Performance Based Logistics contract” means
10 a contract in which the contractor shall meet reliability,
11 availability, and/or responsiveness requirements for
12 logistical support which results in improved product effec-
13 tiveness while reducing total ownership costs.

14 **SEC. 214. DEPOT-RELATED LEGISLATIVE REFORM.**

15 (a) ESTABLISHING MINIMUM LEVEL OF PERFORM-
16 ANCE OF DEPOT-LEVEL MAINTENANCE OF MATERIEL BY
17 FEDERAL GOVERNMENT PERSONNEL OR AT A GOVERN-
18 MENT-OWNED FACILITY.—

19 (1) Subsection (a) of section 2466 of title 10,
20 United States Code, is amended to read as follows:

21 “(a) ALLOCATION OF WORKLOAD PERCENTAGE.—At
22 least 50 percent of the funds made available in a fiscal
23 year to a military department or a Defense Agency for
24 depot-level maintenance and repair workload shall be used
25 for the performance of such workload for the military de-

1 partment or the Defense Agency by Federal Government
2 personnel or at a Government-owned facility.”.

3 (2) Paragraph (1) of section 2474(f) of such
4 title is amended by striking “percentage limitation”
5 and inserting “allocation of workload percentage”.

6 (b) EXCLUDE WORKLOADS FOR SPECIAL ACCESS
7 PROGRAMS FROM LIMITATIONS ON THE PERFORMANCE
8 OF DEPOT-LEVEL MAINTENANCE OF MATERIEL.—Sub-
9 section (d) of section 2466 of such title is amended to read
10 as follows:

11 “(d) EXCEPTIONS.—Subsection (a) shall not apply
12 with respect to—

13 “(1) the Sacramento Army Depot, Sacramento,
14 California; and

15 “(2) workloads for special access programs.”.

16 (c) EXTENSION OF PARTNERSHIP EXEMPTION FOR
17 CENTERS OF INDUSTRIAL AND TECHNICAL EXCEL-
18 LENCE.—Section 2474(f)(1) of such title is amended by
19 striking “at” and inserting “for”.

20 **TITLE III—INSTALLATION MAN-**
21 **AGEMENT TRANSFORMATION**

22 **SEC. 301. READINESS AND RANGE PRESERVATION INITIA-**
23 **TIVE.**

24 (a) IN GENERAL.—

1 (1) Part III of subtitle A of title 10, United
 2 States Code, is amended by inserting after chapter
 3 101 the following new chapter:

4 **“CHAPTER 101A—READINESS AND RANGE**
 5 **PRESERVATION**

“Sec.

“2015. Purpose of this chapter.

“2016. Definitions.

“2017. Military readiness and the conservation of protected species.

“2018. Conformity with State Implementation Plans for air quality.

“2019. Range management and restoration.

6 **“§ 2015. Purpose of this chapter**

7 “The purpose of this chapter is to—

8 “(1) protect the lives and well-being of citizens
 9 of the United States and preserve their freedoms,
 10 economic prosperity, and environmental heritage by
 11 ensuring military readiness;

12 “(2) ensure military readiness by addressing
 13 problems created by encroachment on military readi-
 14 ness activities and lands, marine areas, and airspace
 15 reserved, withdrawn, or designated for a military
 16 use;

17 “(3) reaffirm the principle that such lands, ma-
 18 rine areas, and airspace exist to ensure military pre-
 19 paredness;

20 “(4) shield military readiness activities and
 21 lands, marine areas, and airspace reserved, with-
 22 drawn, or designated for a military use, including

1 land, sea, and air training and operating areas, from
2 encroachment, while ensuring that the Department
3 of Defense fulfills its environmental stewardship re-
4 sponsibilities;

5 “(5) manage such lands, marine areas, and air-
6 space for other purposes to the extent the non-mili-
7 tary purpose does not reduce capability to support
8 military readiness activities;

9 “(6) re-establish the appropriate balance be-
10 tween military readiness and environmental steward-
11 ship; and

12 “(7) establish a framework to ensure long-term
13 sustainability of military ranges.

14 **“§ 2016. Definitions**

15 “For purposes of this chapter:

16 “(1) The term ‘military readiness activities’ in-
17 cludes all training and operations that relate to com-
18 bat, and the adequate and realistic testing of mili-
19 tary equipment, vehicles, weapons, and sensors for
20 proper operation and suitability for combat use. The
21 term does not include the routine operation of instal-
22 lation operating support functions, such as adminis-
23 trative offices, military exchanges, commissaries,
24 water treatment facilities, storage, schools, housing,
25 motor pools, laundries, morale, welfare and recre-

1 graphical areas owned or controlled by the Department,
2 or designated for its use, that addresses endangered or
3 threatened species and their habitat, provides the ‘special
4 management considerations or protection’ required under
5 the Endangered Species Act (16 U.S.C. 1532(5)(A)) and
6 precludes designation of critical habitat for any such land
7 or geographical areas under section 4 of the Endangered
8 Species Act (16 U.S.C. 1533).

9 “(b) This section does not remove the requirement
10 for agency consultation under section 7(a)(2) of the En-
11 dangered Species Act (16 U.S.C. 1536(a)(2)).

12 **“§ 2018. Conformity with State Implementation Plans**
13 **for air quality**

14 “(a) CONFORMITY WITH CLEAN AIR ACT.—In all
15 cases in which the requirements of section 176(e) of the
16 Clean Air Act would have applied to proposed military
17 readiness activities, the Department shall not be prohib-
18 ited from engaging in such military readiness activities,
19 but shall:

20 “(1) estimate for all criteria pollutants for
21 which the area is designated ‘nonattainment’ or
22 ‘maintenance’ the quantity of emissions that are
23 caused by the military readiness activities;

24 “(2) notify the state air quality planning agency
25 for the affected area of such emission estimates

1 prior to engaging in proposed military readiness ac-
2 tivities; and

3 “(3) ensure that military readiness activities
4 conform with the requirements of section 176(c)
5 within three years of the date new activities begin.

6 “(b) EPA APPROVAL.—Notwithstanding any other
7 provisions of law, an implementation plan or plan revision
8 required under the Clean Air Act shall be approved by the
9 Administrator of the Environmental Protection Agency
10 if—

11 “(1) such plan or revision meets all the require-
12 ments applicable to it under the Clean Air Act other
13 than a requirement that such plan or revision dem-
14 onstrate attainment and maintenance of the relevant
15 national ambient air quality standards by the attain-
16 ment date specified under the applicable provision of
17 the Act, or in a regulation promulgated under such
18 provision; and

19 “(2) the submitting State established to the
20 satisfaction of the Administrator that the implemen-
21 tation plan of such State would be adequate to at-
22 tain and maintain the relevant national ambient air
23 quality standards by the attainment date specified
24 under the applicable provision of the Act, or in a
25 regulation promulgated under such provision, but for

1 emissions emanating from military readiness activi-
2 ties not otherwise meeting section 176(c) of the Act
3 pursuant to paragraph (a) of this section.

4 “(c) EFFECT ON STATE COMPLIANCE WITH OZONE
5 STANDARDS.—Notwithstanding any other provisions of
6 law, any state that establishes to the satisfaction of the
7 Administrator that, with respect to an ozone nonattain-
8 ment area in such State, such State would have attained
9 the national ambient air quality standard for ozone by the
10 applicable attainment date, but for emissions emanating
11 from military readiness activities not otherwise meeting
12 section 176(c) of the Act pursuant to paragraph (a) of
13 this section, shall not be subject to the provisions of sec-
14 tion 181(b)(2) and (4) or section 185 of the Act.

15 “(d) EFFECT ON STATE COMPLIANCE WITH CARBON
16 MONOXIDE STANDARDS.—Notwithstanding any other pro-
17 vision of law, any State that establishes to the satisfaction
18 of the Administrator, with respect to a carbon monoxide
19 nonattainment area in such State, that such State has at-
20 tained the national ambient air quality standard for car-
21 bon monoxide by the applicable attainment date, but for
22 emissions emanating from military readiness activities not
23 otherwise meeting section 176(c) of the Act pursuant to
24 paragraph (a) of this section, shall not be subject to the
25 provisions of section 186(b)(2) of the Act.

1 “(e) EFFECT ON STATE COMPLIANCE WITH PM-10
 2 STANDARDS.—Notwithstanding any other provisions of
 3 law, any State that establishes to the satisfaction of the
 4 Administrator that, with respect to a PM-10 nonattain-
 5 ment area in such State, such State would have attained
 6 the national ambient air quality standard for PM-10 by
 7 the applicable attainment date, but for emission ema-
 8 nating from military readiness activities not otherwise
 9 meeting section 176(c) of the Act pursuant to paragraph
 10 (a) of this section, shall not be subject to the provisions
 11 of section 188(b)(2) of the Act.

12 **“§ 2019. Range management and restoration**

13 “(a) DEFINITION OF SOLID WASTE.—

14 “(1)(A) The term ‘solid waste,’ as used in the
 15 Solid Waste Disposal Act, as amended (42 U.S.C.
 16 6901 et seq.), includes explosives, unexploded ord-
 17 nance, munitions, munition fragments, or constitu-
 18 ents thereof that—

19 “(i) are or have been deposited, incident to
 20 their normal and expected use, on an oper-
 21 ational range, and—

22 “(I) are removed from the operational
 23 range for reclamation, treatment, disposal,
 24 treatment prior to disposal, or storage
 25 prior to or in lieu of reclamation, treat-

1 ment, disposal, or treatment prior to dis-
2 posal;

3 “(II) are recovered, collected, and
4 then disposed of by burial or landfilling; or

5 “(III) migrate off an operational
6 range and are not addressed under the
7 Comprehensive Environmental Response,
8 Compensation, and Liability Act of 1980,
9 as amended (42 U.S.C. 9601 et seq.); or

10 “(ii) are deposited, incident to their normal
11 and expected use, off an operational range, and
12 are not promptly rendered safe or retrieved.

13 “(B) The explosives, unexploded ordnance, mu-
14 nitions, munitions fragments, or constituents thereof
15 defined as solid waste in subparagraph (a)(1)(A)
16 shall be subject to the provisions of the Solid Waste
17 Disposal Act, as amended, including but not limited
18 to sections 7002 and 7003, where applicable.

19 “(2) Except as set out in subparagraph (1), the
20 term ‘solid waste,’ as used in the Solid Waste Dis-
21 posal Act, as amended, does not include explosives,
22 unexploded ordnance, munitions, munitions frag-
23 ments, or constituents thereof that:

24 “(A) are used in training military per-
25 sonnel or explosives and munitions emergency

1 response specialists (including training in prop-
2 er destruction of unused propellant or other
3 munitions) on an operational range;

4 “(B) are used in research, development,
5 testing, and evaluation of military munitions,
6 weapons, or weapon systems on an operational
7 range;

8 “(C) are or have been deposited, incident
9 to their normal and expected use, and remain
10 on an operational range, except as provided in
11 subparagraph (a)(1)(A);

12 “(D) are deposited, incident to their nor-
13 mal and expected use, off an operational range,
14 and are promptly rendered safe or retrieved; or

15 “(E) are recovered, collected, and de-
16 stroyed on-range during range clearance activi-
17 ties at operational ranges, but not including the
18 on-range burial of unexploded ordnance and
19 contaminants when the burial is not a result of
20 product use.

21 “(3) Nothing in paragraphs (1) and (2) hereof
22 affects the legal requirements applicable to explo-
23 sives, unexploded ordnance, munitions, munitions
24 fragments, or constituents thereof that have been

1 deposited on an operational range once the range
2 ceases to be an operational range.

3 “(b) DEFINITION OF RELEASE.—

4 (1) The term ‘release,’ as used in the Com-
5 prehensive Environmental Response, Compensation,
6 and Liability Act of 1980, as amended (42 U.S.C.
7 9601 et seq.), includes the deposit off an operational
8 range, or the migration off an operational range, of
9 any explosives, unexploded ordnance, munitions, mu-
10 nitions fragments, or constituents thereof.

11 “(2) The term ‘release,’ as used in the Com-
12 prehensive Environmental Response, Compensation,
13 and Liability Act of 1980, as amended (42 U.S.C.
14 9601 et seq.), does not include the deposit or pres-
15 ence on an operational range of any explosives,
16 unexploded ordnance, munitions, munitions frag-
17 ments, or constituents thereof that are or have been
18 deposited thereon incident to their normal and ex-
19 pected use and remain thereon.

20 “(3) Notwithstanding the provisions of para-
21 graph (2), the authority of the President under sec-
22 tion 106(a) of the Comprehensive Environmental
23 Response, Compensation, and Liability Act of 1980,
24 as amended (42 U.S.C. 9606(a)), to take action be-
25 cause there may be an imminent and substantial

1 endangerment to the public health or welfare or the
 2 environment because of an actual or threatened re-
 3 lease of a hazardous substance includes the author-
 4 ity to take action because of the deposit or presence
 5 on an operational range of any explosives,
 6 unexploded ordnance, munitions, munitions frag-
 7 ments, or constituents thereof that are or have been
 8 deposited thereon incident to their normal and ex-
 9 pected use and remain thereon.

10 “(4) Nothing in this section affects the author-
 11 ity of the Department to protect the environment,
 12 safety, and health on operational ranges.”.

13 (2) The table of chapters at the beginning of
 14 such subtitle and the beginning of part III of such
 15 subtitle are amended by inserting after the item re-
 16 lating to chapter 101 the following new item:

“101A. Readiness and Range Preservation 2015”.

17 (b) MILITARY READINESS AND MARINE MAMMAL
 18 PROTECTION RECONCILIATION.—The Marine Mammal
 19 Protection Act of 1972, as amended (Public Law 92–522;
 20 86 Stat. 1027; 16 U.S.C. 1361, et. seq.), is amended as
 21 follows:

22 (1) DEFINITIONS.—Section 3 (16 U.S.C. 1362)
 23 is amended—

24 (A) by amending paragraph (18) to read
 25 as follows:

1 “(18)(A) Except as provided in subparagraph
2 (B), the term ‘harassment’ means any act of pur-
3 suit, torment, or annoyance which—

4 “(i) has the potential to injure a marine
5 mammal or marine mammal stock in the wild;
6 or

7 “(ii) has the potential to disturb a marine
8 mammal or marine mammal stock in the wild
9 by causing disruption of behavioral patterns, in-
10 cluding, but not limited to, migration, breath-
11 ing, nursing, breeding, feeding, or sheltering;

12 “(iii) the term ‘Level A harassment’ means
13 harassment described in subparagraph (A)(i);
14 and

15 “(iv) the term ‘Level B harassment’ means
16 harassment described in subparagraph (A)(ii).

17 “(B) For purposes of military readiness activi-
18 ties, the term ‘harassment’ means any act which—

19 “(i) injures or has the significant potential
20 to injure a marine mammal or marine mammal
21 stock in the wild; or

22 “(ii)(I) disturbs or is likely to disturb a
23 marine mammal or marine mammal stock in
24 the wild by causing disruption of natural behav-
25 ioral patterns, including, but not limited to, mi-

1 gration, surfacing, nursing, breeding, feeding,
2 or sheltering, to a point where such behavioral
3 patterns are abandoned or significantly altered;
4 or

5 “(II) is directed toward a specific indi-
6 vidual, group or stock of marine mammals in
7 the wild that is likely to disturb the individual,
8 group, or stock of marine mammals by dis-
9 rupting behavior, including, but not limited to,
10 migration, surfacing, nursing, breeding, feeding,
11 or sheltering.”; and

12 (B) by adding at the end the following new
13 paragraphs:

14 “(30) The term ‘military readiness activities’
15 includes all training and operations that relate to
16 combat, and the adequate and realistic testing of
17 military equipment, vehicles, weapons, and sensors
18 for proper operation and suitability for combat use.
19 The term does not include the routine operation of
20 installation operating support functions, such as ad-
21 ministrative offices, military exchanges, com-
22 missaries, water treatment facilities, storage,
23 schools, housing, motor pools, laundries, morale, wel-
24 fare and recreation activities, shops, and mess halls,

1 nor the operation of industrial activities, or the con-
2 struction or demolition of such facilities.

3 “(31) The terms ‘combat’ or ‘combat use’ in-
4 clude all forms of armed conflict and operational em-
5 ployment as well as those support functions nec-
6 essary for armed conflict and operational employ-
7 ment, including transportation of personnel, weap-
8 ons, supplies, ammunition and other military mate-
9 rial to the vicinity of actual or potential armed con-
10 flict; intelligence gathering in support of actual or
11 potential armed conflict; command of and commu-
12 nications between military units; and similar activi-
13 ties necessary for the successful prosecution of
14 armed conflict, whether or not conducted at the
15 scene of actual conflict.

16 “(32) The term ‘Department of Defense’ means
17 the military departments and the Coast Guard when
18 it is not operating as a service in the Department
19 of the Navy.”.

20 (2) TAKING AND IMPORTING MARINE MAM-
21 MALS.—Section 101 (16 U.S.C. 1371) is amended—

22 (A) in subsection (a)—

23 (i) in paragraph (5)—

24 (I) in subparagraph (A), by in-
25 serting “and military readiness activi-

1 ties” after “other than commercial
2 fishing”; and

3 (II) in subparagraph (D)(i), by
4 inserting “and military readiness ac-
5 tivities” after “other than commercial
6 fishing”; and

7 (ii) by adding at the end the following
8 new paragraph:

9 “(7)(A) Upon request by the Department of
10 Defense for an authorization related to military
11 readiness activities, the Secretary, shall allow, dur-
12 ing periods of not more than five consecutive years
13 each, the incidental, but not intentional, taking of
14 marine mammals of a species or population stock if
15 the Secretary—

16 “(i) finds that the total of such taking dur-
17 ing each five-year (or less) period concerned will
18 have a negligible impact upon such species or
19 stock and will not have an unmitigable adverse
20 impact on the availability of such species or
21 stock for taking for subsistence uses pursuant
22 to subsection (b) of this section or section
23 1379(f) of this title, or in the case of a coopera-
24 tive agreement under both this chapter and the
25 Whaling Convention Act of 1949 (16 USC. 916

1 et seq.), pursuant to section 1382(c) of this
2 title; and

3 “(ii) prescribes regulations setting forth—

4 “(I) permissible methods of taking
5 pursuant to such activity, and other means
6 of affecting the least practicable adverse
7 impact on such species or stock and its
8 habitat, paying particular attention to
9 rookeries and mating grounds, and on the
10 availability of such species or stock for
11 subsistence uses; and

12 “(II) requirements pertaining to the
13 monitoring and reporting of such taking.

14 “(B) The Secretary shall withdraw, or suspend
15 for a time certain, the permission to take marine
16 mammals granted under subparagraph (A), if the
17 Secretary finds, after notice and opportunity for
18 public comment (unless subparagraph (C)(i) ap-
19 plies), that—

20 “(i) the regulations prescribed under sub-
21 paragraph (A) regarding methods of taking,
22 monitoring, or reporting are not being substan-
23 tially complied with; or

24 “(ii) the taking allowed under subpara-
25 graph (A) is having, or may have, more than a

1 negligible impact on the species or stock con-
2 cerned.

3 “(C)(i) The requirement for notice and oppor-
4 tunity for public comment shall not apply in the case
5 of a suspension of permission to take if the Sec-
6 retary determines that an emergency exists which
7 poses a significant risk to well-being of the species
8 or stock concerned.

9 “(ii) Sections 1373 and 1374 of this title shall
10 not apply to the taking of marine mammals under
11 the authority of this paragraph.

12 “(D)(i) Upon request by the Department of De-
13 fense for an authorization related to military readi-
14 ness activities, the Secretary shall authorize, for pe-
15 riods of not more than 1 year, subject to such condi-
16 tions as the Secretary may specify, the incidental,
17 but not intentional, taking by harassment of marine
18 mammals of a species or population stock if the Sec-
19 retary finds that such harassment during each pe-
20 riod concerned—

21 “(I) will have a negligible impact on such
22 species or stock, and

23 “(II) will not have an unmitigable adverse
24 impact on the availability of such species or
25 stock for taking for subsistence uses pursuant

1 to subsection (b) of this section, or 1379(f) of
2 this title, or pursuant to a cooperative agree-
3 ment under section 1388 of this title.

4 “(ii) The authorization for such military readi-
5 ness activities shall prescribe, where applicable—

6 “(I) permissible methods of taking by har-
7 assment pursuant to such military readiness ac-
8 tivity, and other means of affecting the least
9 practicable impact upon such species or stock
10 and its habitat, paying particular attention to
11 rookeries and mating grounds, and on the avail-
12 ability of such species or stock for subsistence
13 uses pursuant to subsection (b) of this section,
14 or 1379(f) of this title, or pursuant to a cooper-
15 ative agreement under section 1388 of this title;

16 “(II) the measures that the Secretary of
17 Commerce or Secretary of Interior determines
18 are necessary to ensure no unmitigable adverse
19 impact upon the availability of the species or
20 stock for subsistence uses pursuant to sub-
21 section (b) of this section, or 1379(f) of this
22 title, or pursuant to a cooperative agreement
23 under section 1388 of this title; and

24 “(III) requirements pertaining to the mon-
25 itoring and reporting of such taking by harass-

1 ment, including requirements for the inde-
2 pendent peer review of proposed monitoring
3 plans or other research proposals where the
4 proposed military readiness activity may affect
5 the availability of the species or stock for sub-
6 sistence uses pursuant to subsection (b) of this
7 section, or 1379(f) of this title, or pursuant to
8 a cooperative agreement under section 1388 of
9 this title.

10 “(iii) The Secretary shall publish a proposed
11 authorization not later than 45 days after receiving
12 a request under this subparagraph and request pub-
13 lic comment through notice in the Federal Register
14 for a period of 30 days after publication. Not later
15 than 45 days after the close of the public comment
16 period, if the Secretary makes the findings set forth
17 in clause (E)(i), the Secretary shall issue an author-
18 ization with appropriate conditions to meet the re-
19 quirements of clause (D)(ii).

20 “(iv) The Secretary shall modify, suspend, or
21 revoke an authorization if the Secretary finds that
22 the provisions of clauses (D)(i) or (D)(ii) are not
23 being met.

24 “(v) A person conducting a military readiness
25 activity for which an authorization has been granted

1 under this subparagraph shall not be subject to the
2 penalties of this chapter for taking by harassment
3 that occurs in compliance with such authorization.

4 “(E) Nothing in this chapter shall require dis-
5 closure of information classified in the interests of
6 national defense.”;

7 (B) by redesignating subsection (e) as sub-
8 section (f); and

9 (C) by inserting after subsection (d) the
10 following new subsection (e):

11 “(e) EXEMPTION OF ACTIONS NECESSARY FOR NA-
12 TIONAL DEFENSE.—The Secretary of Defense, after con-
13 ferring with the Secretary of Commerce, the Secretary of
14 Interior, or both, as appropriate, may exempt any action
15 or category of actions undertaken by the Department of
16 Defense or its components from compliance with any re-
17 quirement of the Marine Mammal Protection Act, 16
18 U.S.C. 1361 et seq., if he determines that it is necessary
19 for national defense. Exemptions granted under this sec-
20 tion shall be for a period of not more than two years. Addi-
21 tional exemptions for periods not to exceed two years each
22 may be granted for the same action or category of actions
23 upon the Secretary of Defense, after conferring with the
24 Secretary of Commerce, the Secretary of Interior, or both
25 as appropriate, making a new determination.”.

1 **TITLE IV—ADMINISTRATIVE**
2 **TRANSFORMATION**
3 **Subtitle A—Transformation of DoD**
4 **Organization**

5 **SEC. 401. REORGANIZATION WITHIN THE DEPARTMENT OF**
6 **DEFENSE.**

7 Section 125 of title 10, United States Code, is
8 amended—

9 (1) in subsection (a), by striking “subsections
10 (b) and (c)” in the second sentence and inserting
11 “subsections (b), (c), and (d)”;

12 (2) by redesignating subsections (b) and (c) as
13 subsections (c) and (d), respectively; and

14 (3) by inserting after subsection (a) the fol-
15 lowing new subsection (b):

16 “(b) Notwithstanding any provision of this title, after
17 the expiration of 60 days after providing notice of such
18 action to the Congress, the Secretary of Defense, subject
19 to the direction of the President, may substantially trans-
20 fer, reassign, consolidate, reorganize, or abolish a func-
21 tion, power, organization, position, or duty vested in the
22 Office of the Secretary of Defense, or an officer, official,
23 or agency thereof.”.

1 **SEC. 402. REASSIGNMENT OF PERSONNEL SERVING IN THE**
2 **OFFICE OF THE SECRETARY OF DEFENSE.**

3 Section 143 of title 10, United States Code, is re-
4 pealed.

5 **SEC. 403. APPOINTMENTS OF RETIRED MEMBERS OF THE**
6 **ARMED FORCES TO POSITIONS IN THE DE-**
7 **PARTMENT OF DEFENSE.**

8 Section 3326 of title 5, United States Code, is re-
9 pealed.

10 **SEC. 404. TRANSFER OF DEPARTMENT OF DEFENSE PER-**
11 **SONNEL SECURITY INVESTIGATIVE FUNC-**
12 **TIONS AND DEFENSE PERSONNEL PER-**
13 **FORMING THOSE FUNCTIONS.**

14 The Secretary of Defense may transfer to the Office
15 of Personnel Management, and the Director of the Office
16 of Personnel Management may accept, those personnel se-
17 curity investigations functions currently performed by the
18 Department of Defense Defense Security Service. If the
19 Office of Personnel Management accepts the transfer of
20 those functions, it also shall accept the transfer of the De-
21 fense Security Service employees performing those func-
22 tions and their first level supervisors at the time of the
23 transfer. The Office of Personnel Management also may
24 accept the transfer of the Defense Security Service em-
25 ployees who provide support services or higher level super-
26 vision if those positions are required after the transfer.

1 The transfer under this Act of full-time personnel and
2 part-time personnel shall not cause any such employee to
3 be separated or reduced in grade or compensation for one
4 year after the date of transfer to the Office of Personnel
5 Management. Any transfer made pursuant to this section
6 shall be considered a transfer of function for purposes of
7 section 3503 of title 5, United States Code.

8 **SEC. 405. CONVERSIONS OF COMMERCIAL ACTIVITIES.**

9 (a) CHANGES TO ELEMENTS OF ANALYSIS.—Para-
10 graph (3)(A) of section 2461(b) of title 10, United States
11 Code, is amended—

12 (1) by striking “of the cost”;

13 (2) by striking “savings” and inserting “the
14 best value”;

15 (3) by redesignating subsection (iii) as sub-
16 section (iv); and

17 (4) by inserting after clause (ii) the following
18 new clause (iii):

19 “(iii) Benefits in addition to price
20 that warrant performance of the function
21 by a source at a cost higher than that of
22 performance by Department of Defense ci-
23 vilian employees.”.

24 (b) CONTRACTING IF BEST VALUE.—Section
25 2462(a) of such title is amended by striking “such a

1 source can provide such supply or service to the Depart-
2 ment at a cost that is lower (after including any cost dif-
3 ferential required by law, Executive order, or regulation)
4 than the cost at which the Department can provide the
5 same supply or service” and inserting “performance by
6 that source represents the best value to the Government,
7 determined in accordance with the competition require-
8 ments of OMB Circular A-76.”.

9 **Subtitle B—Transformation of Ap-**
10 **propriations and Budget Proc-**
11 **ess**

12 **SEC. 411. ENHANCED GENERAL TRANSFER AUTHORITY.**

13 Section 2214 of title 10, United States Code, is
14 amended to read as follows:

15 **“§ 2214. Transfer of funds: procedures and limitations**

16 “(a) GENERAL AUTHORITY.—Upon a determination
17 by the Secretary of Defense that such action is necessary
18 in the national interest, each fiscal year he may transfer
19 an amount not to exceed two and one-half percent of the
20 total appropriations or funds appropriated to the Depart-
21 ment of Defense for that fiscal year of working capital
22 funds of the Department of Defense or amounts made
23 available to the Department of Defense in the act making
24 appropriations for the Department of Defense for military
25 functions of the Department of Defense (except military

1 construction) for that fiscal year between such appropria-
2 tions or funds or any subdivision thereof. Amounts so
3 transferred under this authority shall be merged with, and
4 be available for the same purposes and for the same time
5 period, as the appropriation or fund to which transferred.

6 “(b) LIMITATIONS.—The authority under subsection
7 (a) may not be used unless it is based upon unforeseen
8 military requirements, and for higher priority items than
9 those for which the appropriations or funds being trans-
10 ferred were appropriated originally or for an item or activ-
11 ity for which funds are requested has been denied by the
12 Congress.

13 “(c) CONGRESSIONAL NOTIFICATION.—The Sec-
14 retary of Defense shall notify the Congress 15 days before
15 any transfer is made under the authority of this section.

16 “(d) INCREASE IN TIME OF WAR OR NATIONAL
17 EMERGENCY.—In time of war or national emergency de-
18 clared by the President or the Congress, the amount which
19 may be transferred under this section may be increased
20 up to five percent.”.

21 **SEC. 412. TRANSFER OF FUNDS TO CORRECT SPECIFIC AC-**
22 **QUISITION FUNDING PROBLEMS.**

23 Section 2214 of title 10, United States Code, is
24 amended—

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

3 (2) by inserting after subsection (a) the fol-
4 lowing new subsections:

5 “(b) TRANSFER OF FUNDS TO COMPLETE RE-
6 SEARCH, DEVELOPMENT, TESTING, AND EVALUATION OF
7 MAJOR DEFENSE ACQUISITION SYSTEMS.—In addition to
8 any other transfer authority that may be provided in an
9 appropriations act, upon a determination by the Milestone
10 Decision Authority that such action is necessary to con-
11 tinue development efforts when additional development of
12 an acquisition program is needed before procurement can
13 begin, up to \$20,000,000 per acquisition program and up
14 to a total of \$250,000,000 for a single fiscal year may
15 be transferred from procurement P–1 line items of Acqui-
16 sition Category I, II, III, and IV of a Procurement appro-
17 priation to the corresponding R–1 line items of a Re-
18 search, Development, Test and Evaluation appropriation
19 for the purpose of continuing development efforts.

20 “(c) TRANSFERS BACK TO PROCUREMENT APPRO-
21 PRIATIONS.—Upon a determination that all or part of the
22 funds transferred under subsection (b) are not necessary
23 for the purposes provided therein, such amounts may be
24 transferred back to a Procurement appropriation for the

1 purpose of beginning procurement of the acquisition pro-
2 gram for which funds were transferred.”.

3 **SEC. 413. BALLISTIC MISSILE DEFENSE SYSTEM.**

4 Section 223 of title 10, United States Code, is re-
5 pealed.

6 **SEC. 414. FUNDING FOR THE MISSILE DEFENSE AGENCY.**

7 (a) IN GENERAL.—Funds appropriated to the De-
8 partment of Defense that are available for the Missile De-
9 fense Agency shall be appropriated under the heading
10 “Missile Defense Agency” and shall be available for all
11 necessary expenses for missile defense missions of the De-
12 partment of Defense.

13 (b) AVAILABILITY OF FUNDS FOR THREE YEARS.—
14 Funds authorized under this section shall remain available
15 for obligation for three consecutive years.

16 **Subtitle C—Transformation of In-**
17 **formation Gathering for Con-**
18 **gress**

19 **SEC. 421. SUNSET ON RECURRING REPORTS.**

20 All requirements established by law that require the
21 Secretary of Defense or any element of the Department
22 of Defense to submit recurring reports to Congress or to
23 a congressional committee shall be deemed to expire after
24 five years from the date of enactment of the statute re-
25 quiring the report. With the exception of the Secretary’s

1 annual report to Congress as required by section 113 of
2 title 10, United States Code, this provision applies to all
3 reports currently required to be submitted as well as any
4 reporting requirements established after the effective date
5 of this act.

6 **SEC. 422. REPEAL OF VARIOUS REPORTS REQUIRED OF**
7 **THE DEPARTMENT OF DEFENSE.**

8 (a) PROVISIONS OF TITLE 10.—Title 10, United
9 States Code, is amended—

10 (1) in section 113—

11 (A) by striking subsection (j);

12 (B) by striking subsection (m); and

13 (C) by redesignating subsections (k) and
14 (l) as (j) and (k), respectively;

15 (2) in section 116—

16 (A) by repealing this entire section in
17 chapter 2; and

18 (B) by amending the table of sections at
19 the beginning of such chapter 2 by striking the
20 item relating to section 116;

21 (3) in section 117—

22 (A) by striking subsection (e); and

23 (B) by redesignating subsection (f) as sub-
24 section (e);

25 (4) in section 127—

- 1 (A) by striking subsection (d);
2 (5) in section 127a—
3 (A) by striking subparagraph (a)(3);
4 (B) by redesignating subparagraph (a)(4)
5 as subparagraph (a)(3);
6 (C) by striking subsection (d); and
7 (D) by redesignating subsections (e)
8 through (i) as subsections (d) through (h), re-
9 spectively;
10 (6) in section 128—
11 (A) by striking paragraph (d);
12 (7) in section 129—
13 (A) by striking subsection (f);
14 (8) in section 153—
15 (A) by striking subsection (d);
16 (9) in section 184—
17 (A) by amending subsection (a) to read as
18 follows:
19 “(a) AUTHORITY TO ESTABLISH REGIONAL CENTER
20 FOR SECURITY STUDIES.—The Secretary of Defense may
21 establish such regional centers for security studies as he
22 deems necessary and appropriate.”;
23 (B) by striking subsection (b); and
24 (C) by redesignating subsection (c) as sub-
25 section (b);

1 (10) in section 226—

2 (A) by repealing this entire section in
3 chapter 9; and

4 (B) by amending the table of sections for
5 such chapter by striking the item relating to
6 section 226;

7 (11) for section 228—

8 (A) by repealing this entire section in
9 chapter 9; and

10 (B) by amending the table of sections at
11 the beginning of such chapter by striking the
12 item relating to section 228;

13 (12) in section 401—

14 (A) by striking subsection (d); and

15 (B) by redesignating subsection (e) as sub-
16 section (d);

17 (13) in section 437—

18 (A) by striking subsections (b) and (c);

19 (B) by redesignating subsection (d) as sub-
20 section (b);

21 (14) in section 482—

22 (A) by repealing this entire section in
23 chapter 23; and

1 (B) by amending the table of sections for
2 such chapter by striking the item relating to
3 section 482;

4 (15) in section 483—

5 (A) by repealing this entire section in
6 chapter 23; and

7 (B) by amending the table of sections for
8 such chapter by striking the item relating to
9 section 483;

10 (16) in section 484—

11 (A) by repealing this entire section in
12 chapter 23; and

13 (B) by amending the table of sections for
14 such chapter by striking the item relating to
15 section 484;

16 (17) in section 487—

17 (A) by repealing this entire section in
18 chapter 23; and

19 (B) by amending the table of sections for
20 such chapter by striking the item relating to
21 section 487;

22 (18) in section 520c—

23 (A) by striking subsections (b) and (c);

24 (B) by striking the designator and the
25 catchline in the preceding matter;

1 (C) by amending the section title to read:
 2 “§ 520c. Provision of meals and refreshments
 3 for recruiting purposes”; and

4 (D) by amending the table of sections at
 5 the beginning of chapter 31 by replacing the
 6 item relating to section 520c with the following
 7 new item:

“520c. Provision of meals and refreshments for recruiting purposes.”;

8 (19) in section 664—

9 (A) in clause (4)(F)(ii) of subsection (i),
 10 by striking “and notifies Congress upon each
 11 approval, providing the criteria that led to that
 12 approval”;

13 (20) in section 983(e)(1)—

14 (A) by striking “and to Congress”;

15 (21) in section 986—

16 (A) by striking subsection (e);

17 (22) in section 1060—

18 (A) by striking subsection (d); and

19 (B) by redesignating subsections (e),
 20 through (g) as subsections (d) through (f) re-
 21 spectively;

22 (23) in section 1130—

23 (A) by striking subsection (b); and

24 (B) by redesignating subsections (e) and
 25 (d) as subsections (b) and (c), respectively;

1 (24) in section 1557—

2 (A) by striking subsection (e); and

3 (B) by redesignating subsection (f) as sub-
4 section (e);

5 (25) in section 1563—

6 (A) by repealing this entire section in
7 chapter 80; and

8 (B) by amending the table of sections for
9 such chapter by striking the item relating to
10 section 1563;

11 (26) in section 1597—

12 (A) by striking subsections (c) through (e);

13 (27) in section 2010—

14 (A) by striking subsection (b); and

15 (B) by redesignating subsections (c) and
16 (d) as subsections (b) and (c), respectively;

17 (28) in section 2011—

18 (A) by striking subsection (e);

19 (29) in section 2166—

20 (A) by striking subsection (h);

21 (30) in section 2208—

22 (A) in subsection (j)(2), by striking “and
23 notifies Congress regarding the reasons for the
24 waiver”;

25 (31) in section 2212—

1 (A) by striking subsections (d) and (e);
2 and

3 (B) by redesignating subsection (f) as sub-
4 section (d);

5 (32) in section 2214—

6 (A) by striking subsection (e); and

7 (B) by redesignating subsection (d) as sub-
8 section (e);

9 (33) in section 2216—

10 (A) by striking subsection (i); and

11 (B) by redesignating subsection (j) as sub-
12 section (i);

13 (34) in section 2222—

14 (A) by repealing this entire section in
15 chapter 131; and

16 (B) by amending the table of sections for
17 such chapter by striking the item relating to
18 section 2222;

19 (35) in section 2224—

20 (A) by striking subsection (e); and

21 (B) by redesignating subsection (f) as sub-
22 section (e);

23 (36) in section 2255(b)—

24 (A) by striking paragraph (2); and

25 (B) by striking “(1)” after the catchline;

1 (37) in section 2281—

2 (A) by striking subsection (d); and

3 (B) by redesignating subsection (e) as sub-
4 section (d);

5 (38) in section 2282—

6 (A) by repealing this entire section in
7 chapter 136; and

8 (B) by amending the table of sections for
9 such chapter by striking the item relating to
10 section 2282;

11 (39) in section 2306b—

12 (A) by striking subsection (i);

13 (B) in subsection (l)—

14 (i) by striking paragraphs (1) and (6);

15 (ii) by redesignating paragraphs (2)
16 through (10) as paragraphs (1) through
17 (8), respectively; and

18 (C) by redesignating subsections (j)
19 through (l) as subsections (i) through (k), re-
20 spectively;

21 (40) in section 2323—

22 (A) in subsection (d), by amending para-
23 graph (2) to read as follows: “where the De-
24 partment of Defense has met its goal under

1 subsection (a) during the preceding fiscal
2 year”; and

3 (B) by striking subsection (i); and

4 (C) redesignating subsection (j) as sub-
5 section (i);

6 (41) in section 2327(c)(1)—

7 (A) in subparagraph (A), by striking
8 “after the date on which such head of an agen-
9 cy submits to Congress a report on the con-
10 tract” and inserting “if in the best interests of
11 the government”;

12 (B) by striking subparagraph (B); and

13 (C) by redesignating subparagraph (C) as
14 subparagraph (B);

15 (42) in section 2350a—

16 (A) by striking subsection (f); and

17 (B) in subsection (g), by striking para-
18 graph (3);

19 (43) in section 2350b—

20 (A) by striking subsection (d);

21 (B) by redesignating subsections (e), (f)
22 and (g) as subsections (d), (e) and (f), respec-
23 tively;

24 (44) in section 2350j—

25 (A) by striking subsection (e); and

- 1 (B) by redesignating subsections (f) and
2 (g) as subsections (e) and (f), respectively;
3 (45) in section 2361(b)—
4 (A) by striking paragraph (2);
5 (46) in section 2367—
6 (A) by striking subsections (c) and (d);
7 (47) in section 2371—
8 (A) by striking subsection (h); and
9 (B) by redesignating subsection (i) as sub-
10 section (h);
11 (48) in section 2374a—
12 (A) by striking subsection (e); and
13 (B) by redesignating subsection (f) as sub-
14 section (e);
15 (49) in section 2399(e)—
16 (A) by striking paragraph (2); and
17 (B) by redesignating paragraph (3) as
18 paragraph (2);
19 (50) in section 2401—
20 (A) in subsection (a), by striking “only as
21 provided in subsection (b)” both times such
22 phrase appears in the subsection;
23 (B) by striking subsection (b); and

1 (C) by redesignating subsections (c)
2 through (f) as subsections (b) through (e), re-
3 spectively;

4 (51) in section 2410i—

5 (A) in subsection (c), by striking the last
6 sentence;

7 (52) in section 2410m—

8 (A) by striking subsection (c);

9 (53) in section 2432—

10 (A) in subsection (b)—

11 (i) by striking paragraph (1);

12 (ii) by redesignating paragraphs (2)
13 and (3) as paragraphs (1) and (2) respec-
14 tively; and

15 (iii) in paragraph (2) (as redesign-
16 nated)—

17 (I) by striking subparagraph (B);

18 (II) by striking “(A)” after the
19 catch line; and

20 (III) by redesignating clauses (i),

21 (ii) and (iii) as subparagraphs (A),

22 (B) and (C), respectively; and

23 (B)(i) by striking subsections (f) and (h);

24 and

- 1 (ii) by redesignating subsection (g) as sub-
2 section (f);
3 (54) in section 2433—
4 (A) in subsection (d), by striking para-
5 graph (3);
6 (B) by striking subsection (e); and
7 (C) by redesignating subsections (f), (g)
8 and (h) as subsections (e), (f) and (g), respec-
9 tively;
10 (55) in section 2457—
11 (A) by striking subsection (d); and
12 (B) by redesignating subsections (e) and
13 (f) as subsections (d) and (e), respectively;
14 (56) in section 2461a—
15 (A) by striking subsection (d); and
16 (B) by redesignating subsection (e) as sub-
17 section (d);
18 (57) in section 2464—
19 (A) in subsection (b), by striking para-
20 graph (3);
21 (58) in section 2467—
22 (A) by striking subsection (c);
23 (59) in section 2472—
24 (A) by striking subsection (b);
25 (60) in section 2493—

- 1 (A) by striking subsection (g);
2 (61) for section 2504—
3 (A) by repealing the entire section in chap-
4 ter 148; and
5 (B) by amending the section of tables for
6 such chapter by striking the item relating to
7 section 2504;
8 (62) in section 2515—
9 (A) by striking subsection (d);
10 (63) in section 2521—
11 (A) by striking subsection (e);
12 (64) in section 2536(b)—
13 (A) by striking paragraph (2); and
14 (B) in paragraph (1)—
15 (i) by striking “(1)” after the catch
16 line;
17 (ii) by redesignating subparagraphs
18 (A) and (B) as paragraphs (1) and (2), re-
19 spectively; and
20 (iii) by redesignating clauses (i) and
21 (ii) as subparagraphs (A) and (B), respec-
22 tively;
23 (65) in section 2537—
24 (A) by striking subsection (b); and

1 (B) by redesignating subsection (c) as sub-
2 section (b);

3 (66) in section 2541d—

4 (A) by striking subsection (b); and

5 (B) by striking “(a)” and the catchline in
6 the remaining matter;

7 (67) in section 2561—

8 (A) by striking subsections (c), (d) and (f);
9 and

10 (B) by redesignating subsection (e) as sub-
11 section (c);

12 (68) in section 2563—

13 (A) in subsection (c)(2), by striking “and
14 notifies Congress regarding the reasons for the
15 waiver”;

16 (69) in section 2631—

17 (A) in subsection (b)(3), by striking the
18 last sentence;

19 (70) in section 2645—

20 (A) by striking subsection (d);

21 (B) by striking subsection (g); and

22 (C) by redesignating subsections (e), (f)
23 and (h) as subsections (d), (e) and (f), respec-
24 tively;

25 (71) in section 2662—

1 (A) by striking subsection (e);

2 (B) by redesignating subsections (f) and
3 (g) as subsections (e) and (f), respectively; and

4 (C) in subsection (f), as redesignated by
5 subparagraph (B), by striking “, and the re-
6 porting requirement set forth in subsection (e)
7 must not apply with respect to a real property
8 transaction otherwise covered by that sub-
9 section,”;

10 (72) in section 2667a(c)—

11 (A) by striking paragraph (2);

12 (B) by striking “(1)” after the catch line;

13 (73) in section 2676—

14 (A) in subsection (d), by striking all after
15 “is approved by the Secretary concerned” and
16 inserting a period;

17 (74) in section 2680—

18 (A) by striking subsection (e);

19 (75) in section 2688—

20 (A) by striking subsection (e);

21 (B) by redesignating subsections (f)
22 through (i) as subsections (e) through (h), re-
23 spectively; and

24 (C) in subsection (f), as redesignated by
25 subparagraph (B), by striking the last sentence;

1 (76) in section 2696—

2 (A) by striking subsections (c) and (d);

3 and

4 (B) by redesignating subsection (e) as sub-
5 section (c);

6 (77) in section 2703—

7 (A) in subsection (b)(2)—

8 (i) by striking subparagraph (B);

9 (ii) by striking the designator “(A)”
10 which precedes “determines that perma-
11 nent relocation—”;

12 (iii) by striking the dash that follows
13 “such paragraph unless the Secretary” in
14 paragraph (2);

15 (iv) by realigning the previously des-
16 igned subparagraph (A) to follow at the
17 end of paragraph (2); and

18 (v) by redesignating clauses (i)
19 through (iii) as subparagraphs (A) through
20 (C), respectively;

21 (78) for section 2723—

22 (A) by repealing this entire section in
23 chapter 161; and

1 (B) by amending the table of sections at
2 the beginning of such chapter by striking the
3 item relating to section 2723;

4 (79) in section 2803(b)—

5 (A) by striking “21-day” and inserting “7-
6 day”;

7 (80) in section 2804—

8 (A) by striking “21-day” and inserting “7-
9 day”;

10 (81) in section 2805—

11 (A) in subsection (b), by striking para-
12 graph (2); and

13 (B) by striking “(1)” that precedes the re-
14 maining matter;

15 (82) in section 2807—

16 (A) by striking subsections (b) and (c);
17 and

18 (B) by redesignating subsection (d) as sub-
19 section (b);

20 (83) in section 2809—

21 (A) by striking subsection (f);

22 (84) in section 2811—

23 (A) by striking subsection (d); and

24 (B) by redesignating subsection (e) as sub-
25 section (d);

1 (85) in section 2812—

2 (A) in subsection (c), by striking para-
3 graph (1);

4 (B) by striking “(2)” that precedes the re-
5 maining matter;

6 (86) in section 2813—

7 (A) by striking subsection (c);

8 (87) in section 2815—

9 (A) by repealing this entire section in
10 chapter 169; and

11 (B) by amending the table of sections at
12 the beginning of such chapter by striking the
13 item relating to section 2815;

14 (88) in section 2825—

15 (A) in subparagraph (b)(1)(B)—

16 (i) by striking clause (ii);

17 (ii) by striking “, and” at the end of
18 clause (i); and

19 (iii) by striking “(i)” in the remaining
20 text following “in the preceding sentence
21 if”;

22 (B) in subsection (c)(1)—

23 (i) by striking subparagraphs (C) and
24 (D);

1 (ii) by inserting “and” at the end of
2 subparagraph (A); and

3 (iii) by striking the semi-colon at the
4 end of subparagraph (B) and inserting a
5 period;

6 (89) in section 2826—

7 (A) by striking subsection (b); and

8 (B) by redesignating subsections (c)
9 through (i) as subsections (b) through (h), re-
10 spectively;

11 (90) in section 2827—

12 (A) by striking subsection (b); and

13 (B) by striking “(a) Subject to subsection
14 (b), the Secretary” and inserting “The Sec-
15 retary”;

16 (91) in section 2828—

17 (A) by striking subsection (f); and

18 (B) by redesignating subsection (g) as sub-
19 section (f);

20 (92) in section 2835—

21 (A) by striking subsections (b) and (g);

22 (B) by redesignating subsections (c)
23 through (h) as subsections (b) through (f), re-
24 spectively; and

1 (C) in subsection (a), by striking “Subject
2 to subsection (b), the Secretary” and inserting
3 “The Secretary”;

4 (93) in section 2836—

5 (A) in subsection (a), by striking “Subject
6 to subsection (b), the Secretary” and inserting
7 “The Secretary”;

8 (B) by striking subsection (b);

9 (C) by striking subsection (f); and

10 (D) by redesignating subsections (c)
11 through (g) as subsections (b) through (e), re-
12 spectively;

13 (94) in section 2837—

14 (A) in subsection (c)—

15 (i) by striking paragraph (2); and

16 (ii) by striking “(1)” after the catch-
17 line and preceding the remaining matter;

18 (B) by striking subsection (f); and

19 (C) by redesignating subsections (g) and
20 (h) as subsections (f) and (g), respectively;

21 (95) in section 2853—

22 (A) in subsection (c), by striking para-
23 graphs (2) and (3);

1 (B) in the remaining matter, by striking
2 “(1)” and the dash and realigning the para-
3 graph to read as a subsection; and

4 (C) by striking the semi-colon at the end
5 of the remaining matter and inserting a period;
6 (96) in section 2854—

7 (A) by striking subsection (b); and

8 (B) by striking “(a) Subject to subsection
9 (b), the” in the preceding matter and inserting
10 “The”;

11 (97) in section 2854a—

12 (A) by striking subsection (c); and

13 (B) by redesignating subsections (d)
14 through (g) as subsections (c) through (f), re-
15 spectively;

16 (98) in section 2865—

17 (A) in subsection (e), by striking para-
18 graph (2);

19 (B) by striking subsection (f); and

20 (C) by striking “(1)” after the catch line;
21 (99) in section 2866—

22 (A) in subsection (e), by striking para-
23 graph (2); and

24 (B) by striking “(1)” after the catch line;
25 (100) in section 2867—

- 1 (A) by striking subsection (c);
2 (101) in section 2875—
3 (A) by striking subsection (e);
4 (102) in section 2884—
5 (A) by striking subsection (b);
6 (B) in subsection (a)—
7 (i) by striking “(1)”;
8 (ii) by redesignating subparagraphs
9 (A) and (B) as paragraphs (1) and (2), re-
10 spectively;
11 (iii) by striking “(2)” and inserting
12 “(b) Content of Reports.—”;
13 (C) by amending the section title to read
14 as follows: “§ 2884. Project reports”; and
15 (D) by amending the table of sections at
16 the beginning of such chapter 169 by striking
17 the item relating to section 2884 and inserting
18 the following new item:
“2884. Project reports.”;
19 (103) in section 2902—
20 (A) in subsection (g), by striking para-
21 graph (2); and
22 (B) by striking “(1)” after the catch line;
23 (104) in section 5143—
24 (A) by striking subsection (e);
25 (105) in section 6954—

1 (A) by striking subsection (f); and

2 (B) by redesignating subsection (g) as sub-
3 section (f);

4 (106) in section 7049—

5 (A) by striking subsection (c); and

6 (B) by redesignating subsections (d)
7 through (g) as subsections (c) through (f), re-
8 spectively;

9 (107) in section 9356—

10 (A) by striking subsection (c);

11 (B) by redesignating subsections (d) and
12 (e) as subsections (c) and (d), respectively; and

13 (C) in subsection (a), by striking “Subject
14 to subsection (c), the Secretary” and inserting
15 “The Secretary”;

16 (108) in section 9514—

17 (A) by striking subsection (c);

18 (B) by striking subsection (f); and

19 (C) by redesignating subsection (g) as sub-
20 section (f);

21 (109) in section 12302—

22 (A) in subsection (b), by striking the last
23 sentence; and

24 (B) by striking subsection (d);

25 (110) for section 16137—

1 (A) by repealing this entire section in
2 chapter 1606; and

3 (B) by amending the table of sections at
4 the beginning of such chapter by striking the
5 item relating to section 16137.

6 (b) FOREIGN ASSISTANCE ACT OF 1961.—Section
7 656 of the Foreign Assistance Act of 1961 (Public Law
8 87–195) is repealed.

9 (c) DEFENSE ACQUISITION IMPROVEMENT ACT OF
10 1986.—Section 908 of the Defense Acquisition Improve-
11 ment Act of 1986 (as contained in section 101(c) of Public
12 Law 99–500 and identically enacted in section 101(c)
13 [title X] of Public Law 99–591 and title IX of division
14 A of Public Law 99–661) (10 U.S.C. 2326 note) is amend-
15 ed by striking subsection (b).

16 (d) NATIONAL DEFENSE AUTHORIZATION ACT FOR
17 FISCAL YEARS 1988 AND 1989.—Section 1121 of the Na-
18 tional Defense Authorization Act for Fiscal Years 1988
19 and 1989 (Public Law 100–180; 101 Stat. 1147) (10
20 U.S.C. 113 note) is amended—

21 (1) by striking subsection (f); and

22 (2) by redesignating subsections (g) and (h) as
23 subsections (f) and (g), respectively.

24 (e) DEFENSE AUTHORIZATION AMENDMENTS AND
25 BASE CLOSURE AND REALIGNMENT ACT OF 1990.—Sec-

1 tion 206 of the Defense Authorization Amendments and
2 Base Closure and Realignment Act of 1990 (Public Law
3 100–526; 102 Stat. 2631) (10 U.S.C. 2687) is repealed.

4 (f) NATIONAL DEFENSE AUTHORIZATION ACT FOR
5 FISCAL YEAR 1991.—The National Defense Authoriza-
6 tion Act for Fiscal Year 1991 (Public Law 101–510; 104
7 Stat. 1607, 1819, and 1822, respectively) is amended—

8 (1) in section 831, by striking subsection (l);

9 (2) in section 2921, by striking subsections (e),

10 (f), (g)(1), and (g)(2); and

11 (3) in section 2926, by striking subsection (g).

12 (g) DEFENSE ECONOMIC ADJUSTMENT, DIVER-
13 SIFICATION, CONVERSION, AND STABILIZATION ACT OF
14 1990.—Section 4004(c) of the Defense Economic Adjust-
15 ment, Diversification, Conversion, and Stabilization Act of
16 1990 (Public Law 101–510; 104 Stat. 1849) is amended
17 by striking paragraph (3).

18 (h) NATIONAL DEFENSE AUTHORIZATION ACT FOR
19 FISCAL YEARS 1992 AND 1993.—The National Defense
20 Authorization Act for Fiscal Years 1992 and 1993 (Public
21 Law 102–190; 105 Stat. 1411 and 1562, respectively) is
22 amended—

23 (1) in section 734—

24 (A) by striking subsection (c); and

1 (B) by redesignating subsections (d)
2 through (f) as subsections (e) through (e), re-
3 spectively; and

4 (2) by repealing section 2868.

5 (i) NATIONAL DEFENSE AUTHORIZATION ACT FOR
6 FISCAL YEAR 1993.—The National Defense Authoriza-
7 tion Act for Fiscal Year 1993 (Public Law 102–484; 106
8 Stat. 2367, 2439, 2516, and 2609 respectively) is amend-
9 ed—

10 (1) in section 324—

11 (A) by striking subsection (b); and

12 (B) by striking “(a)” prior to “Sense of
13 Congress” in the remaining matter;

14 (2) in section 722, by striking subsection (d);

15 (3) in section 1082(b)—

16 (A) by striking subparagraph (1)(B);

17 (B) by striking the dash; and

18 (C) by striking “(A)” preceding the re-
19 maining matter, and realigning it to read as a
20 paragraph; and

21 (4) in section 2827—

22 (A) by striking subsection (b); and

23 (B) by redesignating subsection (c) as sub-
24 section (b).

1 (j) NATIONAL DEFENSE AUTHORIZATION ACT FOR
2 FISCAL YEAR 1994.—The National Defense Authoriza-
3 tion Act for Fiscal Year 1994 (Public Law 103–160; 107
4 Stat. 1659 and 1931 respectively) is amended—

5 (1) by repealing section 542; and

6 (2) in section 2924, by striking subsection (b).

7 (k) NATIONAL DEFENSE AUTHORIZATION ACT FOR
8 FISCAL YEAR 1995.—The National Defense Authoriza-
9 tion Act for Fiscal Year 1995 (Public Law 103–337; 108
10 Stat. 2804 and 2890, respectively) is amended—

11 (1) in section 721—

12 (A) by striking subsection (h); and

13 (B) by redesignating subsection (i) as sub-
14 section (h); and

15 (2) in section 1305, by striking subsection (h).

16 (l) NATIONAL DEFENSE AUTHORIZATION ACT FOR
17 FISCAL YEAR 1996.—Section 2840 of the National De-
18 fense Authorization Act for Fiscal Year 1996 (Public Law
19 104–106; 110 Stat. 564) is amended—

20 (1) in subsection (a)—

21 (A) by striking paragraph (4); and

22 (B) by redesignating paragraph (5) as
23 paragraph (4); and

24 (2) in subsection (b)—

25 (A) by striking paragraph (4); and

1 (B) by redesignating paragraph (5) as
2 paragraph (4).

3 (m) NATIONAL DEFENSE AUTHORIZATION ACT FOR
4 FISCAL YEAR 1997.—The National Defense Authoriza-
5 tion Act for Fiscal Year 1997 (Public Law 104–201; 110
6 Stat. 2480 and 2653, respectively) is amended—

7 (1) in section 324, by striking subsection (c);
8 and

9 (2) in section 1065, by striking subsection (b).

10 (n) OMNIBUS CONSOLIDATED APPROPRIATIONS ACT,
11 1997.—Section 8009 of the Omnibus Consolidated Appro-
12 priations Act, 1997 (Public Law 104–208; 110 Stat.
13 3009–89) is amended—

14 (1) by striking “unless the congressional de-
15 fense committees have been notified at least thirty
16 days in advance of the proposed contract award”;

17 (2) by striking the comma after “year”; and

18 (3) by striking the colon before “Provided”.

19 (o) NATIONAL DEFENSE AUTHORIZATION ACT FOR
20 FISCAL YEAR 1998.—Section 349 of the National Defense
21 Authorization Act for Fiscal Year 1998 (Public Law 105–
22 85; 111 Stat. 1690) is amended by striking subsection (e).

23 (p) STROM THURMOND NATIONAL DEFENSE AU-
24 THORIZATION ACT FOR FISCAL YEAR 1999.—The Strom
25 Thurmond National Defense Authorization Act for Fiscal

1 Year 1999 (Public Law 105–261; 112 Stat. 2075 and
2 2155, respectively) is amended—

3 (1) in section 745, subsection (e)—

4 (A) by striking paragraph (2); and

5 (B) by striking “(1)” following the catch-
6 line in the preceding matter; and

7 (2) by repealing section 1223.

8 (q) DEPARTMENT OF DEFENSE APPROPRIATIONS
9 ACT, 1999.—Section 8005 of the Department of Defense
10 Appropriations Act, 1999 (Public Law 105–262; 112 Stat.
11 2297) is amended by striking “Provided further, That the
12 Secretary of Defense shall notify the Congress promptly
13 of all transfers made pursuant to this authority or any
14 other authority in this Act.”.

15 (r) NATIONAL DEFENSE AUTHORIZATION ACT FOR
16 FISCAL YEAR 2000.—The National Defense Authoriza-
17 tion Act for Fiscal Year 2000 (Public Law 106–65; 113
18 Stat. 542, 697, 706, 748, 756, 779, and 798, respectively)
19 is amended—

20 (1) in section 212, by striking subsection (c);

21 (2) in section 724, by striking subsection (e);

22 (3) by repealing section 811;

23 (4) by repealing section 1025;

24 (5) in section 1039, by striking subsection (b);

25 (6) in section 1201—

1 (A) by striking subsections (d) and (e);
2 and

3 (B) by redesignating subsection (f) as sub-
4 section (d); and

5 (7) in section 1402, by striking subsection
6 (b)(2).

7 (s) MILITARY CONSTRUCTION APPROPRIATIONS ACT,
8 2001.—The Military Construction Appropriations Act,
9 2001 (Public Law 106–246; 114 Stat. 517 and 518, re-
10 spectively) is amended—

11 (1) by repealing section 125; and

12 (2) in section 127, by striking all that follows
13 after “including flag and general officer quarters”
14 and inserting a period.

15 (t) DEPARTMENT OF DEFENSE APPROPRIATIONS
16 ACT, 2001.—Section 8019 of the Department of Defense
17 Appropriations Act, 2001 (Public Law 106–259; 114 Stat.
18 678) is amended by striking the last sentence.

19 (u) FLOYD D. SPENCE NATIONAL DEFENSE AU-
20 THORIZATION ACT FOR FISCAL YEAR 2001.—The Floyd
21 D. Spence National Defense Authorization Act for Fiscal
22 Year 2001 (Public Law 106–398 Appendix; 114 Stat.
23 1654A–28 and 1654A–247, respectively) is amended—

24 (1) by repealing section 131;

1 (2) in section 1006, by striking subsection (c);

2 and

3 (3) by repealing section 1233.

4 (v) NATIONAL DEFENSE AUTHORIZATION ACT FOR
5 FISCAL YEAR 2002.—The National Defense Authoriza-
6 tion Act for Fiscal Year 2002 (Public Law 107–107; 115
7 Stat. 1180 and 1206, respectively) is amended—

8 (1) in section 804(a), by striking “of each of
9 years 2003 through 2006” and inserting “2003,”;

10 and

11 (2) by amending subsection (c) of section 1008
12 to read as follows:

13 “(c) INFORMATION TO AUDITORS.—Not later than
14 180 days prior to the date set by the Office of Manage-
15 ment and Budget for submission of audited financial
16 statements, the Under Secretary of Defense (Comp-
17 troller), the Assistant Secretary of each military depart-
18 ment, and the defense agency executive with responsibility
19 for financial management and comptroller functions shall
20 each provide to the auditors of the financial statement of
21 that official’s department or agency for the fiscal year on-
22 going that official’s preliminary management representa-
23 tion, in writing, regarding the expected reliability of the
24 financial statement. The preliminary representation shall
25 be consistent with guidance issued by the Director of the

1 Office of Management and Budget for the final represen-
2 tation and shall include the basis for the reliability assess-
3 ment stated in the representation.”.

4 (w) DEPARTMENT OF DEFENSE AND EMERGENCY
5 SUPPLEMENTAL APPROPRIATIONS FOR RECOVERY FROM
6 AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED
7 STATES ACT, 2002.—Section 8009 of the Department of
8 Defense and Emergency Supplemental Appropriations for
9 Recovery From and Response To Terrorist Attacks on the
10 United States Act, 2002 (Public Law 107–117; 115 Stat.
11 2249; 10 U.S.C. 401 note) is amended by striking “, and
12 these obligations shall be reported to the Congress as of
13 September 30 of each year”.

14 (x) SENATE EXECUTIVE RESOLUTION 75 (105TH
15 CONGRESS, 1ST SESSION, AGREED TO BY THE SENATE
16 ON APRIL 24, 1997).—Section 2, Condition 11, paragraph
17 (F), of Senate Executive Resolution 75, a provision of the
18 Senate’s advice and consent to the ratification of the
19 Chemical Weapons Convention (Treaty Doc. 103–21), is
20 repealed.

21 (y) THE OFFICE OF FEDERAL PROCUREMENT POL-
22 ICY ACT.—Section 30 of the Office of Federal Procure-
23 ment Policy Act (41 U.S.C. 426) is amended—

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

1 (2) by redesignating subsection (f) as sub-
2 section (e).

3 **Subtitle D—Transformation of**
4 **Management of Naval Vessels**

5 **SEC. 431. REPEAL OF NOTICE AND WAIT PERIOD PRIOR TO**
6 **REDUCING THE INVENTORY OF COMBATANT**
7 **SURFACE VESSELS.**

8 (a) IN GENERAL.—Section 7296 of title 10, United
9 States Code, is repealed.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 at the beginning of chapter 633 of such title is amended
12 by deleting the item relating to section 7296.

13 **SEC. 432. OVERHAUL AND REPAIR OF SHIPS ON EXTENDED**
14 **DEPLOYMENTS.**

15 Section 7310 of title 10, United States Code, is
16 amended by adding at the end the following new sub-
17 section:

18 “(c) VESSELS ON EXTENDED OVERSEAS DEPLOY-
19 MENTS.—

20 “(1) A vessel referred to in subsection (a) may
21 be overhauled, repaired, or maintained in a shipyard
22 outside the United States or Guam if it is on an ex-
23 tended overseas deployment.

24 “(2) An extended overseas deployment is a de-
25 ployment outside the United States of a vessel

1 homeported in the United States that exceeds, or is
2 scheduled to exceed, 12 months without a return to
3 the United States.”.

4 **Subtitle E—Miscellaneous**
5 **Provisions**

6 **SEC. 441. SUPPORT OF FOREIGN NATIONS COMMITTED TO**
7 **COMBATING GLOBAL TERRORISM.**

8 (a) **AUTHORITY.**—Notwithstanding any other provi-
9 sion of law, the Secretary of Defense, with the concurrence
10 of the Secretary of State, may provide military assistance
11 or support to foreign nations assisting United States mili-
12 tary operations or other activities to combat global ter-
13 rorism. Such assistance may include the provision of
14 equipment, supplies, services, and funding.

15 (b) **LIMITATION ON SUPPORT.**—Military assistance
16 provided under the authority of this section may not ex-
17 ceed \$200,000,000 in any fiscal year.

18 (c) **ADDITIONAL AUTHORITY.**—The authority to pro-
19 vide assistance under this section is in addition to any
20 other authority to provide assistance to foreign countries.

○