Calendar No. 163

107TH CONGRESS
1ST SESSION

S. 1438

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2001

Mr. LEVIN introduced the following bill; which was read the first time

SEPTEMBER 20, 2001

Read the second time and placed on the calendar

A BILL

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

★(Star Print)

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 2002''.

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical agents and munitions destruction, Defense.
Sec. 107. Defense health programs.

Subtitle B—Army Programs

(Reserved)

Subtitle C—Navy Programs

Sec. 121. Virginia class submarine program.
Sec. 122. Multiyear procurement authority for F/A–18E/F aircraft engines.
Sec. 123. V–22 Osprey aircraft program.

Subtitle D—Air Force Programs

Sec. 131. Multiyear procurement authority for C–17 aircraft.

Subtitle E—Other Matters

Sec. 141. Extension of pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. F–22 aircraft program.
Sec. 212. C–5 aircraft reliability enhancement and reengining.
Sec. 213. Review of alternatives to the V–22 Osprey aircraft.
Sec. 214. Joint biological defense program.

Subtitle C—Other Matters

Sec. 231. Technology Transition Initiative.
Sec. 232. Communication of safety concerns between operational testing and evaluation officials and program managers.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 305. Amount for impact aid for children with severe disabilities.

Subtitle B—Environmental Provisions

Sec. 311. Establishment in environmental restoration accounts of sub-accounts for unexploded ordnance and related constituents.
Sec. 312. Assessment of environmental remediation of unexploded ordnance and related constituents.
Sec. 313. Department of Defense energy efficiency program.
Sec. 314. Extension of pilot program for sale of air pollution emission reduction incentives.

Sec. 315. Reimbursement of Environmental Protection Agency for certain response costs in connection with Hooper Sands Site, South Berwick, Maine.
Sec. 316. Conformity of surety authority under environmental restoration program with surety authority under superfund.
Sec. 317. Procurement of alternative fueled and hybrid electric light duty trucks.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 321. Rebate agreements with producers of foods provided under the special supplemental food program.
Sec. 322. Reimbursement for use of commissary facilities by military departments for purposes other than commissary sales.
Sec. 323. Public releases of commercially valuable information of commissary stores.

Subtitle D—Other Matters

Sec. 331. Codification of authority for Department of Defense support for counter-drug activities of other governmental agencies.
Sec. 332. Exclusion of certain expenditures from limitation on private sector performance of depot-level maintenance.
Sec. 333. Repair, restoration, and preservation of Lafayette Escadrille Memorial, Marnes la-Coquette, France.
Sec. 334. Implementation of the Navy-Marine Corps Intranet contract.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Authorized daily average active duty strength for Navy enlisted members in pay grade E–8.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2002 limitation on non-dual status technicians.
Sec. 415. Limitations on numbers of reserve personnel serving on active duty or full-time National Guard duty in certain grades for administration of reserve components.
Sec. 416. Strength and grade limitation accounting for reserve component members on active duty in support of a contingency operation.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. General officer positions.

Sec. 502. Reduction of time-in-grade requirement for eligibility for promotion of first lieutenants and lieutenants (junior grade).
Sec. 503. Promotion of officers to the grade of captain in the Army, Air Force, or Marine Corps or to the grade of lieutenant in the Navy without selection board action.
Sec. 504. Authority to adjust date of rank.
Sec. 505. Extension of deferments of retirement or separation for medical reasons.
Sec. 506. Exemption from administrative limitations of retired members ordered to active duty as defense and service attachés.
Sec. 507. Certifications of satisfactory performance for retirements of officers in grades above major general and rear admiral.
Sec. 508. Effective date of mandatory separation or retirement of regular officer delayed by a suspension of certain laws under emergency authority of the President.
Sec. 509. Detail and grade of officer in charge of the United States Navy Band.

Subtitle B—Reserve Component Personnel Policy

Sec. 511. Reauthorization and expansion of temporary waiver of the requirement for a baccalaureate degree for promotion of certain reserve officers of the Army.
Sec. 512. Status list of reserve officers on active duty for a period of three years or less.
Sec. 513. Equal treatment of Reserves and full-time active duty members for purposes of managing deployments of personnel.
Sec. 514. Modification of physical examination requirements for members of the Individual Ready Reserve.
Sec. 515. Members of reserve components afflicted while remaining overnight at duty station within commuting distance of home.
Sec. 516. Retirement of reserve personnel without request.
Sec. 517. Space-required travel by Reserves on military aircraft.

Subtitle C—Education and Training

Sec. 531. Improved benefits under the Army College First program.
Sec. 532. Repeal of limitation on number of Junior Reserve Officers' Training Corps units.
Sec. 533. Acceptance of fellowships, scholarships, or grants for legal education of officers participating in the funded legal education program.
Sec. 534. Grant of degree by Defense Language Institute Foreign Language Center.
Sec. 535. Authority for the Marine Corps University to award the degree of master of strategic studies.
Sec. 536. Foreign persons attending the service academies.
Sec. 537. Expansion of financial assistance program for health-care professionals in reserve components to include students in programs of education leading to initial degree in medicine or dentistry.
Sec. 538. Pilot program for Department of Veterans Affairs support for graduate medical education and training of medical personnel of the Armed Forces.
Sec. 539. Transfer of entitlement to educational assistance under Montgomery GI Bill by members of the Armed Forces with critical military skills.

Subtitle D—Decorations, Awards, and Commendations

Sec. 551. Authority for award of the Medal of Honor to Humbert R. Versace for valor during the Vietnam War.
Sec. 552. Review regarding award of Medal of Honor to certain Jewish American war veterans.
Sec. 553. Issuance of duplicate and replacement Medals of Honor.
Sec. 554. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 555. Sense of Senate on issuance of Korea Defense Service Medal.

Subtitle E—Funeral Honors Duty

Sec. 561. Active duty end strength exclusion for Reserves on active duty or full-time National Guard duty for funeral honors duty.
Sec. 562. Participation of retirees in funeral honors details.
Sec. 563. Benefits and protections for members in a funeral honors duty status.
Sec. 564. Military leave for civilian employees serving as military members of funeral honors detail.

Subtitle F—Uniformed Services Overseas Voting

Sec. 571. Sense of the Senate regarding the importance of voting by members of the uniformed services.
Sec. 572. Uniform nondiscriminatory voting standards for administration of elections under State and local election systems.
Sec. 573. Guarantee of residency for military personnel.
Sec. 574. Extension of registration and balloting rights for absent uniformed services voters to State and local elections.
Sec. 575. Use of single application as a simultaneous absentee voter registration application and absentee ballot application.
Sec. 576. Use of single application for absentee ballots for all Federal elections.
Sec. 577. Electronic voting demonstration project.
Sec. 578. Federal voting assistance program.

Subtitle G—Other Matters

Sec. 581. Persons authorized to be included in surveys of military families regarding Federal programs.
Sec. 582. Correction and extension of certain Army recruiting pilot program authorities.
Sec. 583. Offense of drunken operation of a vehicle, aircraft, or vessel under the Uniform Code of Military Justice.
Sec. 584. Authority of civilian employees to act as notaries.
Sec. 585. Review of actions of selection boards.
Sec. 586. Acceptance of voluntary legal assistance for the civil affairs of members and former members of the uniformed services and their dependents.
Sec. 587. Extension of Defense Task Force on Domestic Violence.
Sec. 588. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2002.
Sec. 602. Basic pay rate for certain reserve commissioned officers with prior service as an enlisted member or warrant officer.
Sec. 603. Reserve component compensation for distributed learning activities performed as inactive-duty training.
Sec. 604. Clarifications for transition to reformed basic allowance for subsistence.
Sec. 605. Increase of basic allowance for housing in the United States.
Sec. 606. Clarification of eligibility for supplemental subsistence allowance.
Sec. 607. Correction of limitation on additional uniform allowance for officers.
Sec. 608. Payment for unused leave in excess of 60 days accrued by members of reserve components on active duty for one year or less.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 615. Hazardous duty pay for members of maritime visit, board, search, and seizure teams.
Sec. 616. Submarine duty incentive pay rates.
Sec. 617. Career sea pay.
Sec. 618. Modification of eligibility requirements for Individual Ready Reserve bonus for reenlistment, enlistment, or extension of enlistment.
Sec. 619. Accession bonus for officers in critical skills.
Sec. 620. Modification of the nurse officer candidate accession program restriction on students attending civilian educational institutions with Senior Reserve Officers' Training Programs.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Eligibility for temporary housing allowance while in travel or leave status between permanent duty stations.
Sec. 632. Eligibility for payment of subsistence expenses associated with occupancy of temporary lodging incident to reporting to first permanent duty station.
Sec. 633. Eligibility for dislocation allowance.
Sec. 634. Allowance for dislocation for the convenience of the Government at home station.
Sec. 635. Travel and transportation allowances for family members to attend the burial of a deceased member of the uniformed services.
Sec. 636. Family separation allowance for members electing unaccompanied tour by reason of health limitations of dependents.
Sec. 637. Funded student travel for foreign study under an education program approved by a United States school.
Sec. 638. Transportation or storage of privately owned vehicles on change of permanent station.

Subtitle D—Matters Relating to Retirement and Survivor Benefits

Sec. 651. Payment of retired pay and compensation to disabled military retirees.

Subtitle E—Other Matters

Sec. 661. Education savings plan for reenlistments and extensions of service in critical specialties.
Sec. 662. Commissary benefits for new members of the Ready Reserve.
Sec. 663. Authorization of transitional compensation and commissary and exchange benefits for dependents of commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration who are separated for dependent abuse.

TITLE VII—HEALTH CARE

Subtitle A—TRICARE Benefits Modernization

Sec. 701. Requirement for integration of benefits.
Sec. 702. Domiciliary and custodial care.
Sec. 703. Long term care.
Sec. 704. Extended benefits for disabled beneficiaries.
Sec. 705. Conforming repeals.
Sec. 706. Effective date.

Subtitle B—Other Matters

Sec. 711. Repeal of requirement for periodic screenings and examinations and related care for members of Army Reserve units scheduled for early deployment.
Sec. 712. Clarification of eligibility for reimbursement of travel expenses of adult accompanying patient in travel for specialty care.
Sec. 713. TRICARE program limitations on payment rates for institutional health care providers and on balance billing by institutional and noninstitutional health care providers.
Sec. 714. Two-year extension of health care management demonstration program.
Sec. 715. Study of health care coverage of members of the Selected Reserve.
Sec. 716. Study of adequacy and quality of health care provided to women under the defense health program.
Sec. 717. Pilot program for Department of Veterans Affairs support for Department of Defense in the performance of separation physical examinations.

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

Subtitle A—Procurement Management and Administration

Sec. 801. Management of procurements of services.
Sec. 802. Savings goals for procurements of services.
Sec. 803. Competition requirement for purchases pursuant to multiple award contracts.
Sec. 804. Risk reduction at initiation of major defense acquisition program.
Sec. 805. Follow-on production contracts for products developed pursuant to prototype projects.

Subtitle B—Defense Acquisition and Support Workforce

Sec. 811. Report on implementation of recommendations of the Acquisition 2005 Task Force.
Sec. 812. Moratorium on reduction of the defense acquisition and support workforce.
Sec. 813. Revision of acquisition workforce qualification requirements.

Subtitle C—Use of Preferred Sources

Sec. 821. Applicability of competition requirements to purchases from a required source.
Sec. 822. Consolidation of contract requirements.
Sec. 823. Codification and continuation of Mentor-Protege Program as permanent program.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Related Matters

Sec. 831. Amendments to conform with administrative changes in acquisition phase and milestone terminology and to make related adjustments in certain requirements applicable at milestone transition points.
Sec. 832. Inapplicability of limitation to small purchases of miniature or instrument ball or roller bearings under certain circumstances.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Deputy Under Secretary of Defense for Personnel and Readiness.
Sec. 902. Responsibility of Under Secretary of the Air Force for acquisition of space launch vehicles and services.
Sec. 903. Sense of Congress regarding the selection of officers for assignment as the Commander in Chief, United States Transportation Command.
Sec. 904. Organizational realignment for Navy Director for Expeditionary Warfare.
Sec. 905. Revised requirements for content of annual report on joint warfighting experimentation.
Sec. 906. Suspension of reorganization of engineering and technical authority policy within the Naval Sea Systems Command.
Sec. 907. Conforming amendments relating to change of name of Air Mobility Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Reduction in authorizations of appropriations for Department of Defense for management efficiencies.
Sec. 1003. Authorization of supplemental appropriations for fiscal year 2001.
Sec. 1004. United States contribution to NATO common-funded budgets in fiscal year 2002.
Sec. 1005. Clarification of applicability of interest penalties for late payment of interim payments due under contracts for services.
Sec. 1006. Reliability of Department of Defense financial statements.
Sec. 1007. Senior Financial Management Oversight Council and financial feeder systems compliance process.

Sec. 1008. Combating Terrorism Readiness Initiatives Fund for combatant commands.

Subtitle B—Strategic Forces

Sec. 1011. Repeal of limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1012. Bomber force structure.
Sec. 1013. Additional element for revised nuclear posture review.

Subtitle C—Reporting Requirements

Sec. 1021. Information and recommendations on congressional reporting requirements applicable to the Department of Defense.
Sec. 1022. Report on combating terrorism.
Sec. 1023. Revised requirement for Chairman of the Joint Chiefs of Staff to advise Secretary of Defense on the assignment of roles and missions to the Armed Forces.
Sec. 1024. Revision of deadline for annual report on commercial and industrial activities.
Sec. 1025. Production and acquisition of vaccines for defense against biological warfare agents.
Sec. 1026. Extension of times for Commission on the Future of the United States Aerospace Industry to report and to terminate.

Subtitle D—Armed Forces Retirement Home

Sec. 1041. Amendment of Armed Forces Retirement Home Act of 1991.
Sec. 1042. Definitions.
Sec. 1043. Revision of authority establishing the Armed Forces Retirement Home.
Sec. 1044. Chief Operating Officer.
Sec. 1045. Residents of Retirement Home.
Sec. 1046. Local boards of trustees.
Sec. 1047. Directors, Deputy Directors, and staff of facilities.
Sec. 1048. Disposition of effects of deceased persons and unclaimed property.
Sec. 1049. Transitional provisions.
Sec. 1050. Conforming and clerical amendments and repeals of obsolete provisions.
Sec. 1051. Amendments of other laws.

Subtitle E—Other Matters

Sec. 1061. Requirement to conduct certain previously authorized educational programs for children and youth.
Sec. 1062. Authority to ensure demilitarization of significant military equipment formerly owned by the Department of Defense.
Sec. 1063. Conveyances of equipment and related materials loaned to State and local governments as assistance for emergency response to a use or threatened use of a weapon of mass destruction.
Sec. 1064. Authority to pay gratuity to members of the Armed Forces and civilian employees of the United States for slave labor performed for Japan during World War II.
Sec. 1065. Retention of travel promotional items.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Subtitle A—Intelligence Personnel

Sec. 1101. Authority to increase maximum number of positions in the Defense Intelligence Senior Executive Service.
Sec. 1102. Continued applicability of certain civil service protections for employees integrated into the National Imagery and Mapping Agency from the Defense Mapping Agency.

Subtitle B—Matters Relating to Retirement

Sec. 1111. Federal employment retirement credit for nonappropriated fund instrumentality service.
Sec. 1112. Improved portability of retirement coverage for employees moving between civil service employment and employment by nonappropriated fund instrumentalities.
Sec. 1113. Repeal of fiscal year 2003 limitations on exercise of voluntary separation incentive pay authority and voluntary early retirement authority.

Subtitle C—Other Matters

Sec. 1121. Housing allowance for the chaplain for the Corps of Cadets at the United States Military Academy.
Sec. 1122. Study of adequacy of compensation provided for teachers in the Department of Defense overseas dependents' schools.
Sec. 1123. Pilot program for payment of retraining expenses incurred by employers of persons involuntarily separated from employment by the Department of Defense.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

Sec. 1201. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1202. Funding allocations.
Sec. 1203. Chemical weapons destruction.
Sec. 1204. Management of Cooperative Threat Reduction programs and funds.
Sec. 1205. Additional matter in annual report on activities and assistance under Cooperative Threat Reduction programs.

Subtitle B—Other Matters

Sec. 1211. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
Sec. 1212. Cooperative research and development projects with NATO and other countries.
Sec. 1213. International cooperative agreements on use of ranges and other facilities for testing of defense equipment.
Sec. 1214. Clarification of authority to furnish nuclear test monitoring equipment to foreign governments.
Sec. 1215. Participation of government contractors in chemical weapons inspections at United States Government facilities under the Chemical Weapons Convention.
Sec. 1216. Authority to transfer naval vessels to certain foreign countries.

TITLE XIII—CONTINGENT AUTHORIZATION OF APPROPRIATIONS

Sec. 1301. Authorization of appropriations contingent on increased allocation of new budget authority.
Sec. 1302. Reductions.
Sec. 1303. Reference to Concurrent Resolution on the Budget for Fiscal Year 2002.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out certain fiscal year 2001 projects.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2001 projects.
Sec. 2206. Modification of authority to carry out fiscal year 2000 project.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Modification of authority to carry out certain fiscal year 2001 project.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Energy conservation projects.
Sec. 2403. Authorization of appropriations, Defense Agencies.
Sec. 2404. Cancellation of authority to carry out certain fiscal year 2001 projects.
Sec. 2405. Cancellation of authority to carry out additional fiscal year 2001 project.
Sec. 2406. Modification of authority to carry out certain fiscal year 2000 projects.
Sec. 2407. Modification of authority to carry out certain fiscal year 1999 project.
Sec. 2408. Modification of authority to carry out certain fiscal year 1995 project.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1999 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1998 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Increase in thresholds for certain unspecified minor military construction projects.
Sec. 2802. Unforeseen environmental hazard remediation as basis for authorized cost variations for military construction and family housing construction projects.
Sec. 2803. Repeal of requirement for annual reports to Congress on military construction and military family housing activities.
Sec. 2804. Authority available for lease of property and facilities under alternative authority for acquisition and improvement of military housing.
Sec. 2805. Funds for housing allowances of members assigned to military family housing under alternative authority for acquisition and improvement of military housing.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Availability of proceeds of sales of Department of Defense property from closed military installations.
Sec. 2812. Pilot efficient facilities initiative.
Sec. 2813. Demonstration program on reduction in long-term facility maintenance costs.

Subtitle C—Land Conveyances

Sec. 2821. Land conveyance, Engineer Proving Ground, Fort Belvoir, Virginia.
Sec. 2822. Modification of authority for conveyance of Naval Computer and Telecommunications Station, Cutler, Maine.
Sec. 2823. Land transfer and conveyance, Naval Security Group Activity, Winter Harbor, Maine.
Sec. 2824. Conveyance of segment of Loring Petroleum Pipeline, Maine, and related easements.
Sec. 2825. Land conveyance, petroleum terminal serving former Loring Air Force Base and Bangor Air National Guard Base, Maine.
Sec. 2826. Land conveyance, Naval Weapons Industrial Reserve Plant, Toledo, Ohio.

Subtitle D—Other Matters

Sec. 2841. Development of United States Army Heritage and Education Center at Carlisle Barracks, Pennsylvania.
Sec. 2842. Limitation on availability of funds for renovation of the Pentagon Reservation.
Sec. 2843. Naming of Patricia C. Lamar Army National Guard Readiness Center, Oxford, Mississippi.

TITLE XXIX—DEFENSE BASE CLOSURE AND REALIGNMENT

Subtitle A—Modifications of 1990 Base Closure Law

Sec. 2901. Authority to carry out base closure round in 2003.
Sec. 2902. Base Closure Account 2003.
Sec. 2903. Additional modifications of base closure authorities.
Sec. 2904. Technical and clarifying amendments.

Subtitle B—Modification of 1988 Base Closure Law

Sec. 2911. Payment for certain services provided by redevelopment authorities for property leased back by the United States.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental restoration and waste management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense environmental management privatization.
Sec. 3105. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on minor construction projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfer of defense environmental management funds.
Sec. 3130. Transfer of weapons activities funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Limitation on availability of funds for weapons activities for facilities and infrastructure.

Sec. 3132. Limitation on availability of funds for other defense activities for national security programs administrative support.
Sec. 3133. Nuclear Cities Initiative.
Sec. 3134. Construction of Department of Energy operations office complex.

Subtitle D—Matters Relating to Management of National Nuclear Security Administration

Sec. 3141. Establishment of position of Deputy Administrator for Nuclear Security.
Sec. 3142. Responsibility for national security laboratories and weapons production facilities of Deputy Administrator of National Nuclear Security Administration for Defense Programs.
Sec. 3143. Clarification of status within the Department of Energy of administration and contractor personnel of the National Nuclear Security Administration.
Sec. 3144. Modification of authority of Administrator for Nuclear Security to establish scientific, engineering, and technical positions.

Subtitle E—Other Matters

Sec. 3151. Improvements to Energy Employees Occupational Illness Compensation Program.
Sec. 3152. Department of Energy counterintelligence polygraph program.
Sec. 3153. One-year extension of authority of Department of Energy to pay voluntary separation incentive payments.
Sec. 3154. Additional objective for Department of Energy defense nuclear facility work force restructuring plan.
Sec. 3155. Modification of date of report of Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile.
Sec. 3156. Reports on achievement of milestones for National Ignition Facility.
Sec. 3157. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
Sec. 3158. Improvements to Corral Hollow Road, Livermore, California.

Subtitle F—Rocky Flats National Wildlife Refuge

Sec. 3171. Short title.
Sec. 3172. Findings and purpose.
Sec. 3173. Definitions.
Sec. 3174. Future ownership and management.
Sec. 3175. Transfer of management responsibilities and jurisdiction over Rocky Flats.
Sec. 3176. Continuation of environmental cleanup and closure.
Sec. 3177. Rocky Flats National Wildlife Refuge.
Sec. 3178. Public involvement.
Sec. 3179. Property rights.
Sec. 3180. Rocky Flats Museum.
Sec. 3181. Report on funding.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authority to dispose of certain materials in the National Defense Stockpile.
Sec. 3302. Revision of limitations on required disposals of cobalt in the National Defense Stockpile.
Sec. 3303. Acceleration of required disposal of cobalt in the National Defense Stockpile.
Sec. 3304. Revision of restriction on disposal of manganese ferro.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

SEC. 4. APPLICABILITY OF REPORT OF COMMITTEE ON ARMED SERVICES OF THE SENATE.

Senate Report 107–62, the report of the Committee on Armed Services of the Senate to accompany the bill S.1416, 107th Congress, 1st session, shall apply to this Act with the exception of the portions of the report that relate to sections 221 through 224.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Army as follows:

(1) For aircraft, $2,123,391,000.

(2) For missiles, $1,807,384,000.

(3) For weapons and tracked combat vehicles, $2,276,746,000.

(4) For ammunition, $1,187,565,000.

(5) For other procurement, $4,024,486,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Navy as follows:

(1) For aircraft, $8,169,043,000.

(2) For weapons, including missiles and torpedoes, $1,503,475,000.

(3) For shipbuilding and conversion, $9,522,121,000.

(4) For other procurement, $4,293,476,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Marine Corps in the amount of $981,724,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement of ammunition for the Navy and the Marine Corps in the amount of $476,099,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Air Force as follows:

(1) For aircraft, $10,892,957,000.

(2) For ammunition, $865,344,000.

(3) For missiles, $3,263,436,000.

(4) For other procurement, $8,081,721,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2002 for Defense-wide procurement in the amount of $1,594,325,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Inspector General of the Department of Defense in the amount of $2,800,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2002 the amount of $1,153,557,000 for—

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

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

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $267,915,000.

Subtitle B—Army Programs

(RESERVED)

Subtitle C—Navy Programs

SEC. 121. VIRGINIA CLASS SUBMARINE PROGRAM.

Section 123(b)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–25) is amended—

(1) by striking ''five Virginia class submarines'' and inserting ''seven Virginia class submarines''; and

(2) by striking ''through 2006'' and inserting ''2007''.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18E/F AIRCRAFT ENGINES.

Beginning with the 2002 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of engines for F/A–18E/F aircraft.

SEC. 123. V–22 OSPREY AIRCRAFT PROGRAM.

The production rate for V–22 Osprey aircraft may not be increased above the minimum sustaining production rate for which funds are authorized to be appropriated by this Act until the Secretary of Defense certifies to Congress that successful operational testing of the aircraft demonstrates that—

(1) the solutions to the problems regarding the reliability of hydraulic system components and flight control software that were identified by the panel appointed by the Secretary of Defense on January 5, 2001, to review the V–22 aircraft program are adequate to achieve low risk for crews and pas-

sengers aboard V–22 aircraft that are operating under operational conditions;

(2) the V–22 aircraft can achieve reliability and maintainability levels that are sufficient for the aircraft to achieve operational availability at the level required for fleet aircraft;

(3) the V–22 aircraft will be operationally effective—

(A) when employed in operations with other V–22 aircraft; and

(B) when employed in operations with other types of aircraft; and

(4) the V–22 aircraft can be operated effectively, taking into consideration the downwash effects inherent in the operation of the aircraft, when the aircraft—

(A) is operated in remote areas with unimproved terrain and facilities;

(B) is deploying and recovering personnel—

(i) while hovering within the zone of ground effect; and

(ii) while hovering outside the zone of ground effect; and

(C) is operated with external loads.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR C–17 AIRCRAFT.

Beginning with the 2002 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of up to 60 C–17 aircraft.

Subtitle C—Other Matters

SEC. 141. EXTENSION OF PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

Section 141(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended by striking ''through 2001'' and inserting ''through 2002''.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $6,899,170,000.

(2) For the Navy, $11,135,806,000.

(3) For the Air Force, $14,481,157,000.

(4) For Defense-wide activities, $14,099,702,000, of which $221,355,000 is authorized for the Director of Operational Test and Evaluation.

(5) For the Defense Health Program, $65,304,000.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 2002.—Of the amounts authorized to be appropriated by section 201, $5,093,605,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term ''basic re-

search and applied research'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. F–22 AIRCRAFT PROGRAM.

(a) REPEAL OF LIMITATIONS ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The following provisions of law are repealed:

(1) Section 217(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).

(2) Section 8125 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 702).

(3) Section 219(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(b) CONFORMING AMENDMENTS.—(1) Section 217 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660) is amended—

(A) in subsection (c)—

(i) by striking ''limitations set forth in subsections (a) and (b)'' and inserting ''limitation set forth in subsection (b)''; and

(ii) by striking paragraph (3); and

(B) in subsection (d)(2), by striking subparagraphs (D) and (E).

(2) Section 131 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 536) is amended—

(A) in subsection (a), by striking paragraph (2) and inserting the following:

''(2) That the production phase for that program can be executed within the limitation on total cost applicable to that program under section 217(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).''; and

(B) in subsection (b)(3), by striking ''for the remainder of the engineering and manufacturing development phase and''.

SEC. 212. C–5 AIRCRAFT RELIABILITY ENHANCEMENT AND REENGINING.

The Secretary of the Air Force shall ensure that engineering manufacturing and development under the C–5 aircraft reliability enhancement and reengining program

includes kit development for an equal number of C–5A and C–5B aircraft.

SEC. 213. REVIEW OF ALTERNATIVES TO THE V–22 OSPREY AIRCRAFT.

(a) REQUIREMENT FOR REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall conduct a review of the requirements of the Marine Corps and the Special Operations Command that the V–22 Osprey aircraft is intended to meet in order to identify the potential alternative means for meeting those requirements if the V–22 Osprey aircraft program were to be terminated.

(b) MATTERS TO BE INCLUDED.—The requirements reviewed shall include the following:

(1) The requirements to be met by an aircraft replacing the CH–46 medium lift helicopter.

(2) The requirements to be met by an aircraft replacing the MH–53 helicopter.

(c) FUNDING.—Of the amount authorized to be appropriated by section 201(2), $5,000,000 shall be available for carrying out the review required by this section.

SEC. 214. JOINT BIOLOGICAL DEFENSE PROGRAM.

Section 217(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36)

is amended by striking ''funds authorized to be appropriated by this Act may not'' and inserting ''no funds authorized to be appropriated to the Department of Defense for fiscal year 2002 may''.

Subtitle C—Other Matters

SEC. 231. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2354 the following new section 2355:

''§ 2355. Technology Transition Initiative

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a Technology Transition Initiative to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs for the production of the technologies.

''(b) OBJECTIVES.—The objectives of the Initiative are as follows:

''(1) To successfully demonstrate new technologies in relevant environments.

''(2) To ensure that new technologies are sufficiently mature for production.

''(c) MANAGEMENT.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to manage the Initiative.

"(2) In administering the Initiative, the Initiative Manager shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(3) The Initiative Manager shall—

"(A) in consultation with the Commander of the Joint Forces Command, identify promising technologies that have been demonstrated in science and technology programs of the Department of Defense;

"(B) identify potential sponsors in the Department of Defense to undertake the transition of such technologies into production;

"(C) work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of the technologies into production; and

"(D) provide funding support for selected projects as provided under subsection (d).

"(d) JOINTLY FUNDED PROJECTS.—(1) The senior procurement executive of each military department shall select technology projects of the military department to recommend for funding support under the Initiative and shall submit a list of the recommended projects, ranked in order of priority, to the Initiative Manager. The

projects shall be selected, in a competitive process, on the basis of the highest potential benefits in areas of interest identified by the Secretary of that military department.

"(2) The Initiative Manager, in consultation with the Commander of the Joint Forces Command, shall select projects for funding support from among the projects on the lists submitted under paragraph (1). The Initiative Manager shall provide funds, out of the Technology Transition Fund, for each selected project. The total amount provided for a project shall be an amount that equals or exceeds 50 percent of the total cost of the project.

"(3) The senior procurement executive of the military department shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the senior procurement executive determines that it is appropriate to do so to achieve the objectives of the project.

"(e) TECHNOLOGY TRANSITION FUND.—(1) There is established in the Treasury of the United States a fund to be known as the 'Technology Transition Fund'.

"(2) Subject to the authority, direction, and control of the Secretary of Defense, the Initiative Manager shall

administer the Fund consistent with the provisions of this section.

"(3) Amounts appropriated for the Initiative shall be deposited in the Fund.

"(4) Amounts in the Fund shall be available, to the extent provided in appropriations Acts, for carrying out the Initiative.

"(5) The President shall specify in the budget submitted for a fiscal year pursuant to section 1105(a) of title 31 the amount provided in that budget for the Initiative.

"(f) DEFINITIONS.—In this section:

"(1) The term 'Initiative' means the Technology Transition Initiative carried out under this section.

"(2) The term 'Initiative Manager' means the official designated to manage the Initiative under subsection (c).

"(3) The term 'Fund' means the Technology Transition Fund established under subsection (e).

"(4) The term 'senior procurement executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2354 the following new item:

"2355. Technology Transition Initiative.".

SEC. 232. COMMUNICATION OF SAFETY CONCERNS BETWEEN OPERATIONAL TESTING AND EVALUATION OFFICIALS AND PROGRAM MANAGERS.

Section 139 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) The Director shall ensure that safety concerns developed during the operational test and evaluation of a weapon system under a major defense acquisition program are timely communicated to the program manager for consideration in the acquisition decisionmaking process.".

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $21,134,982,000.

(2) For the Navy, $26,927,931,000.

(3) For the Marine Corps, $2,911,339,000.

(4) For the Air Force, $26,013,582,000.

(5) For Defense-wide activities, $12,482,532,000.

(6) For the Army Reserve, $1,803,146,000.

(7) For the Naval Reserve, $1,000,369,000.

(8) For the Marine Corps Reserve, $142,956,000.

(9) For the Air Force Reserve, $2,029,866,000.

(10) For the Army National Guard, $3,697,659,000.

(11) For the Air National Guard, $4,037,161,000.

(12) For the Defense Inspector General, $149,221,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,096,000.

(14) For Environmental Restoration, Army, $389,800,000.

(15) For Environmental Restoration, Navy, $257,517,000.

(16) For Environmental Restoration, Air Force, $385,437,000.

(17) For Environmental Restoration, Defense-wide, $23,492,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $190,255,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,700,000.

(20) For Drug Interdiction and Counterdrug Activities, Defense-wide, $860,381,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $60,000,000.

(22) For the Defense Health Program, $17,546,750,000.

(23) For Cooperative Threat Reduction programs, $403,000,000.

(24) For Overseas Contingency Operations Transfer Fund, $2,844,226,000.

(25) For Support for International Sporting Competitions, Defense, $15,800,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,917,186,000.

(2) For the National Defense Sealift Fund, $506,408,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2002 from the Armed Forces Retirement Home Trust Fund the sum of $71,440,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2002, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2002 of—

(1) that agency's eligibility for educational agencies assistance; and

(2) the amount of the educational agencies assistance for which that agency is eligible.

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

(d) DEFINITIONS.—In this section:

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

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

SEC. 305. AMOUNT FOR IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated under section 301(5), $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National De-

fense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77).

Subtitle B—Environmental Provisions

SEC. 311. ESTABLISHMENT IN ENVIRONMENTAL RESTORATION ACCOUNTS OF SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

Section 2703 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) through (f) as subsections (c) through (g), respectively; and

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

''(b) SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.—There is hereby established within each environmental restoration account established under subsection (a) a sub-account to be known as the 'Environmental Restoration Sub-Account, Unexploded Ordnance and Related Constituents', for the account concerned.''.

SEC. 312. ASSESSMENT OF ENVIRONMENTAL REMEDIATION OF UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

(a) REPORT REQUIRED.—The report submitted to Congress under section 2706(a) of title 10, United States Code, in 2002 shall include, in addition to the matters required by such section, a comprehensive assessment of the extent of unexploded ordnance and related constituents at current and former facilities of the Department of Defense.

(b) ELEMENTS.—The assessment included under subsection (a) in the report referred to in that subsection shall include, at a minimum—

(1) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all active facilities of the Department;

(2) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all installations that are being, or have been, closed or realigned under the base closure laws as of the date of the report under subsection (a);

(3) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all formerly used defense sites;

(4) a comprehensive plan for addressing the unexploded ordinance and related constituents referred to in paragraphs (1) through (3), including an assessment of the funding required and the period of time over which such funding will be provided; and

(5) an assessment of the technology available for the remediation of unexploded ordnance and related constituents, an assessment of the impact of improved technology on the cost of remediation of such ordnance and constituents, and a plan for the development and utilization of such improved technology.

(c) REQUIREMENTS FOR ESTIMATES.—(1) The estimates of aggregate projected costs under each of paragraphs (1), (2), and (3) of subsection (b) shall—

(A) be stated as a range of aggregate projected costs, including a low estimate and a high estimate;

(B) set forth the differing assumptions underlying each such low estimate and high estimate, including—

(i) any public uses for the facilities, installations, or sites concerned that will be available after the remediation has been completed;

(ii) the extent of the cleanup required to make the facilities, installations, or sites concerned available for such uses; and

(iii) the technologies to be applied to utilized this purpose; and

(C) include, and identify separately, an estimate of the aggregate projected costs of the remediation of any ground water contamination that may be caused by unexploded ordnance and related constituents at the facilities, installations, or sites concerned.

(2) The high estimate of the aggregate projected costs for facilities and installations under paragraph (1)(A) shall be based on the assumption that all unexploded ordnance and related constituents at such facilities and installations will be addressed, regardless of whether there are any current plans to close such facilities or installations or discontinue training at such facilities or installations.

(3) The estimate of the aggregate projected costs of remediation of ground water contamination under paragraph (1)(C) shall be based on a comprehensive assessment of the risk of such contamination and of the actions required to protect the ground water supplies concerned.

SEC. 313. DEPARTMENT OF DEFENSE ENERGY EFFICIENCY PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program to significantly improve the energy efficiency of Department of Defense facilities through 2010.

(b) RESPONSIBLE OFFICIALS.—The Secretary shall designate a senior official of the Department of Defense to be responsible for managing the program for the Department and a senior official of each military department to be responsible for managing the program for such department.

(c) ENERGY EFFICIENCY GOALS.—The goal of the program shall be to achieve reductions in energy consumption by Department facilities as follows:

(1) In the case of industrial and laboratory facilities, reductions in the average energy consumption per square foot of such facilities, per unit of production or other applicable unit, relative to energy consumption in 1990—

(A) by 20 percent by 2005; and

(B) by 25 percent by 2010.

(2) In the case of other facilities, reductions in average energy consumption per gross square foot of such facilities, relative to energy consumption per gross square foot in 1985—

(A) by 30 percent by 2005; and

(B) by 35 percent by 2010.

(d) STRATEGIES FOR IMPROVING ENERGY EFFICIENCY.—In order to achieve the goals set forth in subsection (c), the Secretary shall, to the maximum extent practicable—

(1) purchase energy-efficient products, as so designated by the Environmental Protection Agency and the Department of Energy, and other energy-efficient products;

(2) utilize energy savings performance contracts, utility energy-efficiency service contracts, and other contracts designed to achieve energy conservation;

(3) use life-cycle cost analysis, including assessment of life-cycle energy costs, in making decisions about investments in products, services, construction, and other projects;

(4) conduct energy efficiency audits for approximately 10 percent of all Department of Defense facilities each year;

(5) explore opportunities for energy efficiency in industrial facilities for steam systems, boiler operation, air compressor systems, industrial processes, and fuel switching; and

(6) retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs.

(e) REPORTS.— Not later than January 1, 2002, and annually thereafter through 2010, the Secretary shall submit to the congressional defense committees a report on progress made toward achieving the goals set forth in subsection (c). Each report shall include, at a minimum—

(1) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(1);

(2) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(2); and

(3) the steps taken by the Department, and by each of the military departments, to implement the energy efficiency strategies required by subsection (d) in the preceding calendar year.

SEC. 314. EXTENSION OF PILOT PROGRAM FOR SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

Section 351(a)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 2701 note) is amended by striking ''September 30, 2001'' and inserting ''September 30, 2003''.

SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN RESPONSE COSTS IN CONNECTION WITH HOOPER SANDS SITE, SOUTH BERWICK, MAINE.

(a) AUTHORITY TO REIMBURSE.—Using amounts specified in subsection (c), the Secretary of the Navy may pay $1,005,478 to the Hooper Sands Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency for the response costs incurred by the Environmental Protection Agency for actions taken between May 12, 1992, and July 31, 2000, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) at the Hooper Sands site in South Berwick, Maine, in accordance with the Interagency Agreement entered into by the Department of the Navy and the Environmental Protection Agency in January 2001.

(b) TREATMENT OF REIMBURSEMENT.—Payment of the amount authorized by subsection (a) shall be in full satisfaction of amounts due from the Department of the Navy to the Environmental Protection Agency for the response costs described in that subsection.

(c) SOURCE OF FUNDS.—Payment under subsection (a) shall be made using amounts authorized to be appropriated by section 301(15) to the Environmental Restoration Account, Navy, established by section 2703(a)(3) of title 10, United States Code.

SEC. 316. CONFORMITY OF SURETY AUTHORITY UNDER ENVIRONMENTAL RESTORATION PROGRAM WITH SURETY AUTHORITY UNDER SUPERFUND.

Section 2701(j)(1) of title 10, United States Code, is amended by striking ''or after December 31, 1999''.

SEC. 317. PROCUREMENT OF ALTERNATIVE FUELED AND HYBRID ELECTRIC LIGHT DUTY TRUCKS.

(a) DEFENSE FLEETS NOT COVERED BY REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that only hybrid electric vehicles are procured by the Administrator for the Department of Defense fleet of light duty trucks that is not in

a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(2) The Secretary, in consultation with the Administrator, may waive the policy regarding the procurement of hybrid electric vehicles in paragraph (1) to the extent that the Secretary determines necessary—

(A) in the case of trucks that are exempt from the requirements of section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for national security reasons under subsection (b)(3)(E) of such section, to meet specific requirements of the Department of Defense for capabilities of light duty trucks;

(B) to procure vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government; or

(C) to adjust to limitations on the commercial availability of light duty trucks that are hybrid electric vehicles.

(3) This subsection applies with respect to procurements of light duty trucks in fiscal year 2005 and subsequent fiscal years.

(b) REQUIREMENT TO EXCEED REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that, of the light duty trucks procured

in fiscal years after fiscal year 2004 for the fleets of light duty vehicles of the Department of Defense to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies—

(A) five percent of the total number of such trucks that are procured in each of fiscal years 2005 and 2006 are alternative fueled vehicles or hybrid electric vehicles; and

(B) ten percent of the total number of such trucks that are procured in each fiscal year after fiscal year 2006 are alternative fueled vehicles or hybrid electric vehicles.

(2) Light duty trucks acquired for the Department of Defense that are counted to comply with section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for a fiscal year shall be counted to determine the total number of light duty trucks procured for the Department of Defense for that fiscal year for the purposes of paragraph (1), but shall not be counted to satisfy the requirement in that paragraph.

(c) REPORT ON PLANS FOR IMPLEMENTATION.—At the same time that the President submits the budget for fiscal year 2003 to Congress under section 1105(a) of title 31, United States Code, the Secretary shall submit to

Congress a report summarizing the plans for carrying out subsections (a) and (b).

(d) DEFINITIONS.—In this section:

(1) The term ''hybrid electric vehicle'' means a motor vehicle that draws propulsion energy from on-board sources of stored energy that are both—

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

(2) The term ''alternative fueled vehicle'' has the meaning given that term in section 301 of the Energy Policy Act of 1992 (43 U.S.C. 13211).

Subtitle C—Commissaries and Non-appropriated Fund Instrumentalities

SEC. 321. REBATE AGREEMENTS WITH PRODUCERS OF FOODS PROVIDED UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

Section 1060a(b) of title 10, United States Code, is amended—

(1) by striking ''(b) FUNDING MECHANISM.—'' and inserting ''(b) FUNDING.—(1); and

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

"(2)(A) In the administration of the program under this section, the Secretary of Defense may enter into a contract with a producer of a particular brand of food that provides for—

"(i) the Secretary of Defense to procure that particular brand of food, exclusive of other brands of the same or similar food, for the purpose of providing the food in commissary stores of the Department of Defense as a supplemental food under the program; and

"(ii) the producer to rebate to the Department of Defense amounts equal to agreed portions of the amounts paid by the department for the procurement of that particular brand of food for the program.

"(B) The Secretary shall use competitive procedures under chapter 137 of this title for entering into contracts under this paragraph.

"(C) The period covered by a contract entered into under this paragraph may not exceed one year. No such contract may be extended by a modification of the contract, by exercise of an option, or by any other means. Nothing in this subparagraph prohibits a contractor under a contract entered into under this paragraph for any year from submitting an offer for, and being awarded, a con-

tract that is to be entered into under this paragraph for a successive year.

"(D) Amounts rebated under a contract entered into under subparagraph (A) shall be credited to the appropriation available for carrying out the program under this section in the fiscal year in which rebated, shall be merged with the other sums in that appropriation, and shall be available for the program for the same period as the other sums in the appropriation.".

SEC. 322. REIMBURSEMENT FOR USE OF COMMISSARY FACILITIES BY MILITARY DEPARTMENTS FOR PURPOSES OTHER THAN COMMISSARY SALES.

(a) REQUIREMENT.—Chapter 147 of title 10, United States Code, is amended by inserting after section 2482a the following new section:

"§ 2483. Commissary stores: reimbursement for use of commissary facilities by military departments

"(a) PAYMENT REQUIRED.—The Secretary of a military department shall pay the Defense Commissary Agency the amount determined under subsection (b) for any use of a commissary facility by the military department for a purpose other than commissary sales or operations in support of commissary sales.

"(b) AMOUNT.—The amount payable under subsection (a) for use of a commissary facility by a military department shall be equal to the share of depreciation of the facility that is attributable to that use, as determined under regulations prescribed by the Secretary of Defense.

"(c) COVERED FACILITIES.—This section applies with respect to a commissary facility that is acquired, constructed, converted, expanded, installed, or otherwise improved (in whole or in part) with the proceeds of an adjustment or surcharge applied under section 2486(c) of this title.

"(d) CREDITING OF PAYMENTS.—The Director of the Defense Commissary Agency shall credit amounts paid under this section for use of a facility to an appropriate account to which proceeds of an adjustment or surcharge referred to in subsection (c) are credited.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2482a the following new item:

"2483. Commissary stores: reimbursement for use of commissary facilities by military departments.".

SEC. 323. PUBLIC RELEASES OF COMMERCIALLY VALUABLE INFORMATION OF COMMISSARY STORES.

(a) LIMITATIONS AND AUTHORITY.—Section 2487 of title 10, United States Code, is amended to read as follows:

"§ 2487. Commissary stores: release of certain commercially valuable information to the public

''(a) AUTHORITY TO LIMIT RELEASE.—(1) The Secretary of Defense may limit the release to the public of any information described in paragraph (2) if the Secretary determines that it is in the best interest of the Department of Defense to limit the release of such information. If the Secretary determines to limit the release of any such information, the Secretary may provide for limited release of such information in accordance with subsection (b).

''(2) Paragraph (1) applies to the following:

''(A) Information contained in the computerized business systems of commissary stores or the Defense Commissary Agency that is collected through or in connection with the use of electronic scanners in commissary stores, including the following information:

"(i) Data relating to sales of goods or services.

"(ii) Demographic information on customers.

"(iii) Any other information pertaining to commissary transactions and operations.

"(B) Business programs, systems, and applications (including software) relating to commissary operations that were developed with funding derived from commissary surcharges.

"(b) RELEASE AUTHORITY.—(1) The Secretary of Defense may, using competitive procedures, enter into a contract to sell information described in subsection (a)(2).

"(2) The Secretary of Defense may release, without charge, information on an item sold in commissary stores to—

"(A) the manufacturer or producer of that item; or

"(B) the manufacturer or producer's agent when necessary to accommodate electronic ordering of the item by commissary stores.

"(3) The Secretary of Defense may, by contract entered into with a business, grant to the business a license to use business programs referred to in subsection (a)(2)(B), including software used in or comprising any

such program. The fee charged for the license shall be based on the costs of similar programs developed and marketed by businesses in the private sector, determined by means of surveys.

''(4) Each contract entered into under this subsection shall specify the amount to be paid for information released or a license granted under the contract, as the case may be.

''(c) FORM OF RELEASE.—Information described in subsection (a)(2) may not be released, under subsection (b) or otherwise, in a form that identifies any customer or that provides information making it possible to identify any customer.

''(d) RECEIPTS.—Amounts received by the Secretary under this section shall be credited to funds derived from commissary surcharges, shall be merged with those funds, and shall be available for the same purposes as the funds with which merged.

''(e) DEFINITIONS.—In this section, the term 'commissary surcharge' means any adjustment or surcharge applied under section 2486(c) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 147 of such title is amended to read as follows:

''2487. Commissary stores: release of certain commercially valuable information to the public.''.

Subtitle D—Other Matters

SEC. 331. CODIFICATION OF AUTHORITY FOR DEPARTMENT OF DEFENSE SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

(a) AUTHORITY.—(1) Chapter 18 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 383. Additional support for counterdrug activities of other agencies

''(a) SUPPORT TO OTHER AGENCIES.—The Secretary of Defense may provide support for the counterdrug activities of any other department or agency of the Federal Government or of any State, local, or foreign law enforcement agency for any of the purposes set forth in subsection (b) if such support is requested—

''(1) by the official who has responsibility for the counterdrug activities of the department or agency of the Federal Government, in the case of support for the department or agency;

''(2) by the appropriate official of a State or local government, in the case of support for the State or local law enforcement agency; or

''(3) by an appropriate official of a department or agency of the Federal Government that has

counterdrug responsibilities, in the case of support for a foreign law enforcement agency.

"(b) TYPES OF SUPPORT.—The purposes for which the Secretary may provide support under subsection (a) are the following:

"(1) The maintenance and repair of equipment that has been made available to any department or agency of the Federal Government or to any State or local government by the Department of Defense for the purposes of—

"(A) preserving the potential future utility of such equipment for the Department of Defense; and

"(B) upgrading such equipment to ensure compatibility of that equipment with other equipment used by the Department of Defense.

"(2) The maintenance, repair, or upgrading of equipment (including computer software), other than equipment referred to in subparagraph (A) for the purpose of—

"(A) ensuring that the equipment being maintained or repaired is compatible with equipment used by the Department of Defense; and

"(B) upgrading such equipment to ensure the compatibility of that equipment with equipment used by the Department of Defense.

"(3) The transportation of personnel of the United States and foreign countries (including per diem expenses associated with such transportation), and the transportation of supplies and equipment, for the purpose of facilitating counterdrug activities within or outside the United States.

"(4) The establishment (including an unspecified minor military construction project) and operation of bases of operations or training facilities for the purpose of facilitating counterdrug activities of the Department of Defense or any Federal, State, or local law enforcement agency within or outside the United States or counterdrug activities of a foreign law enforcement agency outside the United States.

"(5) Counterdrug related training of law enforcement personnel of the Federal Government, of State and local governments, and of foreign countries, including associated support expenses for trainees and the provision of materials necessary to carry out such training.

"(6) The detection, monitoring, and communication of the movement of—

"(A) air and sea traffic within 25 miles of and outside the geographic boundaries of the United States; and

"(B) surface traffic outside the geographic boundary of the United States and within the United States not to exceed 25 miles of the boundary if the initial detection occurred outside of the boundary.

"(7) Construction of roads and fences and installation of lighting to block drug smuggling corridors across international boundaries of the United States.

"(8) Establishment of command, control, communications, and computer networks for improved integration of law enforcement, active military, and National Guard activities.

"(9) The provision of linguist and intelligence analysis services.

"(10) Aerial and ground reconnaissance.

"(c) LIMITATION ON COUNTERDRUG REQUIREMENTS.—The Secretary of Defense may not limit the requirements for which support may be provided under subsection (a) only to critical, emergent, or unanticipated requirements.

"(d) CONTRACT AUTHORITY.—In carrying out subsection (a), the Secretary of Defense may acquire services or equipment by contract for support provided under that subsection if the Department of Defense would normally acquire such services or equipment by contract for the purpose of conducting a similar activity for the Department of Defense.

"(e) LIMITED WAIVER OF PROHIBITION.—Notwithstanding section 376 of this title, the Secretary of Defense may provide support pursuant to subsection (a) in any case in which the Secretary determines that the provision of such support would adversely affect the military preparedness of the United States in the short term if the Secretary determines that the importance of providing such support outweighs such short-term adverse effect.

"(f) CONDUCT OF TRAINING OR OPERATION TO AID CIVILIAN AGENCIES.—In providing support pursuant to subsection (a), the Secretary of Defense may plan and execute otherwise valid military training or operations (including training exercises undertaken pursuant to section 1206(a) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1564; 10 U.S.C. 124 note)) for the purpose of aiding civilian law enforcement agencies.

"(g) RELATIONSHIP TO OTHER LAWS.—(1) The authority provided in this section for the support of counterdrug activities by the Department of Defense is in addition to, and except as provided in paragraph (2), not subject to the requirements of any other provision of this chapter.

"(2) Support under this section shall be subject to the provisions of section 375 and, except as provided in subsection (e), section 376 of this title.

"(h) CONGRESSIONAL NOTIFICATION OF FACILITIES PROJECTS.—(1) When a decision is made to carry out a military construction project described in paragraph (2), the Secretary of Defense shall submit to the committees of Congress named in paragraph (3) a written notice of the decision, including the justification for the project and the estimated cost of the project. The project may be commenced only after the end of the 21-day period beginning on the date on which the written notice is received by the committees.

"(2) Paragraph (1) applies to an unspecified minor military construction project that—

"(A) is intended for the modification or repair of a Department of Defense facility for the purpose set forth in subsection (b)(4); and

"(B) has an estimated cost of more than $500,000.

"(3) The committees referred to in paragraph (1) are as follows:

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

"(B) The Committee on Armed Services and the Committee on Appropriations of the House of Representatives.".

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

"383. Additional support for counterdrug activities of other agencies.".

(b) REPEAL OF SUPERSEDED PROVISION.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is repealed.

(c) SAVINGS PROVISION.—The repeal of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b) shall not affect any support provided under that section that is ongoing as of the date of the enactment of this Act. The support may be continued in accordance with section 383 of title 10, United States Code, as added by subsection (a).

SEC. 332. EXCLUSION OF CERTAIN EXPENDITURES FROM LIMITATION ON PRIVATE SECTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) AMOUNTS EXCLUDED.—Amounts expended out of funds described in subsection (b) for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence designated pursuant to section 2474(a) of title 10, United States Code, shall not be counted for purposes of section 2466(a) of such title if the personnel are provided by private industry pursuant to a public-private partnership undertaken by the Center under section 2474(b) of such title.

(b) FUNDS FOR FISCAL YEARS 2002 THROUGH 2004.—The funds referred to in subsection (a) are funds available to the military departments for depot-level maintenance and repair workloads for fiscal years 2002, 2003, and 2004.

SEC. 333. REPAIR, RESTORATION, AND PRESERVATION OF LAFAYETTE ESCADRILLE MEMORIAL, MARNES LA-COQUETTE, FRANCE.

(a) AUTHORITY TO MAKE GRANT.—The Secretary of the Air Force may, using amounts specified in subsection (d), make a grant to the Lafayette Escadrille Memorial Foundation, Inc., for purposes of the repair, restoration, and preservation of the structure, plaza, and surrounding

grounds of the Lafayette Escadrille Memorial in Marnes la-Coquette, France.

(b) GRANT AMOUNT.—The amount of the grant under subsection (a) may not exceed $2,000,000.

(c) USE OF GRANT.—Amounts from the grant under this section shall be used solely for the purposes described in subsection (a). None of such amounts may be used for remuneration of any entity or individual associated with fundraising for any project for such purposes.

(d) FUNDS FOR GRANT.—Funds for the grant under this section shall be derived from amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force for fiscal year 2002.

SEC. 334. IMPLEMENTATION OF THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) ADDITIONAL PHASE-IN AUTHORITY.—Subsection (b) of section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–215) is amended by adding at the end the following new paragraphs:

''(5)(A) The Secretary of the Navy may, before the submittal of the joint certification referred to in paragraph (3)(D), contract for one or more additional increments of work stations under the Navy-Marine Corps Intranet contract, with the number of work stations to be ordered in

each additional increment to be determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(B) Upon determining the number of work stations in an additional increment for purposes of subparagraph (A), the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report, current as of the date of such determination, on the following:

"(i) The number of work stations operating on the Navy-Marine Corps Intranet.

"(ii) The status of testing and implementation of the Navy-Marine Corps Intranet program.

"(iii) The number of work stations to be contracted for in the additional increment.

"(C) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number permitted under paragraph (2) until—

"(i) the completion of a three-phase contractor test and user evaluation, observed by the Department of Defense, of the work stations operating on the Navy-Marine Corps Intranet at the first three

sites under the Navy-Marine Corps Intranet program; and

"(ii) the Chief Information Officer of the Navy has certified to the Secretary of the Navy and the Chief Information Officer of the Department of Defense that the results of the test and evaluation referred to in clause (i) are acceptable.

"(D) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number provided for under subparagraph (C) until—

"(i) there has been a full transition of not less than 20,000 work stations to the Navy-Marine Corps Intranet;

"(ii) the work stations referred to in clause (i) have met service-level agreements specified in the Navy-Marine Corps Intranet contract for not less than 30 days, as determined by contractor performance measurement under oversight by the Department of the Navy; and

"(iii) the Chief Information Officer of the Department of Defense and the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence jointly certify to the congressional

defense committees that the results of testing of the work stations referred to in clause (i) are acceptable.''.

(b) DEFINITIONS.—Subsection (f) of that section is amended to read as follows:

''(f) DEFINITIONS.—In this section:

''(1) The term 'Navy-Marine Corps Intranet contract' means a contract providing for a long-term arrangement of the Department of the Navy with the commercial sector that imposes on the contractor a responsibility for, and transfers to the contractor the risk of, providing and managing the significant majority of desktop, server, infrastructure, and communication assets and services of the Department of the Navy.

''(2) The term 'provide', in the case of a work station under the Navy-Marine Corps Intranet contract, means transfer of the legacy information infrastructure and systems of the user of the work station to Navy-Marine Corps Intranet infrastructure and systems of the work station under the Navy-Marine Corps Intranet contract and performance thereof consistent with the service-level agreements specified in the Navy-Marine Corps Intranet contract.''.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2002, as follows:

(1) The Army, 480,000.

(2) The Navy, 376,000.

(3) The Marine Corps, 172,600.

(4) The Air Force, 358,800.

SEC. 402. AUTHORIZED DAILY AVERAGE ACTIVE DUTY STRENGTH FOR NAVY ENLISTED MEMBERS IN PAY GRADE E–8.

(a) IN GENERAL.—Section 517(a) of title 10, United States Code, is amended by inserting ''or the Navy'' after ''in the case of the Army''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to fiscal years beginning on or after that date.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2002, as follows:

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

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 108,400.

(6) The Air Force Reserve, 74,700.

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

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

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

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected

Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2002, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,698.

(2) The Army Reserve, 13,406.

(3) The Naval Reserve, 14,811.

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

(5) The Air National Guard of the United States, 11,591.

(6) The Air Force Reserve, 1,437.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2002 for the reserve components of the Army and the Air Force (notwith-

standing section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,249.

(2) For the Army National Guard of the United States, 23,615.

(3) For the Air Force Reserve, 9,818.

(4) For the Air National Guard of the United States, 22,422.

SEC. 414. FISCAL YEAR 2002 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATION.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2002, may not exceed the following:

(1) For the Army Reserve, 1,095.

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

(3) For the Air Force Reserve, 0.

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

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

SEC. 415. LIMITATIONS ON NUMBERS OF RESERVE PERSONNEL SERVING ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY IN CERTAIN GRADES FOR ADMINISTRATION OF RESERVE COMPONENTS.

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

"(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of major, lieutenant colonel, and colonel may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

"Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army Reserve:			
10,000	1,390	740	230
11,000	1,529	803	242
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336
Army National Guard:			
20,000	1,500	850	325
22,000	1,650	930	350
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411
Marine Corps Reserve:			
1,100	106	56	20
1,200	110	60	21

"Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35
Air Force Reserve:			
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300
Air National Guard:			
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323
14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380.

"(2) Of the total number of members of the Naval Reserve who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of lieutenant commander, commander, and captain may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

"Total number of members of Naval Reserve serving on full-time reserve component duty:	Number of officers who may be serving in the grade of:		
	Lieutenant commander	Commander	Captain
10,000	807	447	141
11,000	867	467	153
12,000	924	485	163
13,000	980	503	173
14,000	1,035	521	183
15,000	1,088	538	193
16,000	1,142	555	203
17,000	1,195	565	213
18,000	1,246	575	223
19,000	1,291	585	233
20,000	1,334	595	242
21,000	1,364	603	250
22,000	1,384	610	258
23,000	1,400	615	265
24,000	1,410	620	270.

"(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in that table at the same proportion as is reflected in the nearest limit shown in the table.

"(c) REALLOCATIONS TO LOWER GRADES.—Whenever the number of officers serving in any grade for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for any lower grade.

"(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of Defense may increase for a particular fiscal year the number of reserve officers that may be on full-time reserve component duty for a reserve component in a grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for the grade in that table.

"(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' means the following duty:

"(1) Active duty described in sections 10211, 10302, 10303, 10304, 10305, 12310, or 12402 of this title.

"(2) Full-time National Guard duty (other than for training) under section 502(f) of title 32.

"(3) Active duty described in section 708 of title 32.".

(b) SENIOR ENLISTED MEMBERS.—The text of section 12012 of title 10, United States Code, is amended to read as follows:

"(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members in each of pay grades of E–8 and E–9 who may be serving on active duty under section 10211 or 12310, or on full-time National Guard duty under the authority of section 502(f) of title 32 (other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

"Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E–8	E–9
Army Reserve:		
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278
Army National Guard:		
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743
42,000	1,945	743

"Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E–8	E–9
Naval Reserve:		
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325
Marine Corps Reserve:		
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26
Air Force Reserve:		
500	75	40
1,000	145	75
1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400
Air National Guard		
5,000	1,020	405
6,000	1,070	435
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712.

"(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the table in subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in the table at the same proportion as is reflected in the nearest limit shown in the table.

"(c) REALLOCATIONS TO LOWER GRADE.—Whenever the number of officers serving in pay grade E–9 for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for pay grade E–8.

"(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of

Defense may increase for a particular fiscal year the number of reserve enlisted members that may be on active duty or full-time National Guard duty as described in subsection (a) for a reserve component in a pay grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for that grade and reserve component in the table.

''(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' has the meaning given the term in section 12011(e) of this title.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 416. STRENGTH AND GRADE LIMITATION ACCOUNTING FOR RESERVE COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) ACTIVE DUTY STRENGTH ACCOUNTING.—Section 115(c)(1) of title 10, United States Code, is amended to read as follows:

''(1) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by—

"(A) a number equal to not more than 1 percent of that end strength; and

"(B) the number (if any) of the members of the reserve components that, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.".

(b) LIMITATION ON AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.—Section 517 of such title is amended by adding at the end the following new paragraph:

"(d) The Secretary of Defense may increase the authorized daily average number of enlisted members on active duty in an armed force in pay grade E–8 or E–9 in a fiscal year, as determined under subsection (a), by the number (if any) of enlisted members of a reserve component of that armed force in that pay grade who, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.".

(c) LIMITATION ON AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON ACTIVE DUTY.—Section 523(b) of such title is amended—

(1) in paragraphs (1) and (2) of subsection (a), by striking ''Except as provided in subsection (c)'' and inserting ''Except as provided in subsections (c) and (e)''; and

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

''(e) The Secretary of Defense may increase the limitation on the total number of commissioned officers of an armed force authorized to be serving on active duty at the end of any fiscal year in the grade of O–4, O–5, or O–6, determined under subsection (a), by the number (if any) of commissioned officers of a reserve component of that armed force in that grade who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

(d) LIMITATION ON AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of such title is amended—

(1) by striking ''LIMITATIONS.—The'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraph (2), the'';

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

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

''(2) The Secretary of Defense may increase the limitation on the number of general and flag officers on active duty, determined under paragraph (1), by the number (if any) of reserve component general and flag officers who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 a total of $82,396,900,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2002.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. GENERAL OFFICER POSITIONS.

(a) INCREASED GRADE FOR VICE CHIEF OF NATIONAL GUARD BUREAU.—Section 10505(c) of title 10, United States Code, is amended by striking ''major general'' and inserting ''lieutenant general''.

(b) INCREASED GRADE FOR HEADS OF NURSE CORPS OF THE ARMED FORCES.—(1) Section 3069(b) of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(2) The first sentence of section 5150(c) of such title is amended—

(A) by inserting ''rear admiral (upper half) in the case of an officer in the Nurse Corps or'' after ''for promotion to the grade of''; and

(B) by inserting ''in the case of an officer in the Medical Service Corps'' after ''rear admiral (lower half)''.

(3) Section 8069(b) of such title is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(c) APPOINTMENT AND GRADE OF CHIEF OF ARMY VETERINARY CORPS.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3070 the following new section 3071:

"§ 3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade

''(a) COMPOSITION.—The Veterinary Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

''(b) CHIEF.—The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

''(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3070 the following new item:

"3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade.".

(d) EXCLUSIONS FROM LIMITATION OF ACTIVE DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL.—Section 525(b) of title 10, United States Code, is amended—

(1) in paragraph (2)(B), by striking "16.2 percent" and inserting "17.5 percent";

(2) in paragraph (3)—

(A) by inserting "(A)" after "(3)"; and

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

"(B) An officer while serving as the Senior Military Assistant to the Secretary of Defense, if serving in the grade of general or lieutenant general, or admiral or vice admiral, is in addition to the number that would otherwise be permitted for his armed force for that grade under paragraph (1) or (2).''; and

(3) by striking paragraph (6) and inserting the following:

"(6)(A) An officer while serving in a position named in subparagraph (B) is in addition to the number that would otherwise be permitted for that officer's armed force

for officers serving on active duty in grades above major general under paragraph (1).

"(B) Subparagraph (A) applies with respect to the following positions:

"(i) Chief of the National Guard Bureau.

"(ii) Vice Chief of the National Guard Bureau.".

SEC. 502. REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION OF FIRST LIEUTENANTS AND LIEUTENANTS (JUNIOR GRADE).

Paragraph (1) of section 619(a) of title 10, United States Code, is amended by striking "the following period of service" and all that follows through the end of the paragraph and inserting "eighteen months of service in the grade in which he holds a permanent appointment.".

SEC. 503. PROMOTION OF OFFICERS TO THE GRADE OF CAPTAIN IN THE ARMY, AIR FORCE, OR MARINE CORPS OR TO THE GRADE OF LIEUTENANT IN THE NAVY WITHOUT SELECTION BOARD ACTION.

(a) ACTIVE-DUTY LIST PROMOTIONS.—(1) Section 611(a) of title 10, United States Code, is amended by striking "Under" and inserting "Except in the case of pro-

motions recommended under section 624(a)(3) of this title, under''.

(2) Section 624(a) of such title is amended by adding at the end the following new paragraph (3):

''(3) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of the Regular Army, Regular Air Force, or Regular Marine Corps) or lieutenant (for officers of the Regular Navy) all fully qualified officers on the active-duty list in the permanent or temporary grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 631 of such title is amended by adding at the end the following new subsection (d):

''(d) For the purposes of this chapter—

"(1) a recommendation made by the Secretary of the military department concerned under section 624(a)(3) of this title that is approved by the President shall be treated in the same manner as a report of a promotion selection board convened under section 611(a) of this title that is approved by the President; and

"(2) an officer of the Regular Army, Regular Air Force, or Regular Marine Corps who holds the regular grade of first lieutenant, and an officer of the Regular Navy who holds the regular grade of lieutenant (junior grade), shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title but is not fully qualified for promotion when recommending for promotion under section 624(a)(3) of this title all fully qualified officers of the officer's armed force in such grade who would be eligible for such consideration.".

(b) RESERVE ACTIVE-STATUS LIST PROMOTIONS.—(1) Section 14101(a) of such title is amended by striking "Whenever" and inserting "Except in the case of pro-

motions recommended under section 14308(b)(4) of this title, whenever''.

(2) Section 14308(b) of such title is amended by adding at the end the following new paragraph (4):

''(4) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of a reserve component of the Army, Air Force, or Marine Corps) or lieutenant (for officers of the Naval Reserve) all fully qualified officers on the reserve active-status list in the permanent grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 14504 of such title is amended by adding at the end the following new subsection (c):

''(c) For the purposes of this chapter—

"(1) a recommendation made by the Secretary of the military department concerned under section 14308(b)(4) of this title that is approved by the President shall be treated the same as a report of a promotion selection board convened under section 14101(a) of this title that is approved by the President; and

"(2) an officer on a reserve active-status list who holds the grade of first lieutenant (in the case of an officer in a reserve component of the Army, Air Force, or Marine Corps) or the grade of lieutenant (junior grade) (in the case of an officer of the Naval Reserve) shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title but is not fully qualified for promotion when recommending for promotion under section 14308(b)(4) of this title all fully qualified officers of that officer's reserve component in such grade who would be eligible for such consideration.".

SEC. 504. AUTHORITY TO ADJUST DATE OF RANK.

(a) ACTIVE DUTY OFFICERS.—Subsection 741(d) of title 10, United States Code, is amended, by adding at the end the following new paragraph (4):

''(4)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under section 624(a) of this title if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

''(i) a report of a selection board recommending the appointment of the officer to that grade; or

''(ii) the promotion list established on the basis of that report.

''(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

''(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

"(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment.".

(b) RESERVE OFFICERS.—Section 14308(c) of such title is amended—

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

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

"(2)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under this section if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

"(i) a report of a selection board recommending the appointment of the officer to that grade; or

"(ii) the promotion list established on the basis of that report.

"(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

"(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

"(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment."; and

(3) in paragraph (3), as redesignated by paragraph (1), by inserting ''provided in paragraph (2) or as otherwise'' after ''Except as''.

SEC. 505. EXTENSION OF DEFERMENTS OF RETIREMENT OR SEPARATION FOR MEDICAL REASONS.

Section 640 of title 10, United States Code, is amended—

(1) by inserting ''(a) DEFERMENT.—'' before ''The Secretary''; and

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

''(b) AUTHORITY TO EXTEND.—In the case of an officer whose retirement or separation under any of sections 632 through 638, or section 1251, of this title is deferred under subsection (a), the Secretary of the military department concerned may extend the deferment by an additional period of not more than 30 days following the completion of the evaluation of the officer's physical condition if the Secretary determines that continuation of the officer would facilitate the officer's transition to civilian life.''.

SEC. 506. EXEMPTION FROM ADMINISTRATIVE LIMITATIONS OF RETIRED MEMBERS ORDERED TO ACTIVE DUTY AS DEFENSE AND SERVICE ATTACHÉS.

(a) LIMITATION OF PERIOD OF RECALLED SERVICE.—Section 688(e)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph (D):

"(D) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.".

(b) LIMITATION ON NUMBER OF RECALLED OFFICERS ON ACTIVE DUTY.—Section 690(b)(2) of such title is amended by adding at the end the following new subparagraph (E):

"(E) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.".

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply with respect to officers serving on active duty as a defense attaché or service attaché on or after the date of the enactment of this Act.

SEC. 507. CERTIFICATIONS OF SATISFACTORY PERFORMANCE FOR RETIREMENTS OF OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.

Section 1370(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary of Defense may delegate authority to make a certification for an officer under paragraph (1) to the Under Secretary of Defense for Personnel and Readiness or the Deputy Under Secretary of Defense for Personnel and Readiness. The certification authority may not be delegated to any other official.

''(B) If an official to whom authority is delegated under subparagraph (A) determines in the case of an officer that there is potentially adverse information on the officer and that the information has not previously been reported to the Senate in connection with the action of the Senate on a previous appointment of that officer under section 601 of this title, the official may not exercise the authority in that case, but shall refer the case to the Secretary of Defense. The Secretary of Defense shall personally issue or withhold a certification for an officer under paragraph (1) in any case referred to the Secretary under the preceding sentence.''.

SEC. 508. EFFECTIVE DATE OF MANDATORY SEPARATION OR RETIREMENT OF REGULAR OFFICER DELAYED BY A SUSPENSION OF CERTAIN LAWS UNDER EMERGENCY AUTHORITY OF THE PRESIDENT.

Section 12305 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

''(c) In the case of an officer of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps whose mandatory separation or retirement under section 632, 633, 634, 635, 636, 637, or 1251 of this title is delayed by reason of a suspension under this section, the separation or retirement of the officer upon termination of the suspension shall take effect on the date elected by the officer, but not later than 90 days after the date of the termination of the suspension.''.

SEC. 509. DETAIL AND GRADE OF OFFICER IN CHARGE OF THE UNITED STATES NAVY BAND.

Section 6221 of title 10, United States Code, is amended—

(1) by inserting ''(a) ESTABLISHMENT.—''; and

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

"(b) OFFICER IN CHARGE.—(1) An officer serving in a grade above lieutenant may be detailed as Officer in Charge of the United States Navy Band.

"(2) While serving as Officer in Charge of the United States Navy Band, an officer holds the grade of captain if appointed to that grade by the President, by and with the advice and consent of the Senate, notwithstanding the limitation in section 5596(d) of this title.".

Subtitle B—Reserve Component Personnel Policy

SEC. 511. REAUTHORIZATION AND EXPANSION OF TEMPORARY WAIVER OF THE REQUIREMENT FOR A BACCALAUREATE DEGREE FOR PROMOTION OF CERTAIN RESERVE OFFICERS OF THE ARMY.

(a) REAUTHORIZATION.—Subsection (b) of section 516 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2008; 10 U.S.C. 12205 note) is amended by striking "September 30, 2000" and inserting "September 30, 2003".

(b) EXPANSION OF ELIGIBILITY.—Subsection (a) of such section is amended by striking "before the date of the enactment of this Act".

SEC. 512. STATUS LIST OF RESERVE OFFICERS ON ACTIVE DUTY FOR A PERIOD OF THREE YEARS OR LESS.

(a) CLARIFICATION.—Section 641(1)(D) of title 10, United States Code, is amended to read as follows:

"(D) on active duty under section 12301(d) of this title, other than as provided under subparagraph (C), under a call or order to active duty specifying a period of three years or less and continuation (pursuant to regulations prescribed by the Secretary concerned) on the reserve active-status list;".

(b) RETROACTIVE ADJUSTMENTS.—(1) The Secretary of the military department concerned—

(A) may place on the active-duty list of the armed force concerned any officer under the jurisdiction of the Secretary who was placed on the reserve active-status list under subparagraph (D) of section 641(1) of title 10, United States Code, as added by section 521(2) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–108); and

(B) for the purposes of chapter 36 of such title (other than section 640 of such title and, in the case of a warrant officer, section 628 of such title), shall

treat an officer placed on the active-duty list under subparagraph (A) as having been on the active-duty list continuously from the date on which the officer was placed on the reserve active-status list as described in that subparagraph.

(2) The Secretary of the military department concerned may place on the reserve active-status list of the armed force concerned, effective as of the date of the enactment of this Act, any officer who was placed on the active-duty list before that date and after October 29, 1997, while on active duty under section 12301(d) of title 10, United States Code, other than as described under section 641(1)(C) of such title, under a call or order to active duty specifying a period of three years or less.

SEC. 513. EQUAL TREATMENT OF RESERVES AND FULL-TIME ACTIVE DUTY MEMBERS FOR PURPOSES OF MANAGING DEPLOYMENTS OF PERSONNEL.

(a) RESIDENCE OF RESERVES AT HOME STATION.—Section 991(b)(2) of title 10, United States Code, is amended to read as follows:

''(2) In the case of a member of a reserve component who is performing active service pursuant to orders that do not establish a permanent change of station, the housing referred to in paragraph (1) is any housing (which

may include the member's residence) that the member usually occupies for use during off-duty time when on garrison duty at the member's permanent duty station or homeport, as the case may be.''.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on October 1, 2001, and shall apply with respect to duty performed on or after that date.

SEC. 514. MODIFICATION OF PHYSICAL EXAMINATION REQUIREMENTS FOR MEMBERS OF THE INDIVIDUAL READY RESERVE.

Section 10206 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''his'' and inserting ''the member's''; and

(B) in the second sentence, by striking ''Each Reserve'' and inserting the following:

''(c) Each Reserve'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) A member of the Individual Ready Reserve or inactive National Guard shall be examined for physical fitness as necessary to determine the member's physical fitness for military duty or for promotion, attendance at a school of the armed forces, or other action related to career progression.''.

SEC. 515. MEMBERS OF RESERVE COMPONENTS AFFLICTED WHILE REMAINING OVERNIGHT AT DUTY STATION WITHIN COMMUTING DISTANCE OF HOME.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a(a)(3) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(b) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a)(2)(C) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2)(B)(iii) of title 10,

United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(2) Section 1206(2)(A)(iii) of title 10, United States Code, is amended by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(d) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(e) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended—

(1) in subsection (g)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''; and

(2) in subsection (h)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(f) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of title 37, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

SEC. 516. RETIREMENT OF RESERVE PERSONNEL WITHOUT REQUEST.

(a) RETIRED RESERVE.—Section 10154(2) of title 10, United States Code, is amended by striking ''upon their request''.

(b) RETIREMENT FOR FAILURE OF SELECTION OF PROMOTION.—(1) Paragraph (2) of section 14513 of such title is amended by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''.

(2)(A) The heading for such section is amended to read as follows:

''§ 14513. Transfer, retirement, or discharge for failure of selection of promotion''.

(B) The item relating to such section in the table of sections at the beginning of chapter 1407 of title 10, United States Code, is amended to read as follows:

"14513. Transfer, retirement, or discharge for failure of selection for promotion.".

(c) RETIREMENT FOR YEARS OF SERVICE OR AFTER SELECTION FOR EARLY REMOVAL.—Section 14514 of such title is amended—

(1) in paragraph (1), by striking ", if the officer is qualified and applies for such transfer" and inserting "if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve"; and

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

"(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.".

(d) RETIREMENT FOR AGE.—Section 14515 of such title is amended—

(1) in paragraph (1), by striking ", if the officer is qualified and applies for such transfer" and inserting "if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve"; and

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

''(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(e) DISCHARGE OR RETIREMENT OF WARRANT OFFICERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1207 of such title is amended by adding at the end the following new section:

''§ 12244. Warrant officers: discharge or retirement for years of service or for age

''Each reserve warrant officer of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the warrant officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the warrant officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed

by the Secretary concerned) not to be so transferred.''.

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

''12244. Warrant officers: discharge or retirement for years of service or for age.''.

(f) DISCHARGE OR RETIREMENT OF ENLISTED MEMBERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1203 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 12108. Enlisted members: discharge or retirement for years of service or for age

''Each reserve enlisted member of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the member is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the member is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed

by the Secretary concerned) not to be so transferred.''.

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

''12108. Enlisted members: discharge or retirement for years of service or for age.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first month that is more than 180 days after the date of the enactment of this Act.

SEC. 517. SPACE-REQUIRED TRAVEL BY RESERVES ON MILITARY AIRCRAFT.

(a) CORRECTION OF IMPAIRMENT TO AUTHORIZED TRAVEL WITH ALLOWANCES.—Section 18505(a) of title 10, United States Code, is amended by striking ''annual training duty or'' each place it appears.

(b) CONFORMING AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft''.

(2) The item relating to such section in the table of contents at the beginning of chapter 1805 of title 10, United States Code, is amended to read as follows:

''18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft.''.

Subtitle C—Education and Training

SEC. 531. IMPROVED BENEFITS UNDER THE ARMY COLLEGE FIRST PROGRAM.

(a) INCREASED MAXIMUM PERIOD OF DELAYED ENTRY.—Section 573 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 623; 10 U.S.C. 513 note) is amended—

(1) in subsection (b)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

''(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—Under the pilot program, the Secretary may—

''(1) exercise the authority under section 513 of title 10, United States Code—'';

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and realigning those subparagraphs four ems from the left margin;

(C) in subparagraph (A), as so redesignated, by inserting ''and'' after the semicolon; and

(D) in subparagraph (B), as so redesignated, by striking ''two years after the date of

such enlistment as a Reserve under paragraph (1)'' and inserting ''the maximum period of delay determined for the person under subsection (c)''; and

(2) in subsection (c)—

(A) by striking ''paragraph (2)'' and inserting ''paragraph (1)(B)'';

(B) by striking ''two-year period'' and inserting ''30-month period''; and

(C) by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

(b) ALLOWANCE ELIGIBILITY AND AMOUNT.—(1) Such section is further amended—

(A) in subsection (b), by striking paragraph (3) and inserting the following:

''(2) subject to paragraph (2) of subsection (d) and except as provided in paragraph (3) of such subsection, pay an allowance to the person for each month of that period during which the member is enrolled in and pursuing such a program''; and

(B) in subsection (d)—

(i) by redesignating paragraph (2) as paragraph (4);

(ii) by striking paragraph (1) and inserting the following new paragraphs:

"(1) The monthly allowance paid under subsection (b)(2) shall be equal to the amount of the subsistence allowance provided for certain members of the Senior Reserve Officers' Training Corps under section 209(a) of title 37, United States Code.

"(2) An allowance may not be paid to a person under this section for more than 24 months.

"(3) A member of the Selected Reserve of a reserve component may be paid an allowance under this section only for months during which the member performs satisfactorily as a member of a unit of the reserve component that trains as prescribed in section 10147(a)(1) of title 10, United States Code, or section 502(a) of title 32, United States Code. Satisfactory performance shall be determined under regulations prescribed by the Secretary."

(2) The heading for such subsection is amended by striking "AMOUNT OF".

(c) INELIGIBILITY FOR LOAN REPAYMENTS.—Such section is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (g), (h), and (i), respectively; and

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

"(e) INELIGIBILITY FOR LOAN REPAYMENTS.—A person who has received an allowance under this section

is not eligible for any benefits under chapter 109 of title 10, United States Code.

(d) RECOUPMENT OF ALLOWANCE.—Such section, as amended by subsection (c), is further amended by inserting after subsection (e) the following new subsection:

"(f) RECOUPMENT OF ALLOWANCE.—(1) A person who, after receiving an allowance under this section, fails to complete the total period of service required of that person in connection with delayed entry authorized for the person under section 513 of title 10, United States Code, shall repay the United States the amount which bears the same ratio to the total amount of that allowance paid to the person as the unserved part of the total required period of service bears to the total period.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) A discharge of a person in bankruptcy under title 11, United States Code, that is entered less than five years after the date on which the person was, or was to be, enlisted in the regular Army pursuant to the delayed entry authority under section 513 of title 10, United States Code, does not discharge that person from a debt arising under paragraph (1).

"(4) The Secretary of the Army may waive, in whole or in part, a debt arising under paragraph (1) in any case for which the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to persons who, on or after that date, are enlisted as described in subsection (a) of section 513 of title 10, United States Code, with delayed entry authorized under that section.

SEC. 532. REPEAL OF LIMITATION ON NUMBER OF JUNIOR RESERVE OFFICERS' TRAINING CORPS UNITS.

Section 2031(a)(1) of title 10, United States Code, is amended by striking the second sentence.

SEC. 533. ACCEPTANCE OF FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS FOR LEGAL EDUCATION OF OFFICERS PARTICIPATING IN THE FUNDED LEGAL EDUCATION PROGRAM.

(a) FLEP DETAIL.—Section 2004 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) Acceptance of a fellowship, scholarship, or grant as financial assistance for training described in subsection (a) in accordance with section 2603(a) of this title does

not disqualify the officer accepting it from also being detailed at a law school for that training under this section. Service obligations incurred under subsection (b)(2)(C) and section 2603(b) of this title with respect to the same training shall be served consecutively.''.

(b) FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS.—Section 2603 of such title is amended by adding at the end the following new subsection:

''(c) A detail of an officer for training at a law school under section 2004 of this title does not disqualify the officer from also accepting a fellowship, scholarship, or grant under this section as financial assistance for that training. Service obligations incurred under subsection (b) and section 2004(b)(2)(C) of this title with respect to the same training shall be served consecutively.''.

SEC. 534. GRANT OF DEGREE BY DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER.

(a) AUTHORITY.—Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2167. Defense Language Institute: associate of arts

''Under regulations prescribed by the Secretary of Defense, the Commandant of the Foreign Language Center of the Defense Language Institute may confer an associate of arts degree in foreign language upon graduates

of the Institute who fulfill the requirements for the degree, as certified by the Provost of the Institute.''.

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

''2167. Defense Language Institute: associate of arts.''.

SEC. 535. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF STRATEGIC STUDIES.

(a) AUTHORITY.—(1) Subsection (a) of section 7102 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—Upon the recommendation of the Director and faculty of a college of the Marine Corps University, the President of the Marine Corps University may confer a degree upon graduates of the college who fulfill the requirements for the degree, as follows:

''(1) For the Marine Corps War College, the degree of master of strategic studies.

''(2) For the Command and Staff College, the degree of master of military studies.''.

(2)(A) The heading for such section is amended to read as follows:

"§ 7102. Marine Corps University: masters degrees".

(B) The item relating to such section in the table of sections at the beginning of chapter 609 of title 10, United States Code, is amended to read as follows:

"7102. Marine Corps University: masters degrees.".

(b) CONDITION FOR INITIAL EXERCISE OF AUTHORITY.—(1) The President of the Marine Corps University may exercise the authority provided under section 7102(a)(1) of title 10, United States Code, only after the Secretary of Education has notified the Secretary of the Navy of a determination made under paragraph (2) that the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States.

(2) The Secretary of Education shall review the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies, determine whether the requirements are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States, and notify the Secretary of the Navy of the determination.

SEC. 536. FOREIGN PERSONS ATTENDING THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Subsection (a)(1) of section 4344 of title 10, United States Code, is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(b) UNITED STATES NAVAL ACADEMY.—(1) Subsection (a)(1) of section 6957 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a midshipman under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Subsection (a)(1) of section 9344 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to academic years that begin after October 1, 2001.

SEC. 537. EXPANSION OF FINANCIAL ASSISTANCE PROGRAM FOR HEALTH-CARE PROFESSIONALS IN RESERVE COMPONENTS TO INCLUDE STUDENTS IN PROGRAMS OF EDUCATION LEADING TO INITIAL DEGREE IN MEDICINE OR DENTISTRY.

(a) MEDICAL AND DENTAL STUDENT STIPEND.—Section 16201 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (d) the following new subsection (e):

''(e) PROGRAMS LEADING TO INITIAL MEDICAL OR DENTAL DEGREE.—(1) Under the stipend program under this chapter, the Secretary of the military department concerned may enter into an agreement with a person who—

''(A) is eligible to be appointed as an officer in a reserve component of the armed forces; and

''(B) is enrolled or has been accepted for enrollment in an accredited medical or dental school in a program of education and training that results in an initial degree in medicine or dentistry.

''(2) Under the agreement—

''(A) the Secretary of the military department concerned shall agree to pay the participant a sti-

pend, in the amount determined under subsection (f), for the period or the remainder of the period that the student is satisfactorily progressing toward an initial degree in medicine or dentistry in a program of an accredited medical or dental school;

''(B) the participant shall not be eligible to receive such stipend before appointment, designation, or assignment as an officer for service in the Ready Reserve;

''(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

''(D) the participant shall agree—

''(i) to complete the program of education and training in which enrolled or accepted for enrollment as described in paragraph (1)(B);

''(ii) to accept an appointment or designation in the participant's reserve component, if tendered, based upon the participant's health profession, following satisfactory completion of the educational and internship components of the program of education and training;

"(iii) if required by regulations prescribed by the Secretary of Defense, to apply for (if eligible) and accept (if offered) residency training in a health profession skill that has been designated by the Secretary of Defense as a skill critically needed by the armed forces in wartime; and

"(iv) to serve in the Selected Reserve, upon successful completion of the program, for the period of service applicable under paragraph (3).

"(3)(A) Except as provided in subparagraph (B), the minimum period for which a participant shall serve in the Selected Reserve under the agreement pursuant to paragraph (2)(D)(iv) shall be one year in the Selected Reserve for each six months, or part thereof, for which the participant is provided a stipend pursuant to the agreement.

"(B) If a participant referred to in subparagraph (A) enters into an agreement under subsection (b) and, after completing a program of education and training for which a stipend was provided under this subsection, successfully completes residency training in the specialty covered by the agreement, the minimum period for which the participant shall serve in the Selected Reserve under that agreement and the agreement under this subsection shall be one

year for each year, or part thereof, for which a stipend was provided under this chapter.''.

(b) AMOUNT OF STIPEND.—Subsection (f) of such section, as redesignated by subsection (a), is amended by striking ''or (c)'' and inserting '', (c), or (e)''.

(c) ELIGIBILITY FOR ASSISTANCE FOR GRADUATE MEDICAL OR DENTAL TRAINING.—Subsection (b) of such section is amended—

(1) by striking ''SPECIALTIES.—'' and inserting ''WARTIME SPECIALTIES.—''; and

(2) in paragraph (1)(B), by inserting '', or has been appointed,'' after ''assignment''.

(d) SERVICE OBLIGATION FOR STIPEND FOR OTHER PROFESSIONAL PROGRAMS.—(1) Subsection (b)(2)(D) of such section by striking ''agree to serve, upon successful completion of the program, two years in the Ready Reserve for each year,'' and inserting ''agree (subject to subsection (e)(3)(B)) to serve, upon successful completion of the program, one year in the Ready Reserve for each six months,''.

(2) Subsection (c)(2)(D) of such section is amended by striking ''two years in the Ready Reserve for each year,'' and inserting ''one year in the Ready Reserve for each six months,''.

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

(A) in the first sentence—

(i) by inserting ''in health professions and'' after ''qualified''; and

(ii) by striking ''training in such'' and inserting ''education and training in such professions and''; and

(B) in the second sentence, by striking ''training in certain'' and inserting ''education and training in certain health professions and''.

(2) Subsections (b)(2)(A) and (c)(2)(A) of such section are amended by striking ''subsection (e)'' and inserting ''subsection (f)''.

SEC. 538. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR GRADUATE MEDICAL EDUCATION AND TRAINING OF MEDICAL PERSONNEL OF THE ARMED FORCES.

(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program of graduate medical education and training for medical personnel of the Armed Forces.

(b) DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—Under any pilot program carried out under

this section, the Secretary of Defense and the Secretary of Veterans Affairs shall provide for medical personnel of the Armed Forces to pursue one or more programs of graduate medical education and training in one or more medical centers of the Department of Veterans Affairs.

(c) AGREEMENT.—The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out any pilot program under this section. The agreement shall provide a means for the Secretary of Defense to defray the costs incurred by the Secretary of Veterans Affairs in providing the graduate medical education and training in, or the use of, the facility or facilities of the Department of Veterans Affairs participating in the pilot program.

(d) USE OF EXISTING AUTHORITIES.—To carry out the pilot program, the Secretary of Defense and the Secretary of Veterans Affairs shall exercise authorities provided to the Secretaries, respectively, under other laws relating to the furnishing or support of medical education and the cooperative use of facilities.

(e) PERIOD OF PROGRAM.—Any pilot program carried out under this section shall begin not later than August 1, 2002, and shall terminate on July 31, 2007.

(f) ANNUAL REPORT.—(1) Not later than January 31, 2003, and January 31 of each year thereafter, the

Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a report on the conduct of any pilot program carried out under this section. The report shall cover the preceding year and shall include the Secretaries' assessment of the efficacy of providing for medical personnel of the Armed Forces to pursue programs of graduate medical education and training in medical centers of the Department of Veterans Affairs.

(2) The reporting requirement under this subsection shall terminate upon the submittal of the report due on January 31, 2008.

SEC. 539. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL BY MEMBERS OF THE ARMED FORCES WITH CRITICAL MILITARY SKILLS.

(a) AUTHORITY TO TRANSFER TO FAMILY MEMBERS.—(1) Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills

''(a) IN GENERAL.—Subject to the provisions of this section, each Secretary concerned may, for the purpose of enhancing recruitment and retention of members of the

Armed Forces with critical military skills and at such Secretary's sole discretion, permit an individual described in subsection (b) who is entitled to basic educational assistance under this subchapter to elect to transfer, in whole or in part, up to 18 months of such individual's entitlement to such assistance to the dependents specified in subsection (c).

"(b) ELIGIBLE INDIVIDUALS.—An individual referred to in subsection (a) is any member of the Armed Forces who, at the time of the approval by the Secretary concerned of the member's request to transfer entitlement to basic educational assistance under this section—

"(1) has completed six years of service in the Armed Forces;

"(2) either—

"(A) has a critical military skill designated by the Secretary concerned for purposes of this section; or

"(B) is in a military specialty designated by the Secretary concerned for purposes of this section as requiring critical military skills; and

"(3) enters into an agreement to serve at least four more years as a member of the Armed Forces.

"(c) ELIGIBLE DEPENDENTS.—An individual approved to transfer an entitlement to basic educational as-

sistance under this section may transfer the individual's entitlement as follows:

"(1) To the individual's spouse.

"(2) To one or more of the individual's children.

"(3) To a combination of the individuals referred to in paragraphs (1) and (2).

"(d) LIMITATION ON MONTHS OF TRANSFER.—The total number of months of entitlement transferred by an individual under this section may not exceed 18 months.

"(e) DESIGNATION OF TRANSFEREE.—An individual transferring an entitlement to basic educational assistance under this section shall—

"(1) designate the dependent or dependents to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such dependent; and

"(2) specify the period for which the transfer shall be effective for each dependent designated under paragraph (1).

"(f) TIME FOR TRANSFER; REVOCATION AND MODIFICATION.—(1) Subject to the time limitation for use of entitlement under section 3031 of this title, an individual approved to transfer entitlement to basic educational assistance under this section may transfer such entitlement

at any time after the approval of individual's request to transfer such entitlement without regard to whether the individual is a member of the Armed Forces when the transfer is executed.

"(2)(A) An individual transferring entitlement under this section may modify or revoke at any time the transfer of any unused portion of the entitlement so transferred.

"(B) The modification or revocation of the transfer of entitlement under this paragraph shall be made by the submittal of written notice of the action to both the Secretary concerned and the Secretary of Veterans Affairs.

"(g) COMMENCEMENT OF USE.—A dependent to whom entitlement to basic educational assistance is transferred under this section may not commence the use of the transferred entitlement until the following:

"(1) In the case of entitlement transferred to a spouse, the completion by the individual making the transfer of 6 years of service in the Armed Forces.

"(2) In the case of entitlement transferred to a child, both—

"(A) the completion by the individual making the transfer of 10 years of service in the Armed Forces; and

"(B) either—

"(i) the completion by the child of the requirements of a secondary school diploma (or equivalency certificate); or

"(ii) the attainment by the child of 18 years of age.

"(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1) The use of any entitlement to basic educational assistance transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

"(2) Except as provided under subsection (e)(2) and subject to paragraphs (4) and (5), a dependent to whom entitlement is transferred under this section is entitled to basic educational assistance under this subchapter in the same manner and at the same rate as the individual from whom the entitlement was transferred.

"(3) The death of an individual transferring an entitlement under this section shall not affect the use of the entitlement by the individual to whom the entitlement is transferred.

"(4) Notwithstanding section 3031 of this title, a child to whom entitlement is transferred under this section may not use any entitlement so transferred after attaining the age of 26 years.

"(5) The administrative provisions of this chapter (including the provisions set forth in section 3034(a)(1) of this title) shall apply to the use of entitlement transferred under this section, except that the dependent to whom the entitlement is transferred shall be treated as the eligible veteran for purposes of such provisions.

"(6) The purposes for which a dependent to whom entitlement is transferred under this section may use such entitlement shall include the pursuit and completion of the requirements of a secondary school diploma (or equivalency certificate).

"(i) OVERPAYMENT.—(1) In the event of an overpayment of basic educational assistance with respect to a dependent to whom entitlement is transferred under this section, the dependent and the individual making the transfer shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

"(2) Except as provided in paragraph (3), if an individual transferring entitlement under this section fails to complete the service agreed to by the individual under subsection (b)(3) in accordance with the terms of the agreement of the individual under that subsection, the amount of any transferred entitlement under this section that is used by a dependent of the individual as of the date of

such failure shall be treated as an overpayment of basic educational assistance under paragraph (1).

"(3) Paragraph (2) shall not apply in the case of an individual who fails to complete service agreed to by the individual—

"(A) by reason of the death of the individual; or

"(B) for a reason referred to in section 3011(a)(1)(A)(ii)(I) of this title.

"(j) APPROVALS OF TRANSFER SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The Secretary concerned may approve transfers of entitlement to basic educational assistance under this section in a fiscal year only to the extent that appropriations for military personnel are available in the fiscal year for purposes of making deposits in the Department of Defense Education Benefits Fund under section 2006 of title 10 in the fiscal year to cover the present value of future benefits payable from the Fund for the Department of Defense portion of payments of basic educational assistance attributable to increased usage of benefits as a result of such transfers of entitlement in the fiscal year.

"(k) REGULATIONS.—The Secretary of Defense shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an elec-

tion to modify or revoke a transfer of entitlement under subsection (f)(2), and shall specify the manner of the applicability of the administrative provisions referred to in subsection (h)(5) to a dependent to whom entitlement is transferred under this section.

"(l) ANNUAL REPORTS.—(1) Not later than January 31, 2003, and each year thereafter, each Secretary concerned shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the transfers of entitlement to basic educational assistance under this section that were approved by such Secretary during the preceding year.

"(2) Each report shall set forth—

"(A) the number of transfers of entitlement under this section that were approved by such Secretary during the preceding year; or

"(B) if no transfers of entitlement under this section were approved by such Secretary during that year, a justification for such Secretary's decision not to approve any such transfers of entitlement during that year.

"(m) SECRETARY CONCERNED DEFINED.—Notwithstanding section 101(25) of this title, in this section, the term 'Secretary concerned' means—

"(1) the Secretary of the Army with respect to matters concerning the Army;

"(2) the Secretary of the Navy with respect to matters concerning the Navy or the Marine Corps;

"(3) the Secretary of the Air Force with respect to matters concerning the Air Force; and

"(4) the Secretary of the Defense with respect to matters concerning the Coast Guard, or the Secretary of Transportation when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

"3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills.".

(b) TREATMENT UNDER DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.—Section 2006(b)(2) of title 10, United States Code, is amended by adding at the end the following:

"(D) The present value of future benefits payable from the Fund for the Department of Defense portion of payments of educational assistance under subchapter II of chapter 30 of title 38 attributable to increased usage of benefits as a result of transfers of entitlement to

basic educational assistance under section 3020 of that title during such period.''.

(c) PLAN FOR IMPLEMENTATION.—Not later than June 30, 2002, the Secretary of Defense shall submit to Congress a report describing the manner in which the Secretaries of the military departments and the Secretary of Transportation propose to exercise the authority granted by section 3020 of title 38, United States Code, as added by subsection (a). The report shall include the regulations prescribed under subsection (k) of that section for purposes of the exercise of the authority.

(d) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $30,000,000 may be available in fiscal year 2002 for deposit into the Department of Defense Education Benefits Fund under section 2006 of title 10, United States Code, for purposes of covering payments of amounts under subparagraph (D) of section 2006(b)(2) of title 10, United States Code (as added by subsection (b)), as a result of transfers of entitlement to basic educational assistance under section 3020 of title 38, United States Code (as added by subsection (a)).

Subtitle D—Decorations, Awards, and Commendations

SEC. 551. AUTHORITY FOR AWARD OF THE MEDAL OF HONOR TO HUMBERT R. VERSACE FOR VALOR DURING THE VIETNAM WAR.

(a) WAIVER OF TIME LIMITATIONS.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the military service, the President may award the Medal of Honor under section 3741 of that title to Humbert R. Versace for the acts of valor referred to in subsection (b).

(b) ACTION DESCRIBED.—The acts of valor referred to in subsection (a) are the actions of Humbert R. Versace between October 29, 1963, and September 26, 1965, while interned as a prisoner of war by the Vietnamese Communist National Liberation Front (Viet Cong) in the Republic of Vietnam.

SEC. 552. REVIEW REGARDING AWARD OF MEDAL OF HONOR TO CERTAIN JEWISH AMERICAN WAR VETERANS.

(a) REVIEW REQUIRED.—The Secretary of each military department shall review the service records of each Jewish American war veteran described in subsection (b)

to determine whether or not that veteran should be awarded the Medal of Honor.

(b) COVERED JEWISH AMERICAN WAR VETERANS.—The Jewish American war veterans whose service records are to be reviewed under subsection (a) are the following:

(1) Any Jewish American war veteran who was previously awarded the Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(2) Any other Jewish American war veteran whose name is submitted to the Secretary concerned for such purpose by the Jewish War Veterans of the United States of America before the end of the one-year period beginning on the date of the enactment of this Act.

(c) CONSULTATIONS.—In carrying out the review under subsection (a), the Secretary of each military department shall consult with the Jewish War Veterans of the United States of America and with such other veterans service organizations as the Secretary considers appropriate.

(d) RECOMMENDATION BASED ON REVIEW.—If the Secretary concerned determines, based upon the review under subsection (a) of the service records of any Jewish American war veteran, that the award of the Medal of Honor to that veteran is warranted, the Secretary shall

submit to the President a recommendation that the President award the Medal of Honor to that veteran.

(e) AUTHORITY TO AWARD MEDAL OF HONOR.—A Medal of Honor may be awarded to a Jewish American war veteran in accordance with a recommendation of the Secretary concerned under subsection (d).

(f) WAIVER OF TIME LIMITATIONS.—An award of the Medal of Honor may be made under subsection (e) without regard to—

(1) section 3744, 6248, or 8744 of title 10, United States Code, as applicable; and

(2) any regulation or other administrative restriction on—

(A) the time for awarding the Medal of Honor; or

(B) the awarding of the Medal of Honor for service for which a Distinguished Service Cross, Navy Cross, Air Force Cross, or any other decoration has been awarded.

(g) JEWISH AMERICAN WAR VETERAN DEFINED.—In this section, the term ''Jewish American war veteran'' means any person who served in the Armed Forces during World War II or a later period of war and who identified himself or herself as Jewish on his or her military personnel records.

SEC. 553. ISSUANCE OF DUPLICATE AND REPLACEMENT MEDALS OF HONOR.

(a) ARMY.—(1)(A) Chapter 357 of title 10, United States Code, is amended by inserting after section 3747 the following new section:

"§ 3747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Army may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under of this section may not be considered an award of more than one medal of honor prohibited by section 3744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3747 the following:

''3747a. Medal of honor: issuance of duplicate.''.

(2) Section 3747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(b) NAVY AND MARINE CORPS.—(1)(A) Chapter 567 of such title is amended by inserting after section 6253 the following new section:

"§ 6253a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Navy may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 6247 of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6253 the following:

''6253a. Medal of honor: issuance of duplicate.''.

(2) Section 6253 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(c) AIR FORCE.—(1)(A) Chapter 857 of such title is amended by inserting after section 8747 the following new section:

"§ 8747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Air Force may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 8744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8747 the following:

''8747a. Medal of honor: issuance of duplicate.''.

(2) Section 8747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

SEC. 554. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR.—Subsection (a) applies to the award of the Silver Star to Wayne T. Alderson, of Glassport, Pennsylvania, for gallantry in action from March 15 to March 18, 1945, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on Armed Services of the House

of Representatives and the Committee on Armed Services of the Senate, during the period beginning on October 30, 2000, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 555. SENSE OF SENATE ON ISSUANCE OF KOREA DEFENSE SERVICE MEDAL.

It is the sense of the Senate that the Secretary of Defense should consider authorizing the issuance of a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Armed Forces served in the Republic of Korea, or the waters adjacent thereto, during the period beginning on July 28, 1954, and ending on such date after that date as the Secretary considers appropriate.

Subtitle E—Funeral Honors Duty

SEC. 561. ACTIVE DUTY END STRENGTH EXCLUSION FOR RESERVES ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY FOR FUNERAL HONORS DUTY.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(10) Members of reserve components on active duty or full-time National Guard duty to prepare for and to perform funeral honors functions under section 1491 of this title.".

SEC. 562. PARTICIPATION OF RETIREES IN FUNERAL HONORS DETAILS.

(a) AUTHORITY.—(1) Subsection (b)(2) of section 1491 of title 10, United States Code, is amended by inserting ", members or former members of the armed forces in a retired status," in the second sentence after "members of the armed forces".

(2) Subsection (h) of such section is amended to read as follows:

"(h) DEFINITIONS.—In this section:

"(1) The term 'retired status', with respect to a member or former member of the armed forces, means that the member or former member—

"(A) is on a retired list of an armed force;

"(B) is entitled to receive retired or retainer pay; or

"(C) except for not having attained 60 years of age, would be entitled to receive retired pay upon application under chapter 1223 of this title.

"(2) The term 'veteran' means a decedent who—

"(A) served in the active military, naval, or air service (as defined in section 101(24) of title 38) and who was discharged or released therefrom under conditions other than dishonorable; or

"(B) was a member or former member of the Selected Reserve described in section 2301(f) of title 38.".

(b) FUNERAL HONORS DUTY ALLOWANCE.—Section 435(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a) ALLOWANCE AUTHORIZED.—"; and

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

"(2)(A) The Secretary concerned may authorize payment of an allowance to a member or former member of

the armed forces in a retired status (as defined in section 1491(h) of title 10) for participating as a member of a funeral honors detail under section 1491 of title 10 for a period of at least two hours, including time for preparation.

''(B) An allowance paid to a member or former member under subparagraph (A) shall be in addition to any retired or retainer pay or other compensation to which the member or former member is entitled under this title or title 10 or 38.''.

SEC. 563. BENEFITS AND PROTECTIONS FOR MEMBERS IN A FUNERAL HONORS DUTY STATUS.

(a) FUNERAL HONORS DUTY DEFINED.—Section 101(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(8) The term 'funeral honors duty' means duty under section 12503 of this title or section 115 of title 32.''.

(b) APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE.—Section 802 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''; and

(2) in subsection (d)(2)(B), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''.

(c) COMMISSARY STORES PRIVILEGES FOR DEPENDENTS OF A DECEASED RESERVE COMPONENT MEMBER.—Section 1061(b) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''or'' the first place it appears; and

(B) by inserting '', or funeral honors duty'' before the semicolon; and

(2) in paragraph (2)—

(A) by striking ''or'' the third place it appears; and

(B) by inserting '', or funeral honors duty'' before the period.

(d) PAYMENT OF A DEATH GRATUITY.—(1) Section 1475(a) of such title is amended—

(A) in paragraph (2), by inserting ''or while engaged in funeral honors duty'' after ''Public Health Service)''; and

(B) in paragraph (3)—

(i) by striking ''or inactive duty training'' the first place it appears and inserting ''inactive-duty training'';

(ii) by inserting ''or funeral honors duty,'' after ''Public Health Service),''; and

(iii) by striking ''or inactive duty training'' the second place it appears and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 1476(a) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''or'';

(ii) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

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

''(C) funeral honors duty.''; and

(B) in paragraph (2)(A), by striking ''or inactive-duty training'' and inserting '', inactive-duty training, or funeral honors duty''.

(e) MILITARY AUTHORITY FOR MEMBERS OF THE COAST GUARD RESERVE.—(1) Section 704 of title 14, United States Code, is amended by striking ''or inactive-duty training'' in the second sentence and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 705(a) of such title is amended by inserting ''on funeral honors duty,'' after ''on inactive-duty training,''.

(f) VETERANS BENEFITS.—Section 101(24) of title 38, United States Code, is amended—

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

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

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

''(D) any period of funeral honors duty (as defined in section 101(d) of title 10) during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 564. MILITARY LEAVE FOR CIVILIAN EMPLOYEES SERVING AS MILITARY MEMBERS OF FUNERAL HONORS DETAIL.

Section 6323(a) of title 5, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking ''active duty, inactive duty training'' and all that follows through ''National Guard'' and inserting ''military duty or training described in paragraph (4)''; and

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

"(4) The entitlement under paragraph (1) applies to the performance of duty or training as a Reserve of the armed forces or member of the National Guard, as follows:

"(A) Active duty.

"(B) Inactive duty training (as defined in section 101 of title 37).

"(C) Field or coast defense training under sections 502 through 505 of title 32.

"(D) Funeral honors duty under section 12503 of title 10 or section 115 of title 32.".

Subtitle F—Uniformed Services Overseas Voting

SEC. 571. SENSE OF THE SENATE REGARDING THE IMPORTANCE OF VOTING BY MEMBERS OF THE UNIFORMED SERVICES.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that each administrator of a Federal, State, or local election should—

(1) be aware of the importance of the ability of each uniformed services voter to exercise their right to vote; and

(2) perform their duties with the intent to ensure that—

(A) each uniformed services voter receives the utmost consideration and cooperation when voting; and

(B) each valid ballot cast by such a voter is duly counted.

(b) UNIFORMED SERVICES VOTER DEFINED.—In this section, the term ''uniformed services voter'' means—

(1) a member of a uniformed service (as defined in section 101(a)(5) of title 10, United States Code) in active service;

(2) a member of the merchant marine (as defined in section 107 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6)); and

(3) a spouse or dependent of a member referred to in subparagraph (A) or (B) who is qualified to vote.

SEC. 572. UNIFORM NONDISCRIMINATORY VOTING STANDARDS FOR ADMINISTRATION OF ELECTIONS UNDER STATE AND LOCAL ELECTION SYSTEMS.

Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(1) by inserting ''(a) ELECTIONS FOR FEDERAL OFFICES.—'' before ''Each State shall—''; and

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

"(c) GENERAL PRINCIPLES FOR VOTING BY OVERSEAS AND ABSENT UNIFORMED SERVICE VOTERS.—(1) A State shall ensure that each voting system used within the State for elections for Federal, State, and local offices provides overseas voters and absent uniformed service voters with a meaningful opportunity to exercise their voting rights as citizens of the United States.

"(2) A State shall count an absentee ballot for an election for Federal, State, or local office that is timely submitted by an overseas voter or absent uniformed service voter to the proper official of the State and is otherwise valid.".

SEC. 573. GUARANTEE OF RESIDENCY FOR MILITARY PERSONNEL.

Article VII of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 590 et seq.) is amended by adding at the end the following:

"SEC. 704. (a) For purposes of voting for any Federal office (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) or a State or local office, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

"(1) be deemed to have lost a residence or domicile in that State, without regard to whether or not the person intends to return to that State;

"(2) be deemed to have acquired a residence or domicile in any other State; or

"(3) be deemed to have become a resident in or a resident of any other State.

"(b) In this section, the term 'State' includes a territory or possession of the United States, a political subdivision of a State, territory, or possession, and the District of Columbia.".

SEC. 574. EXTENSION OF REGISTRATION AND BALLOTING RIGHTS FOR ABSENT UNIFORMED SERVICES VOTERS TO STATE AND LOCAL ELECTIONS.

(a) IN GENERAL.—Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 572, is further amended by inserting after subsection (a) the following new subsection (b):

"(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—Each State shall—

"(1) permit absent uniformed services voters to use absentee registration procedures and vote by absentee ballot in general, special, primary, and runoff elections for State and local offices; and

"(2) accept and process, with respect to any election described in paragraph (1), any otherwise valid voter registration application from an absent uniformed services voter if the application is received by the appropriate State election official not less than 30 days before the date of the election.".

(b) CONFORMING AMENDMENT.—The heading for title I of such Act is amended by striking **"FOR FEDERAL OFFICE"**.

SEC. 575. USE OF SINGLE APPLICATION AS A SIMULTANEOUS ABSENTEE VOTER REGISTRATION APPLICATION AND ABSENTEE BALLOT APPLICATION.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as redesignated by section 572(1), is further amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(3) by inserting after paragraph (3) the following new paragraph (4):

"(4) accept and process the official post card form (prescribed under section 101) as a simulta-

neous absentee voter registration application and absentee ballot application; and''.

SEC. 576. USE OF SINGLE APPLICATION FOR ABSENTEE BALLOTS FOR ALL FEDERAL ELECTIONS.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 575, is further amended by inserting after paragraph (4) the following new paragraph (5):

''(5) accept and process, with respect to all general, special, primary, and runoff elections for Federal office occurring during a year, any otherwise valid absentee ballot application from an absent uniformed services voter or overseas voter, if a single application for any such election is received by the appropriate State election official not less than 30 days before the first election for Federal office occurring during the year.''.

SEC. 577. ELECTRONIC VOTING DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of Defense shall carry out a demonstration project under which absent uniformed services voters (as defined in section 107(1) of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))) are permitted to cast ballots in the

regularly scheduled general election for Federal office for November 2002, through an electronic voting system.

(b) COORDINATION WITH STATE ELECTION OFFICIALS.—To the greatest extent practicable, the Secretary of Defense shall carry out the demonstration project under this section through cooperative agreements with State election officials.

(c) REPORT TO CONGRESS.—Not later than June 1, 2003, the Secretary of Defense shall submit a report to Congress analyzing the demonstration project conducted under this section, and shall include in the report any recommendations the Secretary of Defense considers appropriate for continuing the project on an expanded basis during the next regularly scheduled general election for Federal office.

SEC. 578. FEDERAL VOTING ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall promulgate regulations to require each of the Armed Forces to ensure their compliance with any directives issued by the Secretary of Defense in implementing the Federal Voting Assistance Program (referred to in this section as the ''Program'') or any similar program.

(b) REVIEW AND REPORT.—(1) The Inspector General of each of the Armed Forces shall—

(A) conduct an annual review of the effectiveness of the Program or any similar program;

(B) conduct an annual review of the compliance with the Program or any similar program of the branch; and

(C) submit an annual report to the Inspector General of the Department of Defense on the results of the reviews under subparagraphs (A) and (B).

(2) Not later than March 31, 2003, and annually thereafter, the Inspector General of the Department of Defense shall submit a report to Congress on—

(A) the effectiveness of the Program or any similar program; and

(B) the level of compliance with the Program or any similar program of the branches of the Armed Forces.

Subtitle G—Other Matters

SEC. 581. PERSONS AUTHORIZED TO BE INCLUDED IN SURVEYS OF MILITARY FAMILIES REGARDING FEDERAL PROGRAMS.

(a) ADDITION OF CERTAIN FAMILY MEMBERS AND SURVIVORS.—Subsection (a) of section 1782 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—The Secretary of Defense may conduct surveys of persons to determine the effectiveness

of Federal programs relating to military families and the need for new programs, as follows:

"(1) Members of the armed forces on active duty or in an active status.

"(2) Retired members of the armed forces.

"(3) Members of the families of such members and retired members of the armed forces (including surviving members of the families of deceased members and deceased retired members).".

(b) FEDERAL RECORDKEEPING REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

"(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to a survey authorized under subsection (a) that includes a person referred to in that subsection who is not an employee of the United States or is not considered an employee of the United States for the purposes of section 3502(3)(A)(i) of title 44, the person shall be considered as being an employee of the United States for the purposes of that section.".

SEC. 582. CORRECTION AND EXTENSION OF CERTAIN ARMY RECRUITING PILOT PROGRAM AUTHORITIES.

(a) CONTRACT RECRUITING INITIATIVES.—Subsection (d)(2) of section 561 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as

enacted into law by Public Law 106–398; 114 Stat. 1654A–130) is amended—

(1) in subparagraphs (A) and (D), by inserting ''and Army Reserve'' after ''Regular Army''; and

(2) in subparagraph (B), by striking ''and chain of command''.

(b) EXTENSION OF AUTHORITY.—Subsection (e) of such section is amended by striking ''December 31, 2005'' and inserting ''September 30, 2007''.

(c) EXTENSION OF TIME FOR REPORTS.—Subsection (g) of such section is amended by striking ''February 1, 2006'' and inserting ''February 1, 2008''.

SEC. 583. OFFENSE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL UNDER THE UNIFORM CODE OF MILITARY JUSTICE.

(a) LOWER STANDARD OF ALCOHOL CONCENTRATION.—Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended by striking ''0.10 grams'' both places it appears in paragraph (2) and inserting ''0.08 grams''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to acts described in paragraph (2) of section 911 of title 10, United States Code, that are committed on or after that date.

SEC. 584. AUTHORITY OF CIVILIAN EMPLOYEES TO ACT AS NOTARIES.

(a) CLARIFICATION OF STATUS OF CIVILIAN ATTORNEYS ELIGIBLE TO ACT AS NOTARIES.—Subsection (b) of section 1044a of title 10, United States Code, is amended by striking ''legal assistance officers'' in paragraph (2) and inserting ''legal assistance attorneys''.

(b) OTHER CIVILIAN EMPLOYEES DESIGNATED TO ACT AS NOTARIES ABROAD.—Such subsection is further amended by adding at the end the following new paragraph:

''(5) For the performance of notarial acts at locations outside the United States, all employees of a military department or the Coast Guard who are designated by regulations of the Secretary concerned or by statute to have those powers for exercise outside the United States.''.

SEC. 585. REVIEW OF ACTIONS OF SELECTION BOARDS.

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

''§ 1558. Exclusive remedies in cases involving selection boards

''(a) CORRECTION OF MILITARY RECORDS.—The Secretary concerned may correct a person's military records in accordance with a recommendation made by a

special board. Any such correction shall be effective, retroactively, as of the effective date of the action taken on a report of a previous selection board that resulted in the action corrected in the person's military records.

"(b) RELIEF ASSOCIATED WITH CORRECTIONS OF CERTAIN ACTIONS.—(1) The Secretary concerned shall ensure that a person receives relief under paragraph (2) or (3), as the person may elect, if the person—

"(A) was separated or retired from an armed force, or transferred to the retired reserve or to inactive status in a reserve component, as a result of a recommendation of a selection board; and

"(B) becomes entitled to retention on or restoration to active duty or active status in a reserve component as a result of a correction of the person's military records under subsection (a).

"(2)(A) With the consent of a person referred to in paragraph (1), the person shall be retroactively and prospectively restored to the same status, rights, and entitlements (less appropriate offsets against back pay and allowances) in the person's armed force as the person would have had if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, as a result of an action corrected under subsection (a).

An action under this subparagraph is subject to subparagraph (B).

"(B) Nothing in subparagraph (A) shall be construed to permit a person to be on active duty or in an active status in a reserve component after the date on which the person would have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, in an action of a selection board that is corrected under subsection (a).

"(3) If the person does not consent to a restoration of status, rights, and entitlements under paragraph (2), the person shall receive back pay and allowances (less appropriate offsets) and service credit for the period beginning on the date of the person's separation, retirement, or transfer to the retired reserve or to inactive status in a reserve component, as the case may be, and ending on the earlier of—

"(A) the date on which the person would have been so restored under paragraph (2), as determined by the Secretary concerned; or

"(B) the date on which the person would otherwise have been separated, retired, or transferred to

the retired reserve or to inactive status in a reserve component, as the case may be.

"(c) FINALITY OF UNFAVORABLE ACTION.—If a special board makes a recommendation not to correct the military records of a person regarding action taken in the case of that person on the basis of a previous report of a selection board, the action previously taken on that report shall be considered as final as of the date of the action taken on that report.

"(d) REGULATIONS.—(1) The Secretary concerned may prescribe regulations to carry out this section (other than subsection (e)) with respect to the armed force or armed forces under the jurisdiction of the Secretary.

"(2) The Secretary may prescribe in the regulations the circumstances under which consideration by a special board may be provided for under this section, including the following:

"(A) The circumstances under which consideration of a person's case by a special board is contingent upon application by or for that person.

"(B) Any time limits applicable to the filing of an application for consideration.

"(3) Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

"(e) JUDICIAL REVIEW.—(1) A person challenging for any reason the action or recommendation of a selection board, or the action taken by the Secretary concerned on the report of a selection board, is not entitled to relief in any judicial proceeding unless the person has first been considered by a special board under this section or the Secretary concerned has denied such consideration.

"(2) A court of the United States may review a determination by the Secretary concerned not to convene a special board in the case of any person. In any such case, a court may set aside the Secretary's determination only if the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law. If a court sets aside a determination not to convene a special board, it shall remand the case to the Secretary concerned, who shall provide for consideration of the person by a special board.

"(3) A court of the United States may review a recommendation of a special board or an action of the Secretary concerned on the report of a special board convened for consideration of a person. In any such case, a court may set aside the recommendation or action, as the case may be, only if the court finds that the recommendation or action was contrary to law or involved a material error of fact or a material administrative error. If a court sets

aside the recommendation of a special board, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the person by another special board. If a court sets aside the action of the Secretary concerned on the report of a special board, it shall remand the case to the Secretary concerned for a new action on the report of the special board.

''(4)(A) If, not later than six months after receiving a complete application for consideration by a special board in any case, the Secretary concerned has not convened a special board and has not denied consideration by a special board in that case, the Secretary shall be deemed to have denied the consideration of the case for the purposes of this subsection.

''(B) If, not later than one year after the convening of a special board in any case, the Secretary concerned has not taken final action on the report of the special board, the Secretary shall be deemed to have denied relief in such case for the purposes of this subsection.

''(C) Under regulations prescribed under subsection (d), the Secretary concerned may waive the applicability of subparagraph (A) or (B) in a case if the Secretary determines that a longer period for consideration of the case is warranted. The Secretary of a military department may

not delegate authority to make a determination under this subparagraph.

"(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding any other provision of law, but subject to subsection (g), the remedies provided under this section are the only remedies available to a person for correcting an action or recommendation of a selection board regarding that person or an action taken on the report of a selection board regarding that person.

"(g) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a special board on the basis of the invalidity.

"(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.

"(h) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.

"(i) DEFINITIONS.—In this section:

"(1) The term 'special board'—

"(A) means a board that the Secretary concerned convenes under any authority to consider whether to recommend a person for appointment, enlistment, reenlistment, assignment, promotion, retention, separation, retirement, or transfer to inactive status in a reserve component instead of referring the records of that person for consideration by a previously convened selection board which considered or should have considered that person;

"(B) includes a board for the correction of military or naval records convened under section 1552 of this title, if designated as a special board by the Secretary concerned; and

"(C) does not include a promotion special selection board convened under section 628 or 14502 of this title.

"(2) The term 'selection board'—

"(A) means a selection board convened under section 573(c), 580, 580a, 581, 611(b), 637, 638, 638a, 14101(b), 14701, 14704, or 14705 of this title, and any other board convened by the Secretary concerned under any authority to recommend persons for appointment, enlistment, reenlistment, assignment, pro-

motion, or retention in the armed forces or for separation, retirement, or transfer to inactive status in a reserve component for the purpose of reducing the number of persons serving in the armed forces; and

"(B) does not include—

"(i) a promotion board convened under section 573(a), 611(a), or 14101(a) of this title;

"(ii) a special board;

"(iii) a special selection board convened under section 628 of this title; or

"(iv) a board for the correction of military records convened under section 1552 of this title.".

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

"1558. Exclusive remedies in cases involving selection boards .".

(b) SPECIAL SELECTION BOARDS.—Section 628 of such title is amended—

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

(2) by inserting after subsection (f) the following:

"(g) JUDICIAL REVIEW.—(1) A court of the United States may review a determination by the Secretary con-

cerned under subsection (a)(1) or (b)(1) not to convene a special selection board in the case of an officer or former officer of the armed forces. If the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law, it shall remand the case to the Secretary concerned, who shall provide for consideration of the officer or former officer by a special selection board under this section.

''(2) A court of the United States may review the action of a special selection board convened under this section upon the request of an officer or former officer of the armed forces and any action taken by the President on the report of the board. If the court finds that the action was contrary to law or involved a material error of fact or a material administrative error, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the officer or former officer by another special selection board.

''(3)(A) For the purposes of this subsection, the Secretary concerned shall be deemed to have determined not to convene a special selection board under subsection (a)(1) or (b)(1) in the case of an officer or former officer of the armed forces upon a failure of the Secretary to make a determination on the convening of a special selection board in that case within six months after receiving

a properly completed request to convene a special selection board under that authority in that case.

"(B) Under regulations prescribed by the Secretary concerned, the Secretary may waive the applicability of subparagraph (A) in the case of a request for the convening of a special selection board if the Secretary determines that a longer period for consideration of the request is warranted. The Secretary concerned may not delegate authority to make a determination under this subparagraph.

"(h) LIMITATIONS OF OTHER JURISDICTION.—(1) No official or court of the United States may, with respect to a claim based to any extent on the failure of an officer or former officer of the armed forces to be selected for promotion by a promotion board—

"(A) consider the claim unless the officer or former officer has first been referred by the Secretary concerned to a special selection board convened under this section and acted upon by that board and the report of the board has been approved by the President; or

"(B) except as provided in subsection (g), grant any relief on the claim unless the officer or former officer has been selected for promotion by a special selection board convened under this section to con-

sider the officer for recommendation for promotion and the report of the board has been approved by the President.

''(i) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a selection board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.''.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the date of the enactment of this Act and, except as provided in paragraph (2), shall apply with respect to any proceeding pending on or after that date without regard to whether a challenge to an action of a selection board of any of the Armed Forces being considered in such proceeding was initiated before, on, or after that date.

(2) The amendments made by this section shall not apply with respect to any action commenced in a court

of the United States before the date of the enactment of this Act.

SEC. 586. ACCEPTANCE OF VOLUNTARY LEGAL ASSISTANCE FOR THE CIVIL AFFAIRS OF MEMBERS AND FORMER MEMBERS OF THE UNIFORMED SERVICES AND THEIR DEPENDENTS.

(a) AUTHORITY.—Subsection (a) of section 1588 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) Legal services voluntarily provided as legal assistance under section 1044 of this title.".

(b) DEFENSE OF LEGAL MALPRACTICE.—Subsection (d)(1) of that section is amended by adding at the end the following new subparagraph:

"(E) Section 1054 of this title (relating to legal malpractice), for a person voluntarily providing legal services accepted under subsection (a)(5), as if the person were providing the services as an attorney of a legal staff within the Department of Defense.".

SEC. 587. EXTENSION OF DEFENSE TASK FORCE ON DOMESTIC VIOLENCE.

Section 591(j) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 641, 10 U.S.C. 1562 note) is amended by striking "three

years after the date of the enactment of this Act'' and inserting ''April 24, 2003''.

SEC. 588. TRANSPORTATION TO ANNUAL MEETING OF NEXT-OF-KIN OF PERSONS UNACCOUNTED FOR FROM CONFLICTS AFTER WORLD WAR II.

(a) IN GENERAL.—(1) Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II

''The Secretary of Defense may provide transportation for the next-of-kin of persons who are unaccounted for from the Korean conflict, the Cold War, Vietnam War era, or the Persian Gulf War to and from those annual meetings sanctioned by the Department of Defense in the United States. Such transportation shall be provided under such regulations as the Secretary of Defense may prescribe.''.

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

''2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II.''.

(b) EFFECTIVE DATE.—Section 2647 of title 10, United States Code, as added by subsection (a), shall take

effect on October 1, 2001, or the date of the enactment of this Act, whichever is later.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2002 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2002, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9 ...	0.00	0.00	0.00	0.00	0.00
O–8 ...	7,180.20	7,415.40	7,571.10	7,614.90	7,809.30
O–7 ...	5,966.40	6,371.70	6,371.70	6,418.20	6,657.90
O–6 ...	4,422.00	4,857.90	5,176.80	5,176.80	5,196.60
O–5 ...	3,537.00	4,152.60	4,440.30	4,494.30	4,673.10
O–4 ...	3,023.70	3,681.90	3,927.60	3,982.50	4,210.50
O–3 [3]	2,796.60	3,170.40	3,421.80	3,698.70	3,875.70
O–2 [3]	2,416.20	2,751.90	3,169.50	3,276.30	3,344.10
O–1 [3]	2,097.60	2,183.10	2,638.50	2,638.50	2,638.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9 ...	0.00	0.00	0.00	0.00	0.00
O–8 ...	8,135.10	8,210.70	8,519.70	8,608.50	8,874.30
O–7 ...	6,840.30	7,051.20	7,261.80	7,472.70	8,135.10
O–6 ...	5,418.90	5,448.60	5,448.60	5,628.60	6,305.70
O–5 ...	4,673.10	4,813.50	5,073.30	5,413.50	5,755.80
O–4 ...	4,395.90	4,696.20	4,930.20	5,092.50	5,255.70

COMMISSIONED OFFICERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3 [3]	4,070.10	4,232.40	4,441.20	4,549.50	4,549.50
O–2 [3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1 [3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10 [2]	$0.00	11,601.90	11,659.20	11,901.30	12,324.00
O–9 ...	0.00	10,147.50	10,293.60	10,504.80	10,873.80
O–8 ...	9,259.50	9,614.70	9,852.00	9,852.00	9,852.00
O–7 ...	8,694.90	8,694.90	8,694.90	8,694.90	8,738.70
O–6 ...	6,627.00	6,948.30	7,131.00	7,316.10	7,675.20
O–5 ...	5,919.00	6,079.80	6,262.80	6,262.80	6,262.80
O–4 ...	5,310.60	5,310.60	5,310.60	5,310.60	5,310.60
O–3 [3]	4,549.50	4,549.50	4,549.50	4,549.50	4,549.50
O–2 [3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1 [3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	3,698.70	3,875.70
O–2E	0.00	0.00	0.00	3,276.30	3,344.10
O–1E	0.00	0.00	0.00	2,638.50	2,818.20
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	4,070.10	4,232.40	4,441.20	4,617.00	4,717.50
O–2E	3,450.30	3,630.00	3,768.90	3,872.40	3,872.40
O–1E	2,922.30	3,028.50	3,133.20	3,276.30	3,276.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	4,855.20	4,855.20	4,855.20	4,855.20	4,855.20
O–2E	3,872.40	3,872.40	3,872.40	3,872.40	3,872.40
O–1E	3,276.30	3,276.30	3,276.30	3,276.30	3,276.30

WARRANT OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ..	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ..	2,889.60	3,108.60	3,198.00	3,285.90	3,437.10
W–3 ..	2,638.80	2,862.00	2,862.00	2,898.90	3,017.40
W–2 ..	2,321.40	2,454.00	2,569.80	2,654.10	2,726.40

WARRANT OFFICERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–1 ..	2,049.90	2,217.60	2,330.10	2,402.70	2,511.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ..	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ..	3,586.50	3,737.70	3,885.30	4,038.00	4,184.40
W–3 ..	3,152.40	3,330.90	3,439.50	3,558.30	3,693.90
W–2 ..	2,875.20	2,984.40	3,093.90	3,200.40	3,318.00
W–1 ..	2,624.70	2,737.80	2,850.00	2,963.70	3,077.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ..	$0.00	4,965.60	5,136.00	5,307.00	5,478.60
W–4 ..	4,334.40	4,480.80	4,632.60	4,782.00	4,935.30
W–3 ..	3,828.60	3,963.60	4,098.30	4,233.30	4,368.90
W–2 ..	3,438.90	3,559.80	3,680.10	3,801.30	3,801.30
W–1 ..	3,189.90	3,275.10	3,275.10	3,275.10	3,275.10

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8 ...	0.00	0.00	0.00	0.00	0.00
E–7 ...	1,986.90	2,169.00	2,251.50	2,332.50	2,417.40
E–6 ...	1,701.00	1,870.80	1,953.60	2,033.70	2,117.40
E–5 ...	1,561.50	1,665.30	1,745.70	1,828.50	1,912.80
E–4 ...	1,443.60	1,517.70	1,599.60	1,680.30	1,752.30
E–3 ...	1,303.50	1,385.40	1,468.50	1,468.50	1,468.50
E–2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1 ...	[3] 1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$3,423.90	3,501.30	3,599.40	3,714.60
E–8 ...	2,858.10	2,940.60	3,017.70	3,110.10	3,210.30
E–7 ...	2,562.90	2,645.10	2,726.40	2,808.00	2,892.60
E–6 ...	2,254.50	2,337.30	2,417.40	2,499.30	2,558.10
E–5 ...	2,030.10	2,110.20	2,193.30	2,193.30	2,193.30
E–4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$3,830.40	3,944.10	4,098.30	4,251.30	4,467.00
E–8 ...	3,314.70	3,420.30	3,573.00	3,724.80	3,937.80
E–7 ...	2,975.10	3,057.30	3,200.40	3,292.80	3,526.80
E–6 ...	2,602.80	2,602.80	2,602.80	2,602.80	2,602.80
E–5 ...	2,193.30	2,193.30	2,193.30	2,193.30	2,193.30
E–4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30

ENLISTED MEMBERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,022.70.

SEC. 602. BASIC PAY RATE FOR CERTAIN RESERVE COMMISSIONED OFFICERS WITH PRIOR SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER.

(a) SERVICE CREDIT.—Section 203(d) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''active service as a warrant officer or as a warrant officer and an enlisted member'' and inserting ''service described in paragraph (2)''; and

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

''(2) Service to be taken into account for purposes of computing basic pay under paragraph (1) is as follows:

''(A) Active service as a warrant officer or as a warrant officer and an enlisted member, in the case of—

"(i) a commissioned officer on active duty who is paid from funds appropriated for active-duty personnel; or

"(ii) a commissioned officer on active Guard and Reserve duty.

"(B) In the case of a commissioned officer (not referred to in subparagraph (A)(ii)) who is paid from funds appropriated for reserve personnel, service as a warrant officer, or as a warrant officer and enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to months beginning on or after that date.

SEC. 603. RESERVE COMPONENT COMPENSATION FOR DISTRIBUTED LEARNING ACTIVITIES PERFORMED AS INACTIVE-DUTY TRAINING.

(a) COMPENSATION AUTHORIZED.—Section 206(d) of title 37, United States Code, is amended to read as follows:

"(d)(1) Compensation is payable under this section to a member in a grade below E–7 for a period of instruction or duty in pursuit of the satisfaction of educational

requirements imposed on members of the uniformed services by law or regulations if—

"(A) the particular activity in pursuit of the satisfaction of such requirements is an activity approved for that period of instruction or duty by the commander who prescribes the instruction or duty for the member for that period; and

"(B) the member attains the learning objectives required for the period of instruction or duty, as determined under regulations prescribed by the Secretary concerned.

"(2) Acceptable means of pursuit of the satisfaction of educational requirements for the purposes of compensation under this section include any means (which may include electronic, documentary, or distributed learning) that is authorized for the attainment of educational credit toward the satisfaction of those requirements in regulations prescribed by the Secretary concerned.".

(b) DEFINITION OF INACTIVE-DUTY TRAINING.—Section 101(22) of title 37, United States Code, is amended by striking "but does not include work or study in connection with a correspondence course of a uniformed service".

SEC. 604. CLARIFICATIONS FOR TRANSITION TO REFORMED BASIC ALLOWANCE FOR SUBSISTENCE.

(a) BASELINE AMOUNT FOR CALCULATING ALLOWANCE FOR ENLISTED MEMBERS.—For the purposes of section 402(b)(2) of title 37, United States Code, the monthly rate of basic allowance for subsistence that is in effect for an enlisted member for the year ending December 31, 2001, is $233.

(b) RATE FOR ENLISTED MEMBERS WHEN MESSING FACILITIES NOT AVAILABLE.—(1) Notwithstanding section 402 of title 37, United States Code, the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may prescribe a rate of basic allowance for subsistence to apply to enlisted members of the uniformed services when messing facilities of the United States are not available. The rate may be higher than the rate of basic allowance for subsistence that would otherwise be applicable to the members under that section, but may not be higher than the highest rate that was in effect for enlisted members of the uniformed services under those circumstances before the date of the enactment of this Act.

(2) Paragraph (1) shall cease to be effective on the first day of the first month for which the basic allowance

for subsistence calculated for enlisted members of the uniformed services under section 402 of title 37, United States Code, exceeds the rate of the basic allowance for subsistence prescribed under that paragraph.

(c) DATE FOR EARLY TERMINATION OF BAS TRANSITIONAL AUTHORITY.—Section 603(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–145) is amended by striking ''October 1, 2001,'' and inserting ''January 1, 2002,''.

SEC. 605. INCREASE IN BASIC ALLOWANCE FOR HOUSING IN THE UNITED STATES.

(a) ACCELERATION OF INCREASE.—Subsection 403(b)(1) of title 37, United States Code, is amended by adding at the end the following: ''After September 30, 2002, the rate prescribed for a grade and dependency status for a military housing area in the United States may not be less than the median cost of adequate housing for members in that grade and dependency status in that area, as determined on the basis of the costs of adequate housing determined for the area under paragraph (2).''.

(b) FISCAL YEAR 2002 RATES.—(1) Subject to subsection (b)(3) of section 403 of title 37, United States Code, in the administration of such section 403 for fiscal year 2002, the monthly amount of a basic allowance for

housing for an area of the United States for a member of a uniformed service shall be equal to 92.5 percent of the monthly cost of adequate housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

(2) In addition to the amount determined by the Secretary of Defense under section 403(b)(3) of title 37, United States Code, to be the total amount to be paid during fiscal year 2002 for the basic allowance for housing for military housing areas inside the United States, $232,000,000 of the amount authorized to be appropriated by section 421 for military personnel may be used by the Secretary to further increase the total amount available for the basic allowance for housing for military housing areas inside the United States.

SEC. 606. CLARIFICATION OF ELIGIBILITY FOR SUPPLEMENTAL SUBSISTENCE ALLOWANCE.

Section 402a(b)(1) of title 37, United States Code, is amended by inserting ''with dependents'' after ''a member of the armed forces''.

SEC. 607. CORRECTION OF LIMITATION ON ADDITIONAL UNIFORM ALLOWANCE FOR OFFICERS.

Section 416(b)(1) of title 37, United States Code, is amended by striking ''$200'' and inserting ''$400''.

SEC. 608. PAYMENT FOR UNUSED LEAVE IN EXCESS OF 60 DAYS ACCRUED BY MEMBERS OF RESERVE COMPONENTS ON ACTIVE DUTY FOR ONE YEAR OR LESS.

(a) ELIGIBILITY.—Section 501(b)(5) of title 37, United States Code, is amended by—

(1) striking ''or'' at the end of subparagraph (B);

(2) striking the period at the end of subparagraph (C) and inserting ''; or''; and

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

''(D) by a member of a reserve component while serving on active duty, full-time National Guard duty, or active duty for training for a period of more than 30 days but not in excess of 365 days.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to periods of active duty that begin on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section

302g(f) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-

LECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2001,'' and inserting ''December 31, 2002,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) BONUS FOR ENLISTMENT FOR TWO OR MORE YEARS.—Section 309(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL SKILLS.—Section 323(i) of such title is amended by

striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 615. HAZARDOUS DUTY PAY FOR MEMBERS OF MARITIME VISIT, BOARD, SEARCH, AND SEIZURE TEAMS.

(a) ELIGIBILITY.—Section 301(a) of title 37, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (10);

(2) by striking the period at the end of paragraph (11) and inserting ''; or''; and

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

''(12) involving regular participation as a member of a team conducting visit, board, search, and seizure operations aboard vessels in support of maritime interdiction operations.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 616. SUBMARINE DUTY INCENTIVE PAY RATES.

(a) AUTHORITY.—Section 301c of title 37, United States Code, is amended by striking subsection (b) and inserting the following:

"(b) The Secretary of the Navy shall prescribe the monthly rates of submarine duty incentive pay. The maximum monthly rate may not exceed $1,000.".

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

(A) by striking "in the amount set forth in subsection (b)" in paragraphs (1) and (2); and

(B) in paragraph (4), by striking "that pay in the amount set forth in subsection (b)" and inserting "submarine duty incentive pay".

(2) Subsection (d) of such section is amended by striking "monthly incentive pay authorized by subsection (b)" and inserting "monthly submarine duty incentive pay authorized".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 617. CAREER SEA PAY.

(a) IN GENERAL.—Section 305a(d) of title 37, United States Code, is amended by adding at the end the following: "Under no circumstances shall a member of the uniformed services be excluded from this entitlement by virtue of his or her rank, no matter how junior, or subjected to a minimum time in service or underway in order to rate this entitlement.".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to pay periods beginning on or after that date.

SEC. 618. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR INDIVIDUAL READY RESERVE BONUS FOR REENLISTMENT, ENLISTMENT, OR EXTENSION OF ENLISTMENT.

(a) ELIGIBILITY BASED ON QUALIFICATIONS IN CRITICALLY SHORT WARTIME SKILLS OR SPECIALTIES.—Section 308h(a) of title 37, United States Code, is amended to read as follows:

''(a)(1) The Secretary concerned may pay a bonus as provided in subsection (b) to an eligible person who reenlists, enlists, or voluntarily extends an enlistment in a reserve component of an armed force for assignment to an element (other than the Selected Reserve) of the Ready Reserve of that armed force if the reenlistment, enlistment, or extension is for a period of three years, or for a period of six years, beyond any other period the person is obligated to serve.

''(2) A person is eligible for a bonus under this section if the person—

''(A) is or has been a member of an armed force;

"(B) is qualified in a skill or specialty designated by the Secretary concerned as a critically short wartime skill or critically short wartime specialty, respectively; and

"(C) has not failed to complete satisfactorily any original term of enlistment in the armed forces.

"(3) For the purposes of this section, the Secretary concerned may designate a skill or specialty as a critically short wartime skill or critically short wartime specialty, respectively, for an armed force under the jurisdiction of the Secretary if the Secretary determines that—

"(A) the skill or specialty is critical to meet wartime requirements of the armed force; and

"(B) there is a critical shortage of personnel in that armed force who are qualified in that skill or specialty.".

(b) REGULATIONS.—The Secretaries of the military departments shall prescribe the regulations necessary for administering section 308h of title 37, United States Code, as amended by this section, not later than the effective date determined under subsection (c)(1).

(c) EFFECTIVE DATE.—This section and the amendments made by this section—

(1) shall take effect on the first day of the first month that begins more than 180 days after the date of the enactment of this Act; and

(2) shall apply with respect to reserve component reenlistments, enlistments, and extensions of enlistments that are executed on or after the first day of that month.

SEC. 619. ACCESSION BONUS FOR OFFICERS IN CRITICAL SKILLS.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 323 the following new section:

"§ 324. Special pay: critical officer skills accession bonus

''(a) ACCESSION BONUS AUTHORIZED.—A person who executes a written agreement to accept a commission as an officer of an armed force and serve on active duty in a designated critical officer skill for the period specified in the agreement may be paid an accession bonus upon acceptance of the written agreement by the Secretary concerned.

''(b) DESIGNATION OF CRITICAL OFFICER SKILLS.—(1) The Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall designate the crit-

ical officer skills for the purposes of this section. The Secretary of Defense may so designate a skill for any one or more of the armed forces.

"(2) A skill may be designated as a critical officer skill for an armed force for the purposes of this section if—

"(A) in order to meet requirements of the armed force, it is critical for the armed force to have a sufficient number of officers who are qualified in that skill; and

"(B) in order to mitigate a current or projected significant shortage of personnel in the armed force who are qualified in that skill, it is critical to access into that armed force in sufficient numbers persons who are qualified in that skill or are to be trained in that skill.

"(c) AMOUNT OF BONUS.—The amount of a bonus paid with respect to a critical officer skill shall be determined under regulations jointly prescribed by the Secretary of Defense and the Secretary of Transportation, but may not exceed $20,000.

"(d) LIMITATION ON ELIGIBILITY FOR BONUS.—An individual may not be paid a bonus under subsection (a) if the individual has received, or is receiving, an accession

bonus for the same period of service under section 302d, 302h, or 312b of this title.

"(e) PAYMENT METHOD.—Upon acceptance of a written agreement referred to in subsection (a) by the Secretary concerned, the total amount payable pursuant to the agreement under this section becomes fixed and may be paid by the Secretary in either a lump sum or installments.

"(f) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) A person who, after having received all or part of the bonus under this section pursuant to an agreement referred to in subsection (a), fails to accept an appointment as a commissioned officer or to commence or complete the total period of active duty service in a designated critical officer skill as provided in the agreement shall refund to the United States the amount that bears the same ratio to the total amount of the bonus authorized for such person as the unserved part of the period of agreed active duty service in a designated critical officer skill bears to the total period of the agreed active duty service, but not more than the amount that was paid to the person.

"(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of a written agreement entered into under subsection (a) does not discharge the person signing the agreement from a debt arising under such agreement or under paragraph (1).

"(g) TERMINATION OF AUTHORITY.—No bonus may be paid under this section with respect to an agreement entered into after December 31, 2002.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 323 the following new item:

"324. Special pay: critical officer skills accession bonus.".

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001.

SEC. 620. MODIFICATION OF THE NURSE OFFICER CANDIDATE ACCESSION PROGRAM RESTRICTION ON STUDENTS ATTENDING CIVILIAN EDUCATIONAL INSTITUTIONS WITH SENIOR RESERVE OFFICERS' TRAINING PROGRAMS.

Section 2130a of title 10, United States Code, is amended—

(1) in subsection (a)(2), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title''; and

(2) in subsection (b)(1), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title'' and inserting ''and, in the case of a student so enrolled at a civilian institution that has a Senior Reserve Officers' Training Program established under section 2102 of this title, is not eligible to participate in the Senior Reserve Officers' Training Program''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. ELIGIBILITY FOR TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS BETWEEN PERMANENT DUTY STATIONS.

(a) PERSONNEL IN GRADES BELOW E–4.—Section 403(i) of title 37, United States Code, is amended by striking ''who is in a pay grade E–4 (4 or more years of service) or above''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 632. ELIGIBILITY FOR PAYMENT OF SUBSISTENCE EXPENSES ASSOCIATED WITH OCCUPANCY OF TEMPORARY LODGING INCIDENT TO REPORTING TO FIRST PERMANENT DUTY STATION.

(a) OFFICER PERSONNEL.—Section 404a(a)(2)(C) of title 37, United States Code, is amended by striking ''an enlisted member'' and inserting ''a member''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 633. ELIGIBILITY FOR DISLOCATION ALLOWANCE.

(a) MEMBERS WITH DEPENDENTS WHEN ORDERED TO FIRST DUTY STATION.—Section 407 of title 37, United States Code, is amended—

(1) in subsection (a)(2), by adding at the end the following new subparagraph:

''(F) A member whose dependents actually move from the member's place of residence in connection with the performance of orders for the member to report to the member's first permanent duty station if the move—

''(i) is to the permanent duty station or a designated location; and

''(ii) is an authorized move.''; and

(2) in subsection (e), by inserting ''(except as provided in subsection (a)(2)(F))'' after ''first duty station''.

(b) MARRIED MEMBERS WITHOUT DEPENDENTS ASSIGNED TO GOVERNMENT FAMILY QUARTERS.—Subsection (a) of such section, as amended by subsection (a), is further amended—

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

''(G) Each of two members married to each other who—

''(i) is without dependents;

''(ii) actually moves with the member's spouse to a new permanent duty station; and

"(iii) is assigned to family quarters of the United States at or in the vicinity of the new duty station."; and

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

"(4) If a primary dislocation allowance is payable to two members described in subparagraph (G) of paragraph (2) who are married to each other, the amount of the allowance payable to such members shall be the amount otherwise payable under this subsection to the member in the higher pay grade, or to either member if both members are in the same pay grade. The allowance shall be paid jointly to both members.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 634. ALLOWANCE FOR DISLOCATION FOR THE CONVENIENCE OF THE GOVERNMENT AT HOME STATION.

(a) AUTHORITY.—(1) Chapter 7 of title 37, United States Code is amended by inserting after section 407 the following new section:

"§ 407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station

''(a) AUTHORITY.—Under regulations prescribed by the Secretary concerned, a member of the uniformed services may be paid a dislocation allowance under this section when ordered, for the convenience of the Government and not pursuant to a permanent change of station, to occupy or to vacate family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard.

''(b) AMOUNT.—(1) Subject to paragraph (2), the amount of a dislocation allowance paid under this section is $500.

''(2) Effective on the same date that the monthly rates of basic pay for members of the uniformed services are increased under section 1009 of this title or by a law increasing those rates by a percentage specified in the law, the amount of the dislocation allowance provided under this section shall be increased by the percentage by which the monthly rates of basic pay are so increased.

''(c) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 407 the following new item:

"407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station.".

(b) EFFECTIVE DATE.—Section 407a of title 37, United States Code, shall take effect on October 1, 2001.

SEC. 635. TRAVEL AND TRANSPORTATION ALLOWANCES FOR FAMILY MEMBERS TO ATTEND THE BURIAL OF A DECEASED MEMBER OF THE UNIFORMED SERVICES.

(a) CONSOLIDATION OF AUTHORITIES.—Section 411f of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "ALLOWANCES AUTHORIZED.—(1)" after "(a)";

(B) by striking "the dependents of a member" and inserting "eligible members of the family of a member of the uniformed services";

(C) by striking "such dependents" and inserting "such persons"; and

(D) by inserting at the end the following new paragraph:

"(2) An attendant accompanying a person provided travel and transportation allowances under this section for travel to the burial ceremony for a deceased member may also be provided under the uniform regulations round trip travel and transportation allowances for travel to the burial ceremony if—

"(A) the accompanied person is unable to travel unattended because of age, physical condition, or other justifiable reason, as determined under the uniform regulations; and

"(B) there is no other eligible member of the family of the deceased member traveling to the burial ceremony who is eligible for travel and transportation allowances under this section and is qualified to serve as the attendant.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(1) Except as provided in paragraph (2)" and inserting "LIMITATIONS.—(1) Except as provided in paragraphs (2) and (3)"; and

(ii) by inserting before the period at the end the following: "and the time necessary for such travel";

(B) in paragraph (2), by striking "be extended to accommodate" and inserting "not exceed the rates for 2 days and"; and

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

"(3) If a deceased member is interred in a cemetery maintained by the American Battle Monuments Commis-

sion, the travel and transportation allowances authorized under this section may be provided to and from such cemetery and may not exceed the rates for 2 days and the time necessary for such travel.''; and

(3) by striking subsection (c) and inserting the following:

''(c) ELIGIBLE MEMBERS OF FAMILY.—The following members of the family of a deceased member of the uniformed services are eligible for the travel and transportation allowances under this section:

''(1) The surviving spouse (including a remarried surviving spouse) of the deceased member.

''(2) The unmarried child or children of the deceased member referred to in section 401(a)(2) of this title.

''(3) If no person described in paragraphs (1) and (2) is provided travel and transportation allowances under this section, the parent or parents of the deceased member (as defined in section 401(b)(2) of this title).

''(4) If no person described in paragraphs (1), (2), and (3) is provided travel and transportation allowances under this section, then—

''(A) the person who directs the disposition of the remains of the deceased member under

section 1482(c) of title 10, or, in the case of a deceased member whose remains are commingled and buried in a common grave in a national cemetery, the person who would have been designated under such section to direct the disposition of the remains if individual identification had been made; and

''(B) up to two additional persons closely related to the deceased member who are selected by the person referred to in subparagraph (A).

''(d) DEFINITIONS.—In this section:

''(1) The term 'burial ceremony' includes the following:

''(A) An interment of casketed or cremated remains.

''(B) A placement of cremated remains in a columbarium.

''(C) A memorial service for which reimbursement is authorized under section 1482(d)(2) of title 10.

''(D) A burial of commingled remains that cannot be individually identified in a common grave in a national cemetery.

"(2) The term 'member of the family' includes a person described in section 1482(c)(4) of title 10 who, except for this paragraph, would not otherwise be considered a family member.".

(b) REPEAL OF SUPERSEDED LAWS.—(1) Section 1482 of title 10, United States Code, is amended by striking subsection (d) and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) The Funeral Transportation and Living Expense Benefits Act of 1974 (Public Law 93–257; 88 Stat. 53; 37 U.S.C. 406 note) is repealed.

(c) APPLICABILITY.—The amendments made by this Act shall apply with respect to deaths that occur on or after the later of—

(1) October 1, 2001; or

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

SEC. 636. FAMILY SEPARATION ALLOWANCE FOR MEMBERS ELECTING UNACCOMPANIED TOUR BY REASON OF HEALTH LIMITATIONS OF DEPENDENTS.

(a) ELIGIBILITY.—Section 427(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking "A member who elects" and inserting "(1) Except as provided in paragraph (2), a member who elects";

(2) in the second sentence, by striking ''The Secretary concerned may waive the preceding sentence'' and inserting the following:

''(3) The Secretary concerned may waive paragraph (1)''; and

(3) by inserting after paragraph (1) (as designated by the amendment made by paragraph (1) of this section) the following new paragraph:

''(2) The prohibition in the first sentence of paragraph (1) does not apply in the case of a member who elects to serve a tour of duty unaccompanied by his dependents at the member's permanent station because a dependent cannot accompany the member to or at that permanent station for medical reasons certified by a health care professional in accordance with regulations prescribed for the administration of this section.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 637. FUNDED STUDENT TRAVEL FOR FOREIGN STUDY UNDER AN EDUCATION PROGRAM APPROVED BY A UNITED STATES SCHOOL.

(a) AUTHORITY.—Section 430 of title 37, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by striking ''attending'' and inserting ''enrolled in''; and

(B) by inserting before the comma at the end the following: ''and is attending that school or is participating in a foreign study program approved by that school and, pursuant to that program, is attending a school outside the United States for a period of not more than one year''; and

(2) in subsection (b)—

(A) in the first sentence of paragraph (1), by striking ''each unmarried dependent child,'' and all that follows through ''the school being attended'' and inserting ''each unmarried dependent child (described in subsection (a)(3)) of one annual trip between the school being attended by that child''; and

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

''(3) The transportation allowance paid under paragraph (1) for an annual trip of a dependent child described in subsection (a)(3) who is attending a school outside the United States may not exceed the transportation allowance that would be paid under this section for the annual trip of that child between the child's school in the

continental United States and the member's duty station outside the continental United States and return.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to travel that originates outside the continental United States (as defined in section 430(f) of title 37, United States Code), on or after that date.

SEC. 638. TRANSPORTATION OR STORAGE OF PRIVATELY OWNED VEHICLES ON CHANGE OF PERMANENT STATION.

(a) ADVANCE PAYMENT OF STORAGE COSTS.—Section 2634(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) Storage costs payable under this subsection may be paid in advance.''.

(b) SHIPMENT IN PERMANENT CHANGE OF STATION WITHIN CONUS.—Subsection (h)(1) of such section is amended—

(1) by striking ''includes'' in the second sentence and all that follows and inserting ''includes the following:''; and

(2) by adding at the end the following subparagraphs:

"(A) An authorized change in home port of a vessel.

"(B) A transfer or assignment between two permanent stations in the continental United States when—

"(i) the member cannot, because of injury or the conditions of the order, drive the motor vehicle between the permanent duty stations; or

"(ii) the Secretary concerned determines that it is advantageous and cost-effective to the Government for one motor vehicle of the member to be transported between the permanent duty stations.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

Subtitle D—Matters Relating to Retirement and Survivor Benefits

SEC. 651. PAYMENT OF RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREES.

(a) RESTORATION OF RETIRED PAY BENEFITS.—Chapter 71 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation

"(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Except as provided in subsection (b), a member or former member of the uniformed services who is entitled to retired pay (other than as specified in subsection (c)) and who is also entitled to veterans' disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38.

"(b) SPECIAL RULE FOR CHAPTER 61 CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

"(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less

than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

"(d) DEFINITIONS.—In this section:

"(1) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

"(2) The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.".

(b) REPEAL OF SPECIAL COMPENSATION PROGRAM.—Section 1413 of such title is repealed.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended—

(1) by striking the item relating to section 1413; and

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

"1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation.".

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on the later of—

(A) the first day of the first month that begins after the date of the enactment of qualifying offsetting legislation as described in subsection (e); or

(B) October 1, 2002.

(2) No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as added by the amendment made by subsection (a), for any period before the effective date under paragraph (1).

(e) EFFECTIVENESS CONTINGENT ON OFFSETTING LEGISLATION.—(1) The amendments made by this section shall be effective only if—

(A) the President, in the budget for fiscal year 2003 that is submitted to Congress under section 1105(a) of title 31, United States Code, proposes legislation which, if enacted, would be qualifying offsetting legislation; and

(B) there is enacted during the second session of the One Hundred Seventh Congress qualifying offsetting legislation.

(2) In this section:

(A) The term ''qualifying offsetting legislation'' means legislation (other than an appropriations Act) that includes provisions that—

(i) offset fully the increased outlays for each of fiscal years 2003 through 2012 to be made by reason of the amendments made by this section;

(ii) expressly state that they are enacted for the purpose of the offset described in clause (i); and

(iii) are included in full on the PayGo scorecard.

(B) The term ''PayGo scorecard'' means the estimates that are made with respect to fiscal years through fiscal year 2012 by the Director of the Congressional Budget Office and the Director of the Office of Management and Budget under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle E—Other Matters

SEC. 661. EDUCATION SAVINGS PLAN FOR REENLISTMENTS AND EXTENSIONS OF SERVICE IN CRITICAL SPECIALTIES.

(a) ESTABLISHMENT OF SAVINGS PLAN.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 324. Incentive bonus: savings plan for education expenses and other contingencies

''(a) BENEFIT AND ELIGIBILITY.—The Secretary concerned may purchase United States savings bonds under this section for a member of the armed forces who is eligible as follows:

"(1) A member who, before completing three years of service on active duty, enters into a commitment to perform qualifying service.

"(2) A member who, after completing three years of service on active duty but not more than nine years of service on active duty, enters into a commitment to perform qualifying service.

"(3) A member who, after completing nine years of service on active duty, enters into a commitment to perform qualifying service.

"(b) QUALIFYING SERVICE.—For the purposes of this section, qualifying service is service on active duty in a specialty designated by the Secretary concerned as critical to meet requirements (whether or not such specialty is designated as critical to meet wartime or peacetime requirements) for a period that—

"(1) is not less than six years; and

"(2) does not include any part of a period for which the member is obligated to serve on active duty under an enlistment or other agreement for which a benefit has previously been paid under this section.

"(c) FORMS OF COMMITMENT TO ADDITIONAL SERVICE.—For the purposes of this section, a commitment means—

"(1) in the case of an enlisted member, a reenlistment; and

"(2) in the case of a commissioned officer, an agreement entered into with the Secretary concerned.

"(d) AMOUNTS OF BONDS.—The total of the face amounts of the United States savings bonds authorized to be purchased for a member under this section for a commitment shall be as follows:

"(1) In the case of a purchase for a member under paragraph (1) of subsection (a), $5,000.

"(2) In the case of a purchase for a member under paragraph (2) of subsection (a), the amount equal to the excess of $15,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

"(3) In the case of a purchase for a member under paragraph (3) of subsection (a), the amount equal to the excess of $30,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

"(e) TOTAL AMOUNT OF BENEFIT.—The total amount of the benefit authorized for a member when

United States savings bonds are purchased for the member under this section by reason of a commitment by that member shall be the sum of—

"(1) the purchase price of the United States savings bonds; and

"(2) the amounts that would be deducted and withheld for the payment of individual income taxes if the total amount computed under this subsection for that commitment were paid to the member as a bonus.

"(f) AMOUNT WITHHELD FOR TAXES.—The total amount payable for a member under subsection (e)(2) for a commitment by that member shall be withheld, credited, and otherwise treated in the same manner as amounts deducted and withheld from the basic pay of the member.

"(g) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) If a person fails to complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall refund to the United States the amount that bears the same ratio to the total amount paid for the person (as computed under subsection (e)) for that particular commitment as the uncompleted part of the period of qualifying service bears to the total period of the qualifying service for which obligated.

"(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such reenlistment or other agreement from a debt arising under the reenlistment or agreement, respectively, or this subsection.

"(h) RELATIONSHIP TO OTHER SPECIAL PAYS.—The benefit authorized under this section is in addition to any other bonus or incentive or special pay that is paid or payable to a member under any other provision of this chapter for any portion of the same qualifying service.

"(i) REGULATIONS.—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.".

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

"324. Incentive bonus: savings plan for education and other contingencies.".

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001, and shall apply with respect to reenlistments and other agreements for qualifying service (described in that section) that are entered into on or after that date.

(c) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $20,000,000 may be available in that fiscal year for the purchase of United States savings bonds under section 324 of title 37, United States Code (as added by subsection (a)).

SEC. 662. COMMISSARY BENEFITS FOR NEW MEMBERS OF THE READY RESERVE.

(a) ELIGIBILITY.—Section 1063 of title 10, United States Code, is amended—

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

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

"(b) ELIGIBILITY OF NEW MEMBERS.—(1) The Secretary concerned shall authorize a new member of the Ready Reserve to use commissary stores of the Department of Defense for a number of days accruing at the rate of two days for each month in which the member participates satisfactorily in training required under section 10147(a)(1) of this title or section 502(a) of title 32, as the case may be.

"(2) For the purposes of paragraph (1), a person shall be considered a new member of the Ready Reserve upon becoming a member and continuing without a break in the membership until the earlier of—

"(A) the date on which the member becomes eligible to use commissary stores under subsection (a); or

"(B) December 31 of the first calendar year in which the membership has been continuous for the entire year.

"(3) A new member may not be authorized under this subsection to use commissary stores for more than 24 days for any calendar year.".

(b) REQUIRED DOCUMENTATION.—Subsection (d) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following: "The regulations shall specify the required documentation of satisfac-

tory participation in training for the purposes of subsection (b).''.

(c) CONFORMING AMENDMENT.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by striking ''Subsection (a)'' and inserting ''Subsections (a) and (b)''.

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

''§ 1063. Use of commissary stores: members of Ready Reserve''.

(2) Subsection (a) of such section is amended by striking ''OF READY RESERVE'' and inserting ''WITH 50 OR MORE CREDITABLE POINTS''.

(3) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

''1063. Use of commissary stores: members of Ready Reserve.''.

SEC. 663. AUTHORIZATION OF TRANSITIONAL COMPENSATION AND COMMISSARY AND EXCHANGE BENEFITS FOR DEPENDENTS OF COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE AND THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION WHO ARE SEPARATED FOR DEPENDENT ABUSE.

(a) COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health

Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

"(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.".

(b) COMMISSIONED OFFICERS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act entitled "An Act to revise, codify, and enact into law, title 10 of the United States Code, entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard' ", approved August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following new paragraph:

"(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.".

TITLE VII—HEALTH CARE

Subtitle A—TRICARE Benefits Modernization

SEC. 701. REQUIREMENT FOR INTEGRATION OF BENEFITS.

(a) IN GENERAL.—The Secretary of Defense shall—

(1) terminate the Individual Case Management Program carried out under section 1079(a)(17) of title 10, United States Code (as in effect on September 30, 2001); and

(2) integrate the beneficiaries under that program, and the furnishing of care to those beneficiaries, into the TRICARE program as modified pursuant to the amendments made by this subtitle.

(b) REPEAL OF SEPARATE AUTHORITY.—Section 1079 of title 10, United States Code, is amended by striking paragraph (17).

(c) SAVINGS PROVISION.—Nothing in this subtitle or the amendments made by this subtitle shall be construed—

(1) to modify any eligibility requirement for any person receiving benefits under the Individual Case Management Program before October 1, 2001; or

(2) to terminate any benefits available under that program before that date.

(d) CONSULTATION REQUIREMENT.—The Secretary of Defense shall consult with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, in carrying out this section.

SEC. 702. DOMICILIARY AND CUSTODIAL CARE.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraphs:

''(8) The term 'domiciliary care' means treatment or services involving assistance with the per-

formance of activities of daily living that is provided to a patient in a home-like setting because—

"(A) the treatment or services are not available, or are not suitable to be provided, to the patient in the patient's home; or

"(B) no member of the patient's family is willing to provide the treatment or services.

"(9) The term 'custodial care'—

"(A) means treatment or services that—

"(i) could be provided safely and reasonably by a person not trained as a physician, nurse, paramedic, or other health care provider; or

"(ii) are provided principally to assist the recipient of the treatment or services with the performance of activities of daily living; and

"(B) includes any treatment or service described in subparagraph (A) without regard to—

"(i) the source of any recommendation to provide the treatment or service; and

"(ii) the setting in which the treatment or service is provided.".

SEC. 703. LONG TERM CARE.

(a) LIMITATION.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074i the following new section:

"§ 1074j. Long term care benefits program

"(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall provide long term health care benefits under the TRICARE program in an effective and efficient manner that integrates those benefits with the benefits provided on a less than a long term basis under the TRICARE program.

"(b) AUTHORIZED CARE.—The types of health care authorized to be provided under this section shall include the following:

"(1) The types of health care authorized to be acquired by contract under section 1079 of this title.

"(2) Extended care services.

"(3) Post-hospital extended care services.

"(4) Comprehensive intermittent home health services.

"(c) DURATION OF POST-HOSPITAL EXTENDED CARE SERVICES.—The post-hospital extended care services provided in a skilled nursing facility to a patient during a spell of illness under subsection (b)(3) shall continue for as long as is medically necessary and appropriate. The limitation on the number of days of coverage under sub-

sections (a)(2) and (b)(2)(A) of section 1812 of the Social Security Act (42 U.S.C. 1395d) shall not apply with respect to the care provided that patient.

"(d) REGULATIONS.—The Secretary of Defense shall, after consultation with the other administering Secretaries, prescribe regulations to carry out this section.

"(e) DEFINITIONS.—In this section:

"(1) The term 'extended care services' has the meaning given the term in subsection (h) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

"(2) The term 'post-hospital extended services' has the meaning given the term in subsection (i) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

"(3) The term 'home health services' has the meaning given the term in subsection (m) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

"(4) The term 'skilled nursing facility' has the meaning given the term in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a)).

"(5) The term 'spell of illness' has the meaning given the term in subsection (a) of section 1861 of the Social Security Act (42 U.S.C. 1395x).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting

after the item relating to section 1074i the following new item:

"1074j. Long term care benefits program.".

SEC. 704. EXTENDED BENEFITS FOR DISABLED BENEFICIARIES.

Section 1079 of title 10, United States Code, is amended by striking subsections (d), (e), and (f) and inserting the following:

"(d)(1) The health care benefits contracted for under this section shall include extended benefits for dependents referred to in the first sentence of subsection (a) who have any of the following qualifying conditions:

"(A) Moderate or severe mental retardation.

"(B) A serious physical disability.

"(C) Any extraordinary physical or psychological condition.

"(2) The extended benefits under paragraph (1) may include comprehensive health care and case management services, to the extent not otherwise provided under this chapter with respect to a qualifying condition, as follows:

"(A) Diagnosis.

"(B) Inpatient, outpatient, and comprehensive home health supplies and services.

"(C) Training and rehabilitation, including special education and assistive technology devices.

"(D) Institutional care in private nonprofit, public, and State institutions and facilities and, when appropriate, transportation to and from such institutions and facilities.

"(E) Any other services and supplies determined appropriate under regulations prescribed under paragraph (9).

"(3) The extended benefits under paragraph (1) may also include respite care for the primary caregiver of a dependent eligible for extended benefits under this subsection.

"(4) Home health supplies and services may be provided to a dependent under paragraph (2)(B) as other than part-time or intermittent services (as determined in accordance with the second sentence of section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m)) only if—

"(A) the provision of such supplies and services in the home of the dependent is medically appropriate; and

"(B) the cost of the provision of such supplies and services to the dependent is equal to or less than the cost of the provision of similar supplies and services to the dependent in a skilled nursing facility.

"(5) Subsection (a)(13) shall not apply to the provision of care and services determined appropriate to be provided as extended benefits under this subsection.

"(6) Subject to paragraph (7), a member of the uniformed services shall pay a share of the cost of any care and services provided as extended benefits to any of the dependents of the member under this subsection as follows:

"(A) In the case of a member in the lowest enlisted pay grade, the first $25 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

"(B) In the case of a member in the highest commissioned pay grade, the first $250 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

"(C) In the case of a member in any other pay grade, a fixed amount of the cumulative costs of all care furnished to one or more dependents of the member in a month, as prescribed for that pay grade in regulations prescribed under paragraph (9).

"(7)(A) In the case of extended benefits provided under subparagraph (C) or (D) of paragraph (2) to a dependent of a member of the uniformed services—

"(i) the Government's share of the total cost of providing such benefits in any month shall not exceed $2,500, except for costs that a member is exempt from paying under subparagraph (B); and

"(ii) the member shall pay (in addition to any amount payable under paragraph (6)) the amount, if any, by which the amount of such total cost for the month exceeds the Government's maximum share under clause (i).

"(B) A member of the uniformed services who incurs expenses under subparagraph (A) for a month for more than one dependent shall not be required to pay for the month under clause (ii) of that subparagraph an amount greater than the amount the member would otherwise be required to pay under that clause for the month if the member were incurring expenses under that subparagraph for only one dependent.

"(8) To qualify for extended benefits under subparagraph (C) or (D) of paragraph (2), a dependent of a member of the uniformed services shall be required to use public facilities to the extent such facilities are available and adequate, as determined under joint regulations of the administering Secretaries.

"(9) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to carry out this subsection.".

SEC. 705. CONFORMING REPEALS.

The following provisions of law are repealed:

(1) Section 703 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 682; 10 U.S.C. 1077 note).

(2) Section 8118 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1260).

(3) Section 8100 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 696).

SEC. 706. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect on October 1, 2001.

Subtitle B—Other Matters

SEC. 711. REPEAL OF REQUIREMENT FOR PERIODIC SCREENINGS AND EXAMINATIONS AND RELATED CARE FOR MEMBERS OF ARMY RESERVE UNITS SCHEDULED FOR EARLY DEPLOYMENT.

Section 1074a of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 712. CLARIFICATION OF ELIGIBILITY FOR REIMBURSEMENT OF TRAVEL EXPENSES OF ADULT ACCOMPANYING PATIENT IN TRAVEL FOR SPECIALTY CARE.

Section 1074i of title 10, United States Code, is amended by inserting before the period at the end the following: ''and, when accompaniment by an adult is necessary, for a parent or guardian of the covered beneficiary or another member of the covered beneficiary's family who is at least 21 years of age''.

SEC. 713. TRICARE PROGRAM LIMITATIONS ON PAYMENT RATES FOR INSTITUTIONAL HEALTH CARE PROVIDERS AND ON BALANCE BILLING BY INSTITUTIONAL AND NONINSTITUTIONAL HEALTH CARE PROVIDERS.

(a) INSTITUTIONAL PROVIDERS.—Section 1079(j) of title 10, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking ''(A)''; and

(B) by striking ''may be determined under joint regulations'' and inserting ''shall be determined under joint regulations'';

(2) by redesignating subparagraph (B) of paragraph (2) as paragraph (4), and, in such paragraph, as so redesignated, by striking ''subparagraph (A),'' and inserting ''this subsection,''; and

(3) by inserting before paragraph (4), as redesignated by paragraph (2), the following new paragraph (3):

''(3) A contract for a plan covered by this section shall include a clause that prohibits each provider of services under the plan from billing any person covered by the plan for any balance of charges for services in excess of the amount paid for those services under the joint regulations referred to in paragraph (2), except for any unpaid amounts of deductibles or copayments that are payable directly to the provider by the person.''.

(b) NONINSTITUTIONAL PROVIDERS.—Section 1079(h)(4) of such title is amended—

(1) by inserting ''(A)'' after ''(4)''; and

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

''(B) The regulations shall include a restriction that prohibits an individual health care professional (or other noninstitutional health care provider) from billing a beneficiary for services for more than the amount that is equal to—

"(i) the excess of the limiting charge (as defined in section 1848(g)(2) of the Social Security Act (42 U.S.C. 1395w–4(g)(2))) that would be applicable if the services had been provided by the professional (or other provider) as an individual health care professional (or other noninstitutional health care provider) on a nonassignment-related basis under part B of title XVIII of such Act over the amount that is payable by the United States for those services under this subsection, plus

"(ii) any unpaid amounts of deductibles or copayments that are payable directly to the professional (or other provider) by the beneficiary.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 714. TWO-YEAR EXTENSION OF HEALTH CARE MANAGEMENT DEMONSTRATION PROGRAM.

(a) EXTENSION.—Subsection (d) of section 733 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–191) is amended by striking "December 31, 2001" and inserting "December 31, 2003".

(b) REPORT.—Subsection (e) of that section is amended—

(1) by striking ''REPORTS.—'' and inserting ''REPORT.—''; and

(2) by striking ''March 15, 2002'' and inserting ''March 15, 2004''.

SEC. 715. STUDY OF HEALTH CARE COVERAGE OF MEMBERS OF THE SELECTED RESERVE.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the needs of members of the Selected Reserve of the Ready Reserve of the Armed Forces and their families for health care benefits.

(b) REPORT.—Not later than March 1, 2002, the Comptroller General shall submit to Congress a report on the study under subsection (a). The report shall include the following matters:

(1) An analysis of how members of the Selected Reserve currently obtain coverage for health care benefits when not on active duty, together with statistics on enrollments in health care benefits plans, including—

(A) the percentage of members of the Selected Reserve who are not covered by an employer health benefits plan;

(B) the percentage of members of the Selected Reserve who are not covered by an individual health benefits plan; and

(C) the percentage of members of the Selected Reserve who are not covered by any health insurance or other health benefits plan.

(2) An assessment of the disruptions in health benefits coverage that a mobilization of members of the Selected Reserve has caused for the members and their families.

(3) An assessment of the cost and effectiveness of various options for preventing or reducing disruptions described in paragraph (2), including—

(A) providing health care benefits to all members of the Selected Reserve and their families through TRICARE, the Federal Employees Health Benefits Program, or otherwise;

(B) revising and extending the program of transitional medical and dental care that is provided under section 1074b of title 10, United States Code, for members of the Armed Forces upon release from active duty served in support of a contingency operation;

(C) requiring the health benefits plans of members of the Selected Reserve, including individual health benefits plans and group health benefits plans, to permit members of the Selected Reserve to elect to resume coverage

under such health benefits plans upon release from active duty in support of a contingency operation;

(D) providing financial assistance for paying premiums or other subscription charges for continuation of coverage by private sector health insurance or other health benefits plans; and

(E) any other options that the Comptroller General determines advisable to consider.

SEC. 716. STUDY OF ADEQUACY AND QUALITY OF HEALTH CARE PROVIDED TO WOMEN UNDER THE DEFENSE HEALTH PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy and quality of the health care provided to women under chapter 55 of title 10, United States Code.

(b) SPECIFIC CONSIDERATION.—The study shall include an intensive review of the availability and quality of reproductive health care services.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than April 1, 2002.

SEC. 717. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR DEPARTMENT OF DEFENSE IN THE PERFORMANCE OF SEPARATION PHYSICAL EXAMINATIONS.

(a) AUTHORITY.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program for the performance of the physical examinations required in connection with the separation of members of the uniformed services. The requirements of this section shall apply to a pilot program, if any, that is carried out under the authority of this subsection.

(b) PERFORMANCE OF PHYSICAL EXAMINATIONS BY DEPARTMENT OF VETERANS AFFAIRS.—Under the pilot program, the Secretary of Veterans Affairs shall perform the physical examinations of members of the uniformed services separating from the uniformed services who are in one or more geographic areas designated for the pilot program by the Secretaries.

(c) REIMBURSEMENT.—The Secretary of Defense shall provide for reimbursing the Secretary of Veterans Affairs for the cost incurred by the Secretary of Veterans Affairs in performing, under the pilot program, the items of physical examination that are required by the Secretary concerned in connection with the separation of a member of a uniformed service. Reimbursements shall be paid out of funds available for the performance of separation phys-

ical examinations of members of that uniformed service in facilities of the uniformed services.

(d) AGREEMENT.—(1) The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out a pilot program established under this section. The agreement shall specify the geographic area in which the pilot program is carried out and the means for making reimbursement payments.

(2) The other administering Secretaries shall also enter into the agreement to the extent that the Secretary of Defense determines necessary to apply the pilot program, including the requirement for reimbursement, to the uniformed services not under the jurisdiction of the Secretary of a military department.

(e) CONSULTATION REQUIREMENT.—In developing and carrying out the pilot program, the Secretary of Defense shall consult with the other administering Secretaries.

(f) PERIOD OF PROGRAM.—Any pilot program established under this section shall begin not later than July 1, 2002, and terminate on December 31, 2005.

(g) REPORTS.—(1) Not later than January 31, 2004, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress an interim report on the conduct of the pilot program.

(2) Not later than March 1, 2005, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a final report on the conduct of the pilot program.

(3) Each report under this subsection shall include the Secretaries' assessment, as of the date of such report, of the efficacy of the performance of separation physical examinations as provided for under the pilot program.

(h) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given the term in section 1072(3) of title 10, United States Code.

(2) The term ''Secretary concerned'' has the meaning given the term in section 101(5) of title 37, United States Code.

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

Subtitle A—Procurement Management and Administration

SEC. 801. MANAGEMENT OF PROCUREMENTS OF SERVICES.

(a) RESPONSIBILITY OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGIS-

TICS.—Section 133(b) of title 10, United States Code, is amended—

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

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) managing the procurements of services for the Department of Defense; and''.

(b) REQUIREMENT FOR MANAGEMENT STRUCTURE.—(1) Chapter 137 of such title is amended by inserting after section 2328 the following new section:

''§ 2330. Procurements of services: management structure

''(a) REQUIREMENT FOR MANAGEMENT STRUCTURE.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall establish a structure for the management of procurements of services for the Department of Defense.

''(b) DELEGATION OF AUTHORITY.—(1) The management structure shall provide for a designated official in each Defense Agency, military department, and command to exercise the responsibility for the management

of the procurements of services for the official's Defense Agency, military department, or command, respectively.

"(2) For the exercise of the responsibility under paragraph (1), a designated official shall report, and be accountable, to—

"(A) the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

"(B) such other officials as the Under Secretary may prescribe for the management structure.

"(3) Paragraph (2) shall not affect the responsibility of a designated official for a military department who is not the Secretary of that military department to report, and be accountable, to the Secretary of the military department.

"(c) CONTRACTING RESPONSIBILITIES OF DESIGNATED OFFICIALS.—The responsibilities of an official designated under subsection (b) shall include, with respect to the procurements of services for the Defense Agency, military department, or command of that official, the following:

"(1) Ensuring that the services are procured by means of contracts or task orders that are in the best interests of the Department of Defense and are entered into or issued and managed in compliance with the applicable statutes, regulations, directives,

and other requirements, regardless of whether the services are procured through a contract of the Department of Defense or through a contract entered into by an official of the United States outside the Department of Defense.

"(2) Establishing within the Department of Defense appropriate contract vehicles for use in the procurement of services so as to ensure that officials of the Department of Defense are accountable for the procurement of the services in accordance with the requirements of paragraph (1).

"(3) Analyzing data collected under section 2330a of this title on contracts that are entered into for the procurement of services.

"(4) Approving, in advance, any procurement of services that is to be made through the use of—

"(A) a contract or task order that is not a performance-based contract or task order; or

"(B) a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense.

"(d) DEFINITION.—In this section, the term 'performance-based', with respect to a contract or a task order means that the contract or task– order, respectively, includes the use of performance work statements that set

forth contract requirements in clear, specific, and objective terms with measurable outcomes.''.

(2) Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall issue guidance for officials in the management structure established under section 2330 of title 10, United States Code (as added by paragraph (1)), regarding how to carry out their responsibilities under that section. The guidance shall include, at a minimum, the following:

(A) Specific dollar thresholds, approval levels, and criteria for advance approvals under subsection (c)(4) of such section 2330.

(B) A prohibition on the procurement of services through the use of a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense that is not a performance-based contract or task order, unless an appropriate official in the management structure established under such section 2330 determines in writing that the use of that means for the procurement is justified on the basis of exceptional circumstances as being in the best interests of the Department of Defense.

(c) TRACKING OF PROCUREMENTS OF SERVICES.—Chapter 137 of title 10, United States Code, as amended by subsection (b), is further amended by inserting after section 2330 the following new section:

"§ 2330a. Procurements of services: tracking

''(a) DATA COLLECTION REQUIRED.—The Secretary of Defense shall establish a data collection system to provide management information with regard to each purchase of services by a military department or Defense Agency in excess of the simplified acquisition threshold, regardless of whether such a purchase is made in the form of a contract, task order, delivery order, military interdepartmental purchase request, or any other form of interagency agreement.

''(b) DATA TO BE COLLECTED.—The data required to be collected under subsection (a) includes the following:

''(1) The services purchased.

''(2) The total dollar amount of the purchase.

''(3) The form of contracting action used to make the purchase.

''(4) Whether the purchase was made through—

''(A) a performance-based contract, performance-based task order, or other performance-based arrangement that contains firm

fixed prices for the specific tasks to be performed;

"(B) any other performance-based contract, performance-based task order, or performance-based arrangement; or

"(C) any contract, task order, or other arrangement that is not performance based.

"(5) In the case of a purchase made through an agency other than the Department of Defense—

"(A) the agency through which the purchase is made; and

"(B) the reasons for making the purchase through that agency.

"(6) The extent of competition provided in making the purchase (including the number of offerors).

"(7) whether the purchase was made from—

"(A) a small business concern;

"(B) a small business concern owned and controlled by socially and economically disadvantaged individuals; or

"(C) a small business concern owned and controlled by women.

"(c) COMPATIBILITY WITH DATA COLLECTION SYSTEM FOR INFORMATION TECHNOLOGY PURCHASES.—To

the maximum extent practicable, a single data collection system shall be used to collect data under this section and information under section 2225 of this title.

"(d) DEFINITIONS.—In this section:

"(1) The term 'performance-based', with respect to a contract, task order, or arrangement, means that the contract, task order, or arrangement, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

"(2) The definitions set forth in section 2225(f) of this title for the terms 'simplified acquisition threshold', 'small business concern', 'small business concern owned and controlled by socially and economically disadvantaged individuals', and 'small business concern owned and controlled by women' shall apply.".

(d) REQUIREMENT FOR PROGRAM REVIEW STRUCTURE.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue and implement a policy that applies to the procurement of services by the Department of Defense a program review structure that is similar to the one developed for and

applied to the procurement of systems by the Department of Defense.

(2) The program review structure for the procurement of services shall, at a minimum, include the following:

(A) Standards for determining which procurements should be subject to review by either the senior procurement executive of a military department or the senior procurement executive of the Department of Defense under such section, including criteria based on dollar thresholds, program criticality, or other appropriate measures.

(B) Appropriate milestones at which those reviews should take place.

(C) A description of the specific matters that should be reviewed.

(e) COMPTROLLER GENERAL REVIEW.—Not later than 90 days after the date on which the Secretary issues the policy required by subsection (d) and the Under Secretary of Defense for Acquisition, Technology, and Logistics issues the guidance required by subsection (b)(2), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives an assessment of the compliance with the require-

ments of this section and the amendments made by this section.

(f) DEFINITIONS.—In this section:

(1) The term ''senior procurement executive'' means the official designated as the senior procurement executive under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(2) The term ''performance-based'', with respect to a contract or a task order means that the contract or task order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(g) CLERICAL AMENDMENTS.—(1) The heading for section 2331 of title 10, United States Code, is amended to read as follows:

''§ 2331. Procurements of services: contracts for professional and technical services''.

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking the item relating to section 2331 and inserting the following new items:

''2330. Procurements of services: management structure.
''2330a. Procurements of services: tracking.
''2331. Procurements of services: contracts for professional and technical services.''.

SEC. 802. SAVINGS GOALS FOR PROCUREMENTS OF SERVICES.

(a) GOALS.—(1) It shall be an objective of the Department of Defense to achieve savings in expenditures for procurements of services through the use of—

(A) performance-based services contracting;

(B) competition for task orders under services contracts; and

(C) program review, spending analyses, and improved management of services contracts.

(2) In furtherance of that objective, the Department of Defense shall have goals to use improved management practices to achieve, over 10 fiscal years, reductions in the total amount that would otherwise be expended by the Department for the procurement of services (other than military construction) in a fiscal year by the amount equal to 10 percent of the total amount of the expenditures of the Department for fiscal year 2000 for procurement of services (other than military construction), as follows:

(A) By fiscal year 2002, a three percent reduction.

(B) By fiscal year 2003, a four percent reduction.

(C) By fiscal year 2004, a five percent reduction.

(D) By fiscal year 2011, a ten percent reduction.

(b) ANNUAL REPORT.—Not later than March 1, 2002, and annually thereafter through March 1, 2006, the Secretary of Defense shall submit to the congressional defense committees a report on the progress made toward meeting the objective and goals established in subsection (a). Each report shall include, at a minimum, the following information:

(1) A summary of the steps taken or planned to be taken in the fiscal year of the report to improve the management of procurements of services.

(2) A summary of the steps planned to be taken in the following fiscal year to improve the management of procurements of services.

(3) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the fiscal year of the report.

(4) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the following fiscal year.

(5) An estimate of the amount of savings that, as a result of improvement of the management practices used by the Department of Defense, will be achieved for the procurement of services by the De-

partment in the fiscal year of the report and in the following fiscal year.

(c) REVIEW AND REPORT BY COMPTROLLER GENERAL.—The Comptroller General shall review each report submitted by the Secretary pursuant to subsection (b), and within 90 days after the date of the report, submit to Congress a report containing the Comptroller General's assessment of the extent to which the Department of Defense has taken steps necessary to achieve the objective and goals established by subsection (a). In each report the Comptroller General shall, at a minimum, address—

(1) the accuracy and reliability of the estimates included in the Secretary's report; and

(2) the effectiveness of the improvements in management practices that have been taken, and those that are planned to be taken, in the Department of Defense to achieve savings in procurements of services by the Department.

SEC. 803. COMPETITION REQUIREMENT FOR PURCHASES PURSUANT TO MULTIPLE AWARD CONTRACTS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall promulgate in the Department of Defense Supplement to the Federal Acquisition Regula-

tion regulations requiring competition in the purchase of products and services by the Department of Defense pursuant to multiple award contracts.

(b) CONTENT OF REGULATIONS.—The regulations required by subsection (a) shall provide, at a minimum, that each individual procurement of products and services in excess of $50,000 that is made under a multiple award contract shall be made on a competitive basis unless a contracting officer of the Department of Defense—

(1) waives the requirement on the basis of a determination that one of the circumstances described in paragraphs (1) through (4) of section 2304(c) of title 10, United States Code, applies to such individual procurement; and

(2) justifies the determination in writing.

(c) REPORTING REQUIREMENT.—The Secretary shall submit to the congressional defense committees each year a report on the use of the waiver authority provided in the regulations prescribed under subsection (b). The report for a year shall include, at a minimum, for each military department and each Defense Agency, the following:

(1) The number of the waivers granted.

(2) The dollar value of the procurements for which the waivers were granted.

(3) The bases on which the waivers were granted.

(d) DEFINITIONS.—In this section:

(1) The term ''individual procurement'' means a task order, delivery order, or other purchase.

(2) The term ''multiple award contract'' means—

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

(3) The term ''competitive basis'', with respect to an individual procurement of products or services

under a multiple award contract, means procedures that—

(A) require fair notice to be provided to all contractors offering such products or services under the multiple award contract of the intent to make that procurement; and

(B) afford all such contractors a fair opportunity to make an offer and have that offer fully and fairly considered by the official making the procurement.

(4) The term ''Defense Agency'' has the meaning given that term in section 101(a)(11) of title 10, United States Code.

(e) APPLICABILITY.—The regulations promulgated by the Secretary pursuant to subsection (a) shall take effect not later than 180 days after the date of the enactment of this Act and shall apply to all individual procurements that are made under multiple award contracts on or after the effective date, without regard to whether the multiple award contracts were entered into before, on, or after such effective date.

SEC. 804. RISK REDUCTION AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAM.

(a) STANDARD FOR TECHNOLOGICAL MATURITY.—(1) Chapter 144 of title 10, United States Code, is amend-

ed by inserting after section 2431 the following new section:

"§ 2431a. Risk reduction at program initiation

"(a) REQUIREMENT FOR DEMONSTRATION OF CRITICAL TECHNOLOGIES.—Each critical technology that is to be used in production under a major defense acquisition program shall be successfully demonstrated in a relevant environment, as determined in writing by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(b) PROHIBITION.—Neither of the following actions may be taken in a major defense acquisition program before the requirement of subsection (a) has been satisfied for the program:

"(1) Milestone B approval.

"(2) Initiation of the program without a Milestone B approval.

"(c) WAIVER.—The Under Secretary of Defense for Acquisition, Technology, and Logistics may waive the prohibition in subsection (b) with respect to a major defense acquisition program if the Milestone Decision Authority for the program certifies to the Under Secretary that exceptional circumstances justify proceeding with an action described in that subsection for the program before compliance with subsection (a).

"(d) ANNUAL REPORT ON WAIVERS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives each year the justification for any waiver granted with respect to a major defense acquisition program under subsection (c) during the fiscal year covered by the report.

"(2) The report for a fiscal year shall be submitted with the submission of the weapons development and procurement schedules under section 2431 of this title and shall cover the fiscal year preceding the fiscal year in which submitted.

"(e) DEFINITIONS.—In this section:

"(1) The term 'Milestone B approval' means approval to begin integrated system development and demonstration.

"(2) The term 'Milestone Decision Authority' means the official of the Department of Defense who is designated in accordance with criteria prescribed by the Secretary of Defense to approve entry of a major defense acquisition program into the next phase of the acquisition process.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2431 the following:

"2431a. Risk reduction at program initiation.".

(b) EFFECTIVE DATE AND APPLICABILITY.—(1) Section 2431a of title 10, United States Code (as added by subsection (a)), shall take effect on the date of the enactment of this Act and shall apply to—

(A) any major defense acquisition program that is initiated on or after that date without a Milestone B approval having been issued for the program; and

(B) any major defense acquisition program that is initiated more than 6 months after that date with a Milestone B approval having been issued for the program before the initiation of the program.

(2) In paragraph (1):

(A) The term ''major defense acquisition program'' has the meaning given the term in section 2430 of title 10, United States Code.

(B) The term ''Milestone B approval'' has the meaning given the term under section 2431a(d) of title 10, United States Code (as added by subsection (a)).

SEC. 805. FOLLOW-ON PRODUCTION CONTRACTS FOR PRODUCTS DEVELOPED PURSUANT TO PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) FOLLOW-ON PRODUCTION CONTRACTS.—(1) A transaction entered into under this section for a prototype project that satisfies the conditions set forth in subsection (d)(1)(B)(i) may provide for the award of a follow-on production contract to the participants in the transaction for a specific number of units at specific target prices. The number of units specified in the transaction shall be determined on the basis of a balancing of the level of the investment made in the project by the participants other than the Federal Government with the interest of the Federal Government in having competition among sources in the acquisition of the product or products prototyped under the project.

''(2) A follow-on production contract provided for in a transaction under paragraph (1) may be awarded to the participants in the transaction without the use of competitive procedures, notwithstanding the requirements of section 2304 of title 10, United States Code, if—

''(A) competitive procedures were used for the selection of parties for participation in the transaction;

"(B) the participants in the transaction successfully completed the prototype project provided for in the transaction;

"(C) the number of units provided for in the follow-on production contract does not exceed the number of units specified in the transaction for such a follow-on production contract; and

"(D) the prices established in the follow-on production contract do not exceed the target prices specified in the transaction for such a follow-on production contract.".

Subtitle B—Defense Acquisition and Support Workforce

SEC. 811. REPORT ON IMPLEMENTATION OF RECOMMENDATIONS OF THE ACQUISITION 2005 TASK FORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the extent of the implementation of the recommendations set forth in the final report of the Department of Defense Acquisition 2005 Task Force, entitled "Shaping the Civilian Acquisition Workforce of the Future".

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

(1) For each recommendation in the final report that is being implemented or that the Secretary plans to implement—

(A) a summary of all actions that have been taken to implement the recommendation; and

(B) a schedule, with specific milestones, for completing the implementation of the recommendation.

(2) For each recommendation in the final report that the Secretary does not plan to implement—

(A) the reasons for the decision not to implement the recommendation; and

(B) a summary of any alternative actions the Secretary plans to take to address the purposes underlying the recommendation.

(3) A summary of any additional actions the Secretary plans to take to address concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

(c) COMPTROLLER GENERAL REVIEW.—Not later than 60 days after the date on which the Secretary sub-

mits the report required by subsection (a), the Comptroller General shall—

(1) review the report; and

(2) submit to the committees referred to in subsection (a) the Comptroller General's assessment of the extent to which the report—

(A) complies with the requirements of this section; and

(B) addresses the concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

SEC. 812. MORATORIUM ON REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2002, 2003, and 2004, below the level of that workforce as of September 30, 2001, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the

level to which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(c) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term ''defense acquisition and support workforce'' means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 813. REVISION OF ACQUISITION WORKFORCE QUALIFICATION REQUIREMENTS.

(a) SPECIAL REQUIREMENTS FOR MEMBERS OF A CONTINGENCY CONTRACTING FORCE.—(1) Subchapter II of chapter 87 of title 10, United States Code, is amended by inserting after section 1724 the following new section:

"§ 1724a. Contingency contracting force: qualification requirements

"(a) CONTINGENCY CONTRACTING FORCE.—The Secretary of Defense may identify as a contingency contracting force the acquisition positions described in subsections (a) and (b) of section 1724 of this title that involve duties requiring the personnel in those positions to deploy to perform contracting functions in support of a contingency operation or other Department of Defense operation.

"(b) QUALIFICATION REQUIREMENTS.—The Secretary of Defense shall prescribe the qualification requirements for a person appointed to a position in any contingency contracting force identified under subsection (a). The requirements shall include requirements that the person—

"(1) either—

"(A) have completed the credits of study as described in section 1724(a)(3)(B) of this title;

"(B) have passed an examination considered by the Secretary of Defense to demonstrate that the person has skills, knowledge, or abilities comparable to that of a person who has completed the credits of study described in such section; or

"(C) through a combination of having completed some of the credits of study described in such section and having passed an examination, have demonstrated that the person has skills, knowledge, or abilities comparable to that of a person who has completed all of the credits of study described in such section; and

"(2) have satisfied such additional requirements for education and experience as the Secretary may prescribe.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1724 the following new item:

"1724a. Contingency contracting force: qualification requirements.".

(b) EXCEPTIONS TO GENERALLY APPLICABLE QUALIFICATION REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

"(c) EXCEPTIONS.—(1) The requirements imposed under subsection (a) or (b) of this section shall not apply to a person for either of the following purposes:

"(A) In the case of an employee, to qualify to serve in the position in which the employee was serving on October 1, 1993, or in any other position in the same or lower grade and involving the same or lower level of responsibilities as the position in which the employee was serving on such date.

"(B) To qualify to serve in an acquisition position in any contingency contracting force identified under section 1724a of this title.

"(2) Subject to paragraph (3), the requirements imposed under subsection (a) or (b) shall not apply to a person who, before October 1, 2000, served—

"(A) as a contracting officer in an executive agency with authority to award or administer contracts in excess of the simplified acquisition threshold (referred to in section 2304(g) of this title); or

"(B) in a position in an executive agency either as an employee in the GS–1102 occupational series or as a member of the armed forces in a similar occupational specialty.

"(3) For the exception in subparagraph (A) or (B) of paragraph (2) to apply to an employee with respect to the requirements imposed under subsection (a) or (b), the employee must—

"(A) before October 1, 2000—

"(i) have received a baccalaureate degree as described in subparagraph (A) of subsection (a)(3);

"(ii) have completed credits of study as described in subparagraph (B) of subsection (a)(3);

"(iii) have passed an examination considered by the Secretary of Defense to demonstrate skills, knowledge, or abilities comparable to that of a person who has completed credits of study as described in subparagraph (B) of subsection (a)(3); or

"(iv) have been granted a waiver of the applicability of the requirements imposed under subsection (a) or (b), as the case may be; or

"(B) on October 1, 1991, had at least 10 years of experience in one or more acquisition positions in the Department of Defense, comparable positions in other government agencies or the private sector, or similar positions in which an individual obtains experience directly relevant to the field of contracting.".

(c) CLARIFICATION OF APPLICABILITY OF WAIVER AUTHORITY TO MEMBERS OF THE ARMED FORCES.—Subsection (d) of such section is amended by striking "employee or member of" in the first sentence and inserting "employee of, or a member of an armed force in,".

(d) OFFICE OF PERSONNEL MANAGEMENT APPROVAL OF GENERALLY APPLICABLE DISCRETIONARY REQUIREMENTS.—Section 1725 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''section 1723 or under section 1724(a)(4) of this title'' in the first sentence and inserting ''section 1723, 1724(a)(4), or 1724a(b)(2)''; and

(2) in subsection (b), by striking ''subsection (a)(3) or (b) of section 1724 of this title'' in the first sentence and inserting ''subsection (a)(3), (b), or (c)(3)(A)(iii) of section 1724 of this title or under subparagraph (B) or (C) of section 1724a(b)(1) of this title''.

(e) TECHNICAL CORRECTIONS.—Sections 1724(a)(3)(B) and 1732(c)(2) of such title are amended by striking ''business finance'' and inserting ''business, finance''.

Subtitle C—Use of Preferred Sources

SEC. 821. APPLICABILITY OF COMPETITION REQUIREMENTS TO PURCHASES FROM A REQUIRED SOURCE.

(a) CONDITIONS FOR COMPETITION.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following:

"§ 2410n. Products of Federal Prison Industries: procedural requirements

''(a) MARKET RESEARCH BEFORE PURCHASE.—Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18, the Secretary of Defense shall conduct market research to determine whether the Federal Prison Industries product is comparable in price, quality, and time of delivery to products available from the private sector.

''(b) LIMITED COMPETITION REQUIREMENT.—If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, and time of delivery to products available from the private sector, the Secretary shall use competitive procedures for the procurement of the product. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries for award in accordance with the specifications and evaluation factors specified in the solicitation.

''(c) EXEMPTIONS.—Notwithstanding any other provision of law, the Secretary shall not be required—

(1) to purchase from Federal Prison Industries any product that is—

(A) integral to, or embedded in, a product that is not available from Federal Prison Industries; or

(B) a national security system; or

(2) to make a purchase from Federal Prison Industries in a total amount that is less than the micropurchase threshold, as defined in section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

''(d) DEFINITIONS.—In this section:

''(1) The term 'competitive procedures' has the meaning given that term in section 2302(2) of this title.

''(2) The term 'national security system' means any telecommunications or information system operated by the United States Government, the function, operation, or use of which—

''(A) involves intelligence activities;

''(B) involves cryptologic activities related to national security;

''(C) involves command and control of military forces;

''(D) involves equipment that is an integral part of a weapon or a weapon system; or

"(E) is critical to the direct fulfillment of military or intelligence missions, except for a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).".

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

"2410n. Products of Federal Prison Industries: procedural requirements.".

(b) APPLICABILITY.—Section 2410n of title 10, United States Code (as added by subsection (a)), shall apply to purchases initiated on or after October 1, 2001.

SEC. 822. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

"§ 2382. Consolidation of contract requirements: policy and restrictions

"(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or activity as the case may be, are made with a view to providing small business concerns with appropriate opportunities to partici-

pate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

"(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive concerned first—

"(A) conducts market research;

"(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

"(C) determines that the consolidation is necessary and justified.

"(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not con-

stitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

"(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

"(A) quality;

"(B) acquisition cycle;

"(C) terms and conditions; and

"(D) any other benefit.

"(c) DEFINITIONS.—In this section:

"(1) The terms 'consolidation of contract requirements' and 'consolidation', with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

"(2) The term "multiple award contract" means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

"(3) The term 'senior procurement executive concerned' means—

"(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

"(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

"(4) The term 'small business concern' means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a))."."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

"2382. Consolidation of contract requirements: policy and restrictions.".

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of $5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3)(A) No official of the Department of Defense may modify any existing agency data collection system, create a new agency data collection system, or collect data not available in existing agency data collection systems for the purpose of complying with any requirement of law or regulation to collect data on the consolidation or bundling of contract requirements except to the extent necessary to comply with paragraph (1).

(B) The prohibition relating to the collection of data under subparagraph (A) does not apply to any sampling or study of Department of Defense contracts that—

(i) is carried out for the purposes of reviewing and assessing such contracts; and

(ii) does not require a modification of data collection systems, or the creation of new data collection systems, in the Department of Defense.

(4) In this subsection:

(A) The term ''bundling of contract requirements'' has the meaning given that term in section 3(o)(2) of the Small Business Act (15 U.S.C. 632(o)(2)).

(B) The term ''consolidation of contract requirements'' has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

SEC. 823. CODIFICATION AND CONTINUATION OF MENTOR-PROTEGE PROGRAM AS PERMANENT PROGRAM.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2402 the following new section:

''§ 2403. Mentor-Protege Program

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall carry out a program known as the 'Mentor-Protege Program'.

''(b) PURPOSE.—The purpose of the program is to provide incentives for major Department of Defense contractors to furnish eligible small business concerns (as defined in subsection (l)(2)) with assistance designed to enhance the capabilities of eligible small business concerns to perform as subcontractors and suppliers under Department of Defense contracts and other contracts and sub-

contracts in order to increase the participation of such business concerns as subcontractors and suppliers under Department of Defense contracts, other Federal Government contracts, and commercial contracts.

"(c) PROGRAM PARTICIPANTS.—(1) A business concern meeting the eligibility requirements set out in subsection (d) may enter into agreements under subsection (e) and furnish assistance to eligible small business concerns upon making application to the Secretary of Defense and being approved for participation in the program by the Secretary. A business concern participating in the program pursuant to such an approval shall be known, for the purposes of the program, as a 'mentor firm'.

"(2) An eligible small business concern may obtain assistance from a mentor firm upon entering into an agreement with the mentor firm as provided in subsection (e). An eligible small business concern may not be a party to more than one agreement to receive such assistance at any time. An eligible small business concern receiving such assistance shall be known, for the purposes of the program, as a 'protege firm'.

"(3) In entering into an agreement pursuant to subsection (e), a mentor firm may rely in good faith on a written representation of a business concern that such business concern is a small business concern described in

subsection (l)(2)(A). The Administrator of the Small Business Administration shall determine the status of such business concern as such a small business concern in the event of a protest regarding the status of the business concern. If at any time the business concern is determined by the Administrator not to be such a small business concern, assistance furnished to the business concern by the mentor firm after the date of the determination may not be considered assistance furnished under the program.

''(d) MENTOR FIRM ELIGIBILITY.—Subject to subsection (c)(1), a mentor firm eligible for award of Federal contracts may enter into an agreement with one or more protege firms under subsection (e) and provide assistance under the program pursuant to that agreement if—

''(1) during the fiscal year preceding the fiscal year in which the mentor firm enters into the agreement, the total amount of the Department of Defense contracts awarded such mentor firm and the subcontracts awarded such mentor firm under Department of Defense contracts was equal to or greater than $100,000,000; or

''(2) the mentor firm demonstrates the capability to assist in the development of protege firms, and is approved by the Secretary of Defense pursu-

ant to criteria specified in the regulations prescribed pursuant to subsection (k).

"(e) MENTOR-PROTEGE AGREEMENT.—Before providing assistance to a protege firm under the program, a mentor firm shall enter into a mentor-protege agreement with the protege firm regarding the assistance to be provided by the mentor firm. The agreement shall include the following:

"(1) A developmental program for the protege firm, in such detail as may be reasonable, including—

"(A) factors to assess the protege firm's developmental progress under the program; and

"(B) the anticipated number and type of subcontracts to be awarded the protege firm.

"(2) A program participation term for any period of not more than three years, except that the term may be a period of up to five years if the Secretary of Defense determines in writing that unusual circumstances justify a program participation term in excess of three years.

"(3) Procedures for the protege firm to terminate the agreement voluntarily and for the mentor firm to terminate the agreement for cause.

"(f) FORMS OF ASSISTANCE.—A mentor firm may provide a protege firm the following:

"(1) Assistance, by using mentor firm personnel, in—

"(A) general business management, including organizational management, financial management, and personnel management, marketing, business development, and overall business planning;

"(B) engineering and technical matters such as production, inventory control, and quality assurance; and

"(C) any other assistance designed to develop the capabilities of the protege firm under the developmental program referred to in subsection (e).

"(2) Award of subcontracts on a noncompetitive basis to the protege firm under the Department of Defense or other contracts.

"(3) Payment of progress payments for performance of the protege firm under such a subcontract in amounts as provided for in the subcontract, but in no event may any such progress payment exceed 100 percent of the costs incurred by the protege firm for the performance.

"(4) Advance payments under such subcontracts.

"(5) Loans.

"(6) Cash in exchange for an ownership interest in the protege firm, not to exceed 10 percent of the total ownership interest.

"(7) Assistance obtained by the mentor firm for the protege firm from one or more of the following:

"(A) Small business development centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

"(B) Entities providing procurement technical assistance pursuant to chapter 142 of this title.

"(C) A historically Black college or university or a minority institution of higher education.

"(g) INCENTIVES FOR MENTOR FIRMS.—(1) The Secretary of Defense may provide to a mentor firm reimbursement for the total amount of any progress payment or advance payment made under the program by the mentor firm to a protege firm in connection with a Department of Defense contract awarded the mentor firm.

"(2)(A) The Secretary of Defense may provide to a mentor firm reimbursement for the costs of the assistance

furnished to a protege firm pursuant to paragraphs (1) and (7) of subsection (f) as provided for in a line item in a Department of Defense contract under which the mentor firm is furnishing products or services to the Department, subject to a maximum amount of reimbursement specified in such contract. The preceding sentence does not apply in a case in which the Secretary of Defense determines in writing that unusual circumstances justify reimbursement using a separate contract.

''(B) The determinations made in annual performance reviews of a mentor firm's mentor-protege agreement under subsection (j)(2) shall be a major factor in the determinations of amounts of reimbursement, if any, that the mentor firm is eligible to receive in the remaining years of the program participation term under the agreement.

''(C) The total amount reimbursed under this paragraph to a mentor firm for costs of assistance furnished in a fiscal year to a protege firm may not exceed $1,000,000, except in a case in which the Secretary of Defense determines in writing that unusual circumstances justify a reimbursement of a higher amount.

''(3)(A) Costs incurred by a mentor firm in providing assistance to a protege firm that are not reimbursed pursuant to paragraph (2) shall be recognized as credit in

lieu of subcontract awards for purposes of determining whether the mentor firm attains a subcontracting participation goal applicable to such mentor firm under a Department of Defense contract, under a contract with another executive agency, or under a divisional or company-wide subcontracting plan negotiated with the Department of Defense or another executive agency.

''(B) The amount of the credit given a mentor firm for any such unreimbursed costs shall be equal to—

''(i) four times the total amount of such costs attributable to assistance provided by entities described in subsection (f)(7);

''(ii) three times the total amount of such costs attributable to assistance furnished by the mentor firm's employees; and

''(iii) two times the total amount of any other such costs.

''(C) Under regulations prescribed pursuant to subsection (k), the Secretary of Defense shall adjust the amount of credit given a mentor firm pursuant to subparagraphs (A) and (B) if the Secretary determines that the firm's performance regarding the award of subcontracts to eligible small business concerns has declined without justifiable cause.

"(4) A mentor firm shall receive credit toward the attainment of a subcontracting participation goal applicable to such mentor firm for each subcontract for a product or service awarded under such contract by a mentor firm to a business concern that, except for its size, would be a small business concern owned and controlled by socially and economically disadvantaged individuals, but only if—

"(A) the size of such business concern is not more than two times the maximum size specified by the Administrator of the Small Business Administration for purposes of determining whether a business concern furnishing such product or service is a small business concern; and

"(B) the business concern formerly had a mentor-protege agreement with such mentor firm that was not terminated for cause.

"(h) RELATIONSHIP TO SMALL BUSINESS ACT.—(1) For purposes of the Small Business Act, no determination of affiliation or control (either direct or indirect) may be found between a protege firm and its mentor firm on the basis that the mentor firm has agreed to furnish (or has furnished) to its protege firm pursuant to a mentor-protege agreement any form of developmental assistance described in subsection (f).

"(2) Notwithstanding section 8 of the Small Business Act (15 U.S.C. 637), the Small Business Administration may not determine an eligible small business concern to be ineligible to receive any assistance authorized under the Small Business Act on the basis that such business concern has participated in the Mentor-Protege Program or has received assistance pursuant to any developmental assistance agreement authorized under such program.

"(3) The Small Business Administration may not require a firm that is entering into, or has entered into, an agreement under subsection (e) as a protege firm to submit the agreement, or any other document required by the Secretary of Defense in the administration of the Mentor-Protege Program, to the Small Business Administration for review, approval, or any other purpose.

"(i) PARTICIPATION IN MENTOR-PROTEGE PROGRAM NOT TO BE A CONDITION FOR AWARD OF A CONTRACT OR SUBCONTRACT.—A mentor firm may not require a business concern to enter into an agreement with the mentor firm pursuant to subsection (e) as a condition for being awarded a contract by the mentor firm, including a subcontract under a contract awarded to the mentor firm.

"(j) REPORTS AND REVIEWS.—(1) The mentor firm and protege firm under a mentor-protege agreement shall

submit to the Secretary of Defense an annual report on the progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the fiscal year covered by the report. The requirement for submission of an annual report applies with respect to each fiscal year covered by the program participation term under the agreement and each of the two fiscal years following the expiration of the program participation term. The Secretary shall prescribe the timing and form of the annual report.

''(2)(A) The Secretary shall conduct an annual performance review of each mentor-protege agreement that provides for reimbursement of costs. The Secretary shall determine on the basis of the review whether—

''(i) all costs reimbursed to the mentor firm under the agreement were reasonably incurred to furnish assistance to the protege firm in accordance with the requirements of this section and applicable regulations; and

''(ii) the mentor firm and protege firm accurately reported progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the program participation term covered by the mentor-protege agree-

ment and the two fiscal years following the expiration of the program participation term.

"(B) The Secretary shall act through the Commander of the Defense Contract Management Command in carrying out the reviews and making the determinations under subparagraph (A).

"(k) REGULATIONS AND POLICIES.—(1) The Secretary of Defense shall prescribe regulations to carry out the Mentor-Protege Program. The regulations shall include the following:

"(A) The requirements set forth in section 8(d) of the Small Business Act (15 U.S.C. 673(d)).

"(B) Procedures by which mentor firms may terminate participation in the program.

"(2) The Department of Defense policy regarding the Mentor-Protege Program shall be published and maintained as an appendix to the Department of Defense Supplement to the Federal Acquisition Regulation.

"(l) DEFINITIONS.—In this section:

"(1) The term 'small business concern' means a business concern that meets the requirements of section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the regulations promulgated pursuant thereto.

"(2) The term 'eligible small business concern' is a small business concern that—

"(A) is either—

"(i) a disadvantaged small business concern; or

"(ii) a small business concern owned and controlled by women; and

"(B) is eligible for the award of Federal contracts.

"(3) The term 'disadvantaged small business concern' means—

"(A) a small business concern owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C));

"(B) a business entity owned and controlled by an Indian tribe as defined by section 8(a)(13) of the Small Business Act (15 U.S.C. 637(a)(13));

"(C) a business entity owned and controlled by a Native Hawaiian Organization as defined by section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)); or

"(D) a qualified organization employing the severely disabled.

"(4) The term 'small business concern owned and controlled by women' has the meaning given such term in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D)).

"(5) The term 'historically Black college and university' means any of the historically Black colleges and universities referred to in section 2323 of this title.

"(6) The term 'minority institution of higher education' means an institution of higher education with a student body that reflects the composition specified in paragraphs (3), (4), and (5) of section 312(b) of the Higher Education Act of 1965 (20 U.S.C. 1058(b)), as in effect on September 30, 1992.

"(7) The term 'subcontracting participation goal', with respect to a Department of Defense contract, means a goal for the extent of the participation by eligible small business concerns in the subcontracts awarded under such contract, as established pursuant to section 2323 of this title and section 8(d) of the Small Business Act (15 U.S.C. 637(d)).

"(8) The term 'qualified organization employing the severely disabled' means a business entity operated on a for-profit or nonprofit basis that—

"(A) uses rehabilitative engineering to provide employment opportunities for severely disabled individuals and integrates severely disabled individuals into its workforce;

"(B) employs severely disabled individuals at a rate that averages not less than 20 percent of its total workforce;

"(C) employs each severely disabled individual in its workforce generally on the basis of 40 hours per week; and

"(D) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to those employees who are severely disabled individuals.

"(9) The term 'severely disabled individual' means an individual who has a physical or mental disability which constitutes a substantial handicap to employment and which, in accordance with criteria prescribed by the Committee for Purchase From People Who Are Blind or Severely Disabled established by the first section of the Javits-Wagner-

O'Day Act (41 U.S.C. 46), is of such a nature that the individual is otherwise prevented from engaging in normal competitive employment.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2402 the following new item:

''2403. Mentor-Protege Program.''.

(b) REPEAL OF SUPERSEDED LAW.—Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is repealed.

(c) CONTINUATION OF TEMPORARY REPORTING REQUIREMENT.—(1) Not later than six months after the end of each of fiscal years 2001 through 2004, the Secretary of Defense shall submit to Congress an annual report on the Mentor-Protege Program for that fiscal year.

(2) The annual report for a fiscal year shall include, at a minimum, the following:

(A) The number of mentor-protege agreements that were entered into during the fiscal year.

(B) The number of mentor-protege agreements that were in effect during the fiscal year.

(C) The total amount reimbursed during the fiscal year to mentor firms pursuant to section 2403(g) of title 10, United States Code (as added by subsection (a)), or section 831(g) of the National Defense Authorization Act for fiscal year 1991 (as

in effect on the day before the date of the enactment of this Act).

(D) Each mentor-protege agreement, if any, that was approved during the fiscal year in accordance with section 2403(e)(2) of title 10, United States Code (as added by subsection (a)), or section 831(e)(2) of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) to provide a program participation term in excess of three years, together with the justification for the approval.

(E) Each reimbursement of a mentor firm in excess of the limitation in subsection (g)(2)(C) of section 2403 of title 10, United States Code (as added by subsection (a)), or subsection (g)(2)(C) of section 831 of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) that was made during the fiscal year pursuant to an approval granted in accordance with that subsection, together with the justification for the approval.

(F) Trends in the progress made in employment, revenues, and participation in Department of Defense contracts by the protege firms participating in the program during the fiscal year and the pro-

tege firms that completed or otherwise terminated participation in the program during the preceding two fiscal years.

(d) CONTINUATION OF REQUIREMENT FOR GAO STUDY AND REPORT.—Nothing in this section shall be construed as modifying the requirements of section 811(d)(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

(e) SAVINGS PROVISIONS.—(1) All orders, determinations, rules, regulations, contracts, privileges, and other administrative actions that—

(A) have been issued, made, granted, or allowed to become effective under the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before the date of the enactment of this Act, including any such action taken by a court of competent jurisdiction, and

(B) are in effect at the end of such day, or were final before the date of the enactment of this Act and are to become effective on or after that date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary of Defense or a court of competent jurisdiction or by operation of law.

(2) This section and the amendments made by this section shall not affect any proceedings, including notices of proposed rulemaking, that are pending before the Department of Defense as of the date of the enactment of this Act, with respect to the administration of the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before that date, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) The amendment made by subsection (a)(1), and the repeal of section 831 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b), shall not be construed as modifying or otherwise affecting the

requirement in section 811(f)(2) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Related Matters

SEC. 831. AMENDMENTS TO CONFORM WITH ADMINISTRATIVE CHANGES IN ACQUISITION PHASE AND MILESTONE TERMINOLOGY AND TO MAKE RELATED ADJUSTMENTS IN CERTAIN REQUIREMENTS APPLICABLE AT MILESTONE TRANSITION POINTS.

(a) ACQUISITION PHASE TERMINOLOGY.—The following provisions of title 10, United States Code, are amended by striking ''engineering and manufacturing development'' each place it appears and inserting ''system development and demonstration'': sections 2366(c) and 2434(a), and subsections (b)(3)(A)(i), (c)(3)(A), and (h)(1) of section 2432.

(b) MILESTONE TRANSITION POINTS.—(1) Section 811(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–211), is amended by striking ''Milestone I approval, Milestone II approval,

or Milestone III approval (or the equivalent) of a major automated information system'' and inserting ''approval of a major automated information system at Milestone B or C or for full rate production, or an equivalent approval,''.

(2) Department of Defense Directive 5000.1, as revised in accordance with subsection (b) of section 811 of such Act, shall be further revised as necessary to comply with subsection (c) of such section, as amended by paragraph (1), within 60 days after the date of the enactment of this Act.

(c) ADJUSTMENTS TO REQUIREMENT FOR DETERMINATION OF QUANTITY FOR LOW-RATE INITIAL PRODUCTION.—Section 2400(a) of title 10, United States Code, is amended—

(1) by striking ''milestone II'' each place it appears in paragraphs (1)(A), (2), (4) and (5) and inserting ''milestone B''; and

(2) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''.

(d) ADJUSTMENTS TO REQUIREMENTS FOR BASELINE DESCRIPTION AND THE RELATED LIMITATION.—Section 2435 of title 10, United States Code, is amended—

(1) in subsection (b), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''; and

(2) in subsection (c)—

(A) in paragraph (1), by striking ''demonstration and validation'' and inserting ''system development and demonstration'';

(B) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''production and deployment''; and

(C) in paragraph (3), by striking ''production and deployment'' and inserting ''full rate production''.

SEC. 832. INAPPLICABILITY OF LIMITATION TO SMALL PURCHASES OF MINIATURE OR INSTRUMENT BALL OR ROLLER BEARINGS UNDER CERTAIN CIRCUMSTANCES.

Section 2534(g)(2) of title 10, United States Code, is amended—

(1) by striking ''contracts'' and inserting ''a contract'';

(2) by striking the period at the end and inserting ''unless the head of the contracting activity determines that—''; and

(3) by adding at the end the following:

"(A) the amount of the purchase does not exceed $25,000;

"(B) the precision level of the ball or roller bearings to be procured under the contract is rated lower than the rating known as Annual Bearing Engineering Committee (ABEC) 5 or Roller Bearing Engineering Committee (RBEC) 5, or an equivalent of such rating;

"(C) at least two manufacturers in the national technology and industrial base that are capable of producing the ball or roller bearings have not responded to a request for quotation issued by the contracting activity for that contract; and

"(D) no bearing to be procured under the contract has a basic outside diameter (exclusive of flange diameters) in excess of 30 millimeters.".

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

(a) ESTABLISHMENT OF POSITION.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

"§ 136a. Deputy Under Secretary of Defense for Personnel and Readiness

''(a) There is a Deputy Under Secretary of Defense for Personnel and Readiness, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) The Deputy Under Secretary of Defense for Personnel and Readiness shall assist the Under Secretary of Defense for Personnel and Readiness in the performance of the duties of that position. The Deputy Under Secretary of Defense for Personnel and Readiness shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 136 the following new item:

''136a. Deputy Under Secretary of Defense for Personnel and Readiness.''.

(b) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after ''Deputy Under Secretary of Defense for Policy.'' the following:

''Deputy Under Secretary of Defense for Personnel and Readiness.''.

(c) REDUCTION IN NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—(1) Section 138(a) of title 10, United States Code, is amended by striking ''nine'' and inserting ''eight''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of Defense (9).'' and inserting the following:

''Assistant Secretaries of Defense (8).''.

SEC. 902. RESPONSIBILITY OF UNDER SECRETARY OF THE AIR FORCE FOR ACQUISITION OF SPACE LAUNCH VEHICLES AND SERVICES.

Section 8015(b) of title 10, United States Code, is amended—

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

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

''(2) The Under Secretary shall be responsible for planning and contracting for, and for managing, the acquisition of space launch vehicles and space launch services for the Department of Defense and the National Reconnaissance Office.''.

SEC. 903. SENSE OF CONGRESS REGARDING THE SELECTION OF OFFICERS FOR ASSIGNMENT AS THE COMMANDER IN CHIEF, UNITED STATES TRANSPORTATION COMMAND.

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

(1) The Goldwater-Nichols Department of Defense Reorganization Act of 1986 envisioned that an

officer would be assigned to serve as the commander of a combatant command on the basis of being the best qualified officer for the assignment rather than the best qualified officer of the armed force that has historically supplied an officer to serve in that assignment.

(2) In order to provide for greater competition among the Armed Forces for selection of officers for assignment as the commanders of the combatant commands and assignment to certain other joint positions in the grade of general or admiral, Congress provided temporary relief from the limitation on the number of officers serving on active duty in the grade of general or admiral in section 405 of the National Defense Authorization Act for Fiscal Year 1995 and thereafter extended that relief until September 30, 2003, but has also required that the Secretary of Defense be furnished the name of at least one officer from each of the Armed Forces for consideration for appointment to each such position.

(3) Most of the positions of commanders of the combatant commands have been filled successively by officers of more than one of the Armed Forces since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

(4) However, general officers of the Air Force with only limited experience in the transportation services have usually filled the position of Commander in Chief of the United States Transportation Command.

(5) The United States Transportation Command and its component commands could benefit from the appointment of an officer selected from the two armed forces that are the primary users of their transportation resources, namely the Army and the Marine Corps.

(b) SENSE OF CONGRESS.— In light of the findings set forth in subsection (a), it is the sense of Congress that the Secretary of Defense should, when considering officers for recommendation to the President for appointment as the Commander in Chief, United States Transportation Command, give careful consideration to recommending an officer of the Army or the Marine Corps.

SEC. 904. ORGANIZATIONAL REALIGNMENT FOR NAVY DIRECTOR FOR EXPEDITIONARY WARFARE.

Section 5038(a) of title 10, United States Code, is amended by striking ''Office of the Deputy Chief of Naval Operations for Resources, Warfare Requirements, and Assessments'' and inserting ''Office of the Deputy Chief of

Naval Operations for Warfare Requirements and Programs''.

SEC. 905. REVISED REQUIREMENTS FOR CONTENT OF ANNUAL REPORT ON JOINT WARFIGHTING EXPERIMENTATION.

Section 485(b) of title 10, United States Code, is amended—

(1) by inserting before the period at the end of paragraph (1) the following: '', together with a specific assessment of whether there is a need for a major force program for funding joint warfighting experimentation and for funding the development and acquisition of any technology the value of which has been empirically demonstrated through such experimentation''; and

(2) in paragraph (4)(E)—

(A) by inserting ''(by lease or by purchase)'' after ''acquire''; and

(B) by inserting ''(including any prototype)'' after ''or equipment''.

SEC. 906. SUSPENSION OF REORGANIZATION OF ENGINEERING AND TECHNICAL AUTHORITY POLICY WITHIN THE NAVAL SEA SYSTEMS COMMAND.

(a) SUSPENSION.—During the period specified in subsection (b), the Secretary of the Navy may not com-

mence or continue any change in engineering or technical authority policy for the Naval Sea Systems Command or its subsidiary activities.

(b) DURATION.—Subsection (a) applies during the period beginning on the date of enactment of this Act and ending 60 days after the date on which the Secretary submits to the congressional defense committees a report that sets forth in detail the Navy's plans and justification for the reorganization of engineering and technical authority policy within the Naval Sea Systems Command.

SEC. 907. CONFORMING AMENDMENTS RELATING TO CHANGE OF NAME OF AIR MOBILITY COMMAND.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended—

(1) by striking ''Military Airlift Command'' in sections 2554(d) and 2555(a) and inserting ''Air Mobility Command''; and

(2) in section 8074, by striking subsection (c).

(b) TITLE 37, UNITED STATES CODE.—Sections 430(c) and 432(b) of title 37, United States Code, are amended by striking ''Military Airlift Command'' and inserting ''Air Mobility Command''.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2002 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

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

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. REDUCTION IN AUTHORIZATIONS OF APPROPRIATIONS FOR DEPARTMENT OF DEFENSE FOR MANAGEMENT EFFICIENCIES.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for the Department of Defense by divisions A and B of this Act is hereby reduced by $1,630,000,000, to reflect savings to be achieved through implementation of the provisions of title VIII and other management efficiencies and business process reforms.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2001.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2001 in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398)

are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Supplemental Appropriations Act, 2001 (Public Law 107–20).

SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2002.

(a) FISCAL YEAR 2002 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2002 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2001, of funds appropriated for fiscal years before fiscal year 2002 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $708,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $175,849,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section

4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1005. CLARIFICATION OF APPLICABILITY OF INTEREST PENALTIES FOR LATE PAYMENT OF INTERIM PAYMENTS DUE UNDER CONTRACTS FOR SERVICES.

Section 1010(d) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–251) is amended by inserting before the period at the end of the first sentence the following: ‘‘, and shall apply with respect to interim payments that are due on or after such date under contracts entered into before, on, or after that date’’.

SEC. 1006. RELIABILITY OF DEPARTMENT OF DEFENSE FINANCIAL STATEMENTS.

(a) ANNUAL REPORT ON RELIABILITY.—(1) Not later than July 1 of each year, the Secretary of Defense shall submit to the recipients referred to in paragraph (3) a report on the reliability of the Department of Defense financial statements, including the financial statements of each component of the department that is required to prepare a financial statement under section 3515(c) of title 31, United States Code.

(2) The annual report shall contain the following:

(A) A conclusion regarding whether the policies and procedures of the Department of Defense, and the systems used within the Department of Defense, for the preparation of financial statements allow the achievement of reliability in the financial statements.

(B) For each of the financial statements prepared for the Department of Defense for the fiscal year in which the report is submitted, a conclusion regarding the expected reliability of the financial statement (evaluated on the basis of Office of Management and Budget guidance on financial statements), together with a discussion of the major deficiencies to be expected in the statement.

(C) A summary of the specific sections of the annual Financial Management Improvement Plan of the Department of Defense, current as of the date of the report, that—

(i) detail the priorities, milestones, and measures of success that apply to the preparation of the financial statements;

(ii) detail the planned improvements in the process for the preparation of financial statements that are to be implemented within 12 months after the date on which the plan is issued; and

(iii) provide an estimate of when each financial statement will convey reliable information.

(3) The annual report shall be submitted to the following:

(A) The Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

(B) The Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

(C) The Director of the Office of Management and Budget.

(D) The Secretary of the Treasury.

(E) The Comptroller General of the United States.

(4) The Secretary of Defense shall make a copy of the annual report available to the Inspector General of the Department of Defense.

(b) MINIMIZATION OF USE OF RESOURCES FOR UNRELIABLE FINANCIAL STATEMENTS.—(1) With respect to each financial statement for a fiscal year that the Secretary of Defense assesses as being expected to be unreliable in the annual report under subsection (a), the Under Secretary of Defense (Comptroller) or the Assistant Secretary (Financial Management and Comptroller) of the

military department concerned shall take appropriate actions to minimize the resources, including contractor support, that are used to develop, compile, and report the financial statement.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year, the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, the following information:

(i) An estimate of the resources that the Department of Defense is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the preparation of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the preparation of financial statements to the improvement of systems underlying financial management within the Department of Defense and to the improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(B) The Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force

shall provide the Under Secretary of Defense (Comptroller) with the information necessary for making the estimate required by subparagraph (A)(i).

(c) INFORMATION TO AUDITORS.—Not later than October 31 of each year, the Under Secretary of Defense (Comptroller) and the Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall each provide to the auditors of the financial statement of that official's department for the fiscal year ending during the preceding month the official's preliminary management representation, in writing, regarding the expected reliability of the financial statement. The representation shall be consistent with guidance issued by the Director of the Office of Management and Budget and shall include the basis for the reliability assessment stated in the representation.

(d) LIMITATION ON INSPECTOR GENERAL AUDITS.—(1) On each financial statement that an official asserts is unreliable under subsection (b) or (c), the Inspector General of the Department of Defense shall only perform the audit procedures required by generally accepted government auditing standards consistent with any representation made by management.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year,

the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, information which the Inspector General shall report to the Under Secretary, as follows:

(i) An estimate of the resources that the Inspector General is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the auditing of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the auditing of financial statements to the oversight and improvement of systems underlying financial management within the Department of Defense and to the oversight and improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(e) PERIOD OF APPLICABILITY.—(1) Except as provided in paragraph (2), the requirements of this section shall apply with respect to financial statements for fiscal years after fiscal year 2000 and before fiscal year 2006 and to the auditing of those financial statements.

(2) If the Secretary of Defense certifies to the Inspector General of the Department of Defense that the financial statement for the Department of Defense, or a financial statement for a component of the Department of Defense, for a fiscal year is reliable, this section shall not apply with respect to that financial statement or to any successive financial statement for the department or that component, as the case may be, for any later fiscal year.

SEC. 1007. SENIOR FINANCIAL MANAGEMENT OVERSIGHT COUNCIL AND FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.

(a) ESTABLISHMENT OF SENIOR FINANCIAL MANAGEMENT OVERSIGHT COUNCIL.—(1) The Secretary of Defense shall establish a Senior Financial Management Oversight Council.

(2) The Council shall be composed of the Under Secretary of Defense (Comptroller), the Under Secretary of Defense (Acquisition, Technology, and Logistics), the Under Secretary of Defense (Personnel and Readiness), and other key managers of the Department of Defense (including key managers in Defense Agencies and military departments) who are designated by the Secretary.

(3) The Under Secretary of Defense (Comptroller) shall be the Chairman of the Council.

(b) DUTIES.—The Senior Financial Management Oversight Council shall have the following duties:

(1) To establish a financial and feeder systems compliance process that ensures that each critical accounting, financial management, and feeder system of the Department of Defense is compliant with applicable Federal financial management and reporting requirements.

(2) To develop a management plan for the implementation of the financial and feeder systems compliance process.

(3) To supervise and monitor the actions that are necessary to implement the management plan, as approved by the Secretary of Defense.

(c) MANAGEMENT PLAN FOR IMPLEMENTATION OF FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.—The management plan developed under subsection (b)(2) shall include among its principal elements at least the following elements:

(1) A requirement to establish and maintain a complete inventory of all critical systems necessary to produce and compile data for financial statements.

(2) A phased process for improving systems that provides for mapping financial data flow from

sources to financial statements before other actions are initiated.

(3) Periodic submittal of status reports to the Senior Financial Management Oversight Council.

(4) Documentation of the completion of each phase of the improvement of a system.

(5) Independent audit at the validation phase for each critical system.

(d) REPORT.—(1) Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of the Senior Financial Management Oversight Council and financial feeder systems compliance process.

(2) The report shall include a discussion of the following matters:

(A) The Senior Financial Management Oversight Council (or any successor organization), including—

(i) composition;

(ii) the roles and responsibilities regarding supervision and monitoring of the actions necessary to ensure that the critical accounting, financial management, and feeder systems of the Department of Defense comply with Federal fi-

nancial management and reporting requirements; and

(iii) a summary of the actions taken by the Council to ensure that the systems comply with such requirements.

(B) The principal elements of the management plan developed under subsection (b)(2) that are being implemented or that the Secretary plans to implement, including—

(i) a summary of all actions that have been taken to implement each of the elements; and

(ii) a schedule, with specific milestones, for completing the implementation of each of the elements.

(C) The principal elements of the management plan that the Secretary does not plan to implement, together with the reasons for not implementing those elements.

SEC. 1008. COMBATING TERRORISM READINESS INITIATIVES FUND FOR COMBATANT COMMANDS.

(a) FUNDING FOR INITIATIVES.—Chapter 6 of title 10, United States Code, is amended by inserting after section 166a the following new section:

"§ 166b. Combatant commands: funding for combating terrorism readiness initiatives

''(a) COMBATING TERRORISM READINESS INITIATIVES FUND.—From funds made available in any fiscal year for the budget account in the Department of Defense known as the 'Combating Terrorism Readiness Initiatives Fund', the Chairman of the Joint Chiefs of Staff may provide funds to the commander of a combatant command, upon the request of the commander, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, to an officer designated by the Chairman of the Joint Chiefs of Staff for such purpose. The Chairman may provide such funds for initiating any activity named in subsection (b) and for maintaining and sustaining the activity for the fiscal year in which initiated and one additional fiscal year.

''(b) AUTHORIZED ACTIVITIES.—Activities for which funds may be provided under subsection (a) are the following:

''(1) Procurement and maintenance of physical security equipment.

''(2) Improvement of physical security sites.

''(3) Under extraordinary circumstances—

''(A) physical security management planning;

"(B) procurement and support of security forces and security technicians;

"(C) security reviews and investigations and vulnerability assessments; and

"(D) any other activity relating to physical security.

"(c) PRIORITY.—The Chairman of the Joint Chiefs of Staff, in considering requests for funds in the Combating Terrorism Readiness Initiatives Fund, should give priority consideration to emergency or emergent unforeseen high-priority requirements for combating terrorism.

"(d) RELATIONSHIP TO OTHER FUNDING.—Any amount provided by the Chairman of the Joint Chiefs of Staff for a fiscal year out of the Combating Terrorism Readiness Initiatives Fund for an activity referred to in subsection (b) shall be in addition to amounts otherwise available for that activity for that fiscal year.

"(e) LIMITATION.—Funds may not be provided under this section for any activity that has been denied authorization by Congress.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 166a the following new item:

"166b. Combatant commands: funding for combating terrorism readiness initiatives.".

Subtitle B—Strategic Forces

SEC. 1011. REPEAL OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948) is repealed.

SEC. 1012. BOMBER FORCE STRUCTURE.

(a) LIMITATION.—None of the funds available to the Department of Defense for fiscal year 2002 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit or facility to which assigned as of that date, until 30 days after the latest of the following:

(1) The date on which the President transmits to Congress the national security strategy report required in 2001 pursuant to section 108(a)(1) of the National Security Act of 1947 (50 U.S.C. 404a(a)(1)).

(2) The date on which the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the Quadrennial Defense Review (QDR) under section 118 of title 10, United

States Code, that is required to be submitted under that section not later than September 30, 2001.

(3) The date on which the Secretary of Defense submits to the committees referred to in paragraph (2) a report that sets forth—

(A) the changes in national security considerations from those applicable to the air force bomber studies conducted during 1992, 1995, and 1999 that warrant changes in the current configuration of the bomber fleet;

(B) the role of manned bomber aircraft appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(C) the amount and type of bomber force structure in the United States Air Force appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(D) the results of a comparative analysis of the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in the active force of the Air Force with the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in a mix

of active and reserve component forces of the Air Force; and

(E) the plans of the Department of Defense for assigning new missions to the National Guard units that currently fly B–1 aircraft and for the transition of those units and their facilities from the current B–1 mission to such new missions.

(4) The date on which the Secretary of Defense submits to Congress the report on the results of the Revised Nuclear Posture Review conducted under section 1042 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–262), as amended by section 1013 of this Act.

(b) GAO STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study on the matters specified in subsection (a)(3). The Comptroller General shall submit to Congress a report containing the results of the study not later than January 31, 2002.

(c) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this section, the term ''amount and type of bomber force structure'' means the required numbers of B–2 aircraft, B–52 aircraft, and B–1 aircraft con-

sistent with the requirements of the national security strategy referred to in subsection (a)(1).

SEC. 1013. ADDITIONAL ELEMENT FOR REVISED NUCLEAR POSTURE REVIEW.

Section 1041(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–262) is amended by adding at the end the following new paragraph:

"(7) The possibility of deactivating or dealerting nuclear warheads or delivery systems immediately, or immediately after a decision to retire any specific warhead, class of warheads, or delivery system or systems.".

Subtitle C—Reporting Requirements

SEC. 1021. INFORMATION AND RECOMMENDATIONS ON CONGRESSIONAL REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) COMPILATION OF REPORTING REQUIREMENTS.—The Secretary of Defense shall compile a list of all provisions of law in effect on the date of the enactment of this Act that require or request the President, with respect to the national defense functions of the Federal Government, or any officer or employee of the Department of Defense,

to submit a report, notification, or study to Congress or any committee of Congress. The preceding sentence does not apply to a provision of law that requires or requests only one report, notification, or study.

(b) SUBMITTAL OF COMPILATION.—(1) The Secretary shall submit the list compiled under subsection (a) to Congress not later than 60 days after the date of the enactment of this Act.

(2) In submitting the list, the Secretary shall specify for each provision of law compiled in the list—

(A) the date of the enactment of such provision of law and a current citation in law for such provision of law; and

(B) the Secretary's assessment of the continuing utility of any report, notification, or study arising under such provision of law, both for the executive branch and for Congress.

(3) The Secretary may also include with the list any recommendations that the Secretary considers appropriate for the consolidation of reports, notifications, and studies under the provisions of law described in subsection (a), together with a proposal for legislation to implement such recommendations.

SEC. 1022. REPORT ON COMBATING TERRORISM.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress a report on the Department of Defense policies, plans, and procedures for combating terrorism.

(b) CONTENT.—(1) The Secretary shall identify and explain in the report the Department of Defense structure, strategy, roles, relationships, and responsibilities for combating terrorism.

(2) The report shall also include a discussion of the following matters:

(A) The policies, plans, and procedures relating to how the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the Joint Task Force–Civil Support of the Joint Forces Command are to perform, and coordinate the performance of, their functions for combating terrorism with—

(i) the various teams in the Department of Defense that have responsibilities to respond to acts or threats of terrorism, including—

(I) the weapons of mass destruction civil support teams when operating as the National Guard under the command of the Governor of a State, the Governor of Puerto Rico, or the Commanding General of the

District of Columbia National Guard, as the case may be; and

(II) the weapons of mass destruction civil support teams when operating as the Army National Guard of the United States or the Air National Guard of the United States under the command of the President;

(ii) the Army's Director of Military Support;

(iii) the various teams in other departments and agencies of the Federal Government that have responsibilities to respond to acts or threats of terrorism;

(iv) the organizations outside the Federal Government, including any private sector entities, that are to function as first responders to acts or threats of terrorism; and

(v) the units and organizations of the reserve components of the Armed Forces that have missions relating to combating terrorism.

(B) Any preparedness plans to combat terrorism that are developed for installations of the Department of Defense by the commanders of the installations and the integration of those plans with

the plans of the teams and other organizations described in subparagraph (A).

(C) The policies, plans, and procedures for using and coordinating the Joint Staff's integrated vulnerability assessment teams inside the United States and outside the United States.

(D) The missions of Fort Leonard Wood and other installations for training units, weapons of mass destruction civil support teams and other teams, and individuals in combating terrorism.

(3) The report shall also include the Secretary's views on the appropriate number and missions of the Department of Defense teams referred to in paragraph (2)(A)(i).

(c) TIME FOR SUBMITTAL.—The Secretary shall submit the report under this section not later than 180 days after the date of the enactment of this Act.

SEC. 1023. REVISED REQUIREMENT FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF TO ADVISE SECRETARY OF DEFENSE ON THE ASSIGNMENT OF ROLES AND MISSIONS TO THE ARMED FORCES.

(a) ASSESSMENT DURING DEFENSE QUADRENNIAL REVIEW.—Subsection 118(e) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(e) CJCS REVIEW.—"; and

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

"(2) The Chairman shall include in the assessment submitted under paragraph (1), the Chairman's assessment of the assignment of functions (or roles and missions) to the armed forces together with any recommendations for changes in assignment that the Chairman considers necessary to achieve the maximum efficiency of the armed forces. In making the assessment, the Chairman should consider (among other matters) the following:

"(A) Unnecessary duplication of effort among the armed forces.

"(B) Changes in technology that can be applied effectively to warfare.".

(b) REPEAL OF REQUIREMENT FOR TRIENNIAL REPORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Section 153 of such title is amended by striking subsection (b).

(c) CONFORMING AMENDMENT.—Subsection (a) of such section 153 is amended by striking "(a) PLANNING; ADVICE; POLICY FORMULATION.—".

SEC. 1024. REVISION OF DEADLINE FOR ANNUAL REPORT ON COMMERCIAL AND INDUSTRIAL ACTIVITIES.

Section 2461(g) of title 10, United States Code, is amended by striking ''February 1'' and inserting ''June 30''.

SEC. 1025. PRODUCTION AND ACQUISITION OF VACCINES FOR DEFENSE AGAINST BIOLOGICAL WARFARE AGENTS.

(a) GOVERNMENT FACILITY.—(1) Subject to the availability of funds appropriated and authorized to be appropriated for such purposes, the Secretary of Defense may—

(A) design, construct, and operate on an installation of the Department of Defense a facility for the production of vaccines described in subsection (b)(1);

(B) qualify and validate the facility for the production of vaccines in accordance with the requirements of the Food and Drug Administration; and

(C) contract with a private sector source for the production of vaccines in that facility.

(2) The Secretary shall use competitive procedures under chapter 137 of title 10, United States Code, to enter into contracts to carry out subparagraphs (A) and (C) of paragraph (1).

(b) PLAN.—(1) The Secretary of Defense shall develop a long-range plan to provide for the production and acquisition of vaccines to meet the requirements of the Department of Defense to prevent or mitigate the physiological effects of exposure to biological warfare agents.

(2) The plan shall include the following:

(A) An evaluation of the need for one or more vaccine production facilities that are specifically dedicated to meeting the requirements of the Department of Defense and other national interests.

(B) An evaluation of the alternative options for the means of production of the vaccines, including—

(i) use of public facilities, private facilities, or a combination of public and private facilities; and

(ii) management and operation of the facilities by the Federal Government, one or more private persons, or a combination of the Federal Government and one or more private persons.

(C) The means for producing the vaccines that the Secretary determines most appropriate.

(3) The Secretary shall ensure that the plan is consistent with the requirement for safe and effective vaccines approved by the Food and Drug Administration.

(4) In preparing the plan, the Secretary shall—

(A) consider and, as the Secretary determines appropriate, include the information compiled and the analyses developed in meeting the reporting requirements set forth in sections 217 and 218 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36 and 1654A–37); and

(B) consult with the heads of other appropriate departments and agencies of the Federal Government.

(c) REPORT.—Not later than February 1, 2002, the Secretary of Defense shall submit to the congressional defense committees a report on the plan for the production of vaccines required by subsection (b). The report shall include, at a minimum, the plan and the following matters:

(1) A description of the policies and requirements of the Department of Defense regarding acquisition and use of the vaccines.

(2) The estimated schedule for the acquisition of the vaccines in accordance with the plan.

(3) A discussion of the options considered for production of the vaccines under subsection (b)(2)(B).

(4) The Secretary's recommendations for the most appropriate course of action to meet the requirements described in subsection (b)(1), together with the justification for the recommendations and the long-term cost of implementing the recommendations.

SEC. 1026. EXTENSION OF TIMES FOR COMMISSION ON THE FUTURE OF THE UNITED STATES AEROSPACE INDUSTRY TO REPORT AND TO TERMINATE.

(a) SUBMITTAL OF REPORT.—Subsection (d) of section 1092 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–302) is amended by striking ''Not later than March 1, 2002,'' and inserting ''Not later than one year after the date of its first meeting,''.

(b) TERMINATION.—Subsection (g) of such section is amended by striking ''30 days'' and inserting ''60 days''.

Subtitle D—Armed Forces Retirement Home

SEC. 1041. AMENDMENT OF ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other

provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101–510; 24 U.S.C. 401 et seq.).

SEC. 1042. DEFINITIONS.

Section 1502 (24 U.S.C. 401) is amended—

(1) by striking paragraphs (1), (2), (3), (4), and (5), and inserting the following:

"(1) The term 'Retirement Home' includes the institutions established under section 1511, as follows:

"(A) The Armed Forces Retirement Home—Washington.

"(B) The Armed Forces Retirement Home—Gulfport.

"(2) The term 'Local Board' means a Local Board of Trustees established under section 1516.

"(3) The terms 'Armed Forces Retirement Home Trust Fund' and 'Fund' mean the Armed Forces Retirement Home Trust Fund established under section 1519(a).";

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6); and

(3) in paragraph (5), as so redesignated—

(A) in subparagraph (C), by striking ", Manpower and Personnel" and inserting "for Personnel"; and

(B) in subparagraph (D), by striking "with responsibility for personnel matters" and inserting "for Manpower and Reserve Affairs".

SEC. 1043. REVISION OF AUTHORITY ESTABLISHING THE ARMED FORCES RETIREMENT HOME.

Section 1511 (24 U.S.C. 411) is amended to read as follows:

"SEC. 1511. ESTABLISHMENT OF THE ARMED FORCES RETIREMENT HOME.

"(a) INDEPENDENT ESTABLISHMENT.—The Armed Forces Retirement Home is an independent establishment in the executive branch.

"(b) PURPOSE.—The purpose of the Retirement Home is to provide, through the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, residences and related services for certain retired and former members of the Armed Forces.

"(c) FACILITIES.—(1) Each facility of the Retirement Home referred to in paragraph (2) is a separate establishment of the Retirement Home.

"(2) The United States Soldiers' and Airmen's Home is hereby redesignated as the Armed Forces Retirement

Home—Washington. The Naval Home is hereby redesignated as the Armed Forces Retirement Home—Gulfport.

''(d) OPERATION.—(1) The Chief Operating Officer of the Armed Forces Retirement Home is the head of the Retirement Home. The Chief Operating Officer is subject to the authority, direction, and control of the Secretary of Defense.

''(2) Each facility of the Retirement Home shall be maintained as a separate establishment of the Retirement Home for administrative purposes and shall be under the authority, direction, and control of the Director of that facility. The Director of each facility of the Retirement Home is subject to the authority, direction, and control of the Chief Operating Officer.

''(e) PROPERTY AND FACILITIES.—(1) The Retirement Home shall include such property and facilities as may be acquired under paragraph (2) or accepted under section 1515(f) for inclusion in the Retirement Home.

''(2) The Secretary of Defense may acquire, for the benefit of the Retirement Home, property and facilities for inclusion in the Retirement Home.

''(3) The Secretary of Defense may dispose of any property of the Retirement Home, by sale, lease, or otherwise, that the Secretary determines is excess to the needs of the Retirement Home. The proceeds from such a dis-

posal of property shall be deposited in the Armed Forces Retirement Home Trust Fund. No such disposal of real property shall be effective earlier than 120 days after the date on which the Secretary transmits a notification of the proposed disposal to the Committees on Armed Services of the Senate and the House of Representatives.

''(f) DEPARTMENT OF DEFENSE SUPPORT.—The Secretary of Defense may make available from the Department of Defense to the Retirement Home, on a nonreimbursable basis, administrative support and office services, legal and policy planning assistance, access to investigative facilities of the Inspector General of the Department of Defense and of the military departments, and any other support necessary to enable the Retirement Home to carry out its functions under this title.

''(g) ACCREDITATION.—The Chief Operating Officer shall endeavor to secure for each facility of the Retirement Home accreditation by a nationally recognized civilian accrediting organization, such as the Continuing Care Accreditation Commission and the Joint Commission for Accreditation of Health Organizations.

''(h) ANNUAL REPORT.—The Secretary of Defense shall transmit to Congress an annual report on the financial and other affairs of the Retirement Home for each fiscal year.''.

SEC. 1044. CHIEF OPERATING OFFICER.

(a) ESTABLISHMENT AND AUTHORITY OF POSITION.—Section 1515 (24 U.S.C. 415) is amended to read as follows:

"SEC. 1515. CHIEF OPERATING OFFICER.

"(a) APPOINTMENT.—(1) The Secretary of Defense shall appoint the Chief Operating Officer of the Retirement Home. The Secretary of Defense may make the appointment without regard to the provisions of title 5, United States Code, governing appointments in the civil service.

"(2) The Chief Operating Officer shall serve at the pleasure of the Secretary of Defense.

"(3) The Secretary of Defense shall evaluate the performance of the Chief Operating Officer at least once each year.

"(b) QUALIFICATIONS.—To qualify for appointment as the Chief Operating Officer, a person shall—

"(1) be a continuing care retirement community professional;

"(2) have appropriate leadership and management skills; and

"(3) have experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

"(c) RESPONSIBILITIES.—(1) The Chief Operating Officer shall be responsible to the Secretary of Defense for the overall direction, operation, and management of the Retirement Home and shall report to the Secretary on those matters.

"(2) The Chief Operating Officer shall supervise the operation and administration of the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, including the Local Boards of those facilities.

"(3) The Chief Operating Officer shall perform the following duties:

"(A) Issue, and ensure compliance with, appropriate rules for the operation of the Retirement Home.

"(B) Periodically visit, and inspect the operation of, the facilities of the Retirement Home.

"(C) Periodically examine and audit the accounts of the Retirement Home.

"(D) Establish any advisory body or bodies that the Chief Operating Officer considers to be necessary.

"(d) COMPENSATION.—(1) The Secretary of Defense may prescribe the pay of the Chief Operating Officer without regard to the provisions of title 5, United States Code,

governing classification and pay, except that the basic pay, including locality pay, of the Chief Operating Officer may not exceed the limitations established in section 5307 of such title.

"(2) In addition to basic pay and any locality pay prescribed for the Chief Operating Officer, the Secretary may award the Chief Operating Officer, not more than once each year, a bonus based on the performance of the Chief Operating Officer for the year. The Secretary shall prescribe the amount of any such bonus.

"(e) ADMINISTRATIVE STAFF.—(1) The Chief Operating Officer may, subject to the approval of the Secretary of Defense, appoint a staff to assist in the performance of the Chief Operating Officer's duties in the overall administration of the Retirement Home.

"(2) The Chief Operating Officer shall prescribe the rates of pay applicable to the members of the staff appointed under paragraph (1), without regard to the provisions of title 5, United States Code, regarding classification and pay, except that—

"(A) a staff member who is a member of the Armed Forces on active duty or who is a full-time officer or employee of the United States may not receive additional pay by reason of service on the administrative staff; and

"(B) the limitations in section 5373 of title 5, United States Code, relating to pay set by administrative action, shall apply to the rates of pay prescribed under this paragraph.

"(f) ACCEPTANCE OF GIFTS.—(1) The Chief Operating Officer may accept gifts of money, property, and facilities on behalf of the Retirement Home.

"(2) Monies received as gifts, or realized from the disposition of property and facilities received as gifts, shall be deposited in the Armed Forces Retirement Home Trust Fund.".

(b) TRANSFER OF AUTHORITIES.—(1) The following provisions are amended by striking "Retirement Home Board" each place it appears and inserting "Chief Operating Officer":

(A) Section 1512 (24 U.S.C. 412), relating to eligibility and acceptance for residence in the Armed Forces Retirement Home.

(B) Section 1513(a) (24 U.S.C. 412(a)), relating to services provided to residents of the Armed Forces Retirement Home.

(C) Section 1518(c) (24 U.S.C. 418(c)), relating to inspection of the Armed Forces Retirement Home.

(2) Section 1519(c) (24 U.S.C. 419(c)), relating to authority to invest funds in the Armed Forces Retirement Home Trust Fund, is amended by striking ''Director'' and inserting ''Chief Operating Officer''.

(3) Section 1521(a) (24 U.S.C. 421(a)), relating to payment of residents for services, is amended by striking ''Chairman of the Armed Forces Retirement Board'' and inserting ''Chief Operating Officer''.

(4) Section 1522 (24 U.S.C. 422), relating to authority to accept certain uncompensated services, is amended—

(A) in subsection (a)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of each establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''unless'' and all that follows through ''Retirement Home Board'';

(B) in subsection (b)(1)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of the establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by inserting ''offering the services'' after ''notify the person'';

(C) in subsection (b)(2), by striking ''Chairman'' and inserting ''Chief Operating Officer'';

(D) in subsection (c), by striking ''Chairman of the Retirement Home Board or the Director of an establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(E) in subsection (e)—

(i) by striking ''Chairman of the Retirement Board or the Director of the establishment'' in the first sentence and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''Chairman'' in the second sentence and inserting ''Chief Operating Officer''.

(5) Section 1523(b) (24 U.S.C. 423(b)), relating to preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington, is amended by striking ''Chairman of the Retirement Home Board'' and inserting ''Chief Operating Officer''.

SEC. 1045. RESIDENTS OF RETIREMENT HOME.

(a) REPEAL OF REQUIREMENT OF RESIDENT TO REAPPLY AFTER SUBSTANTIAL ABSENCE.—Subsection (e) of section 1512 (24 U.S.C. 412) is repealed.

(b) FEES PAID BY RESIDENTS.—Section 1514 (24 U.S.C. 414) is amended to read as follows:

"SEC. 1514. FEES PAID BY RESIDENTS.

"(a) MONTHLY FEES.—The Director of each facility of the Retirement Home shall collect a monthly fee from each resident of that facility.

"(b) DEPOSIT OF FEES.—The Directors shall deposit fees collected under subsection (a) in the Armed Forces Retirement Home Trust Fund.

"(c) FIXING FEES.—(1) The Chief Operating Officer, with the approval of the Secretary of Defense, shall from time to time prescribe the fees required by subsection (a). Changes to such fees shall be based on the financial needs of the Retirement Home and the ability of the residents to pay. A change of a fee may not take effect until 120 days after the Secretary of Defense transmits a notification of the change to the Committees on Armed Services of the Senate and the House of Representatives.

"(2) The fee shall be fixed as a percentage of the monthly income and monthly payments (including Federal payments) received by a resident. The fee shall be subject to a limitation on maximum monthly amount. The percentage shall be the same for each facility of the Retirement Home. The Secretary of Defense may make any ad-

justment in a percentage or limitation on maximum amount that the Secretary determines appropriate.

"(d) TRANSITIONAL FEE STRUCTURES.—(1) Until different fees are prescribed and take effect under subsection (c), the percentages and limitations on maximum monthly amount that are applicable to fees charged residents of the Retirement Home are (subject to any adjustment that the Secretary of Defense determines appropriate) as follows:

"(A) For months beginning before January 1, 2002—

"(i) for a permanent health care resident, 65 percent (without limitation on maximum monthly amount); and

"(ii) for a resident who is not a permanent health care resident, 40 percent (without limitation on maximum monthly amount).

"(B) For months beginning after December 31, 2001—

"(i) for an independent living resident, 35 percent, but not to exceed $1,000 each month;

"(ii) for an assisted living resident, 40 percent, but not to exceed $1,500 each month; and

"(iii) for a long-term care resident, 65 percent, but not to exceed $2,500 each month.

"(2) Notwithstanding the limitations on maximum monthly amount prescribed under subsection (c) or set forth in paragraph (1)(B), until an independent living resident or assisted living resident of the Armed Forces Retirement Home—Gulfport occupies a renovated room at that facility, as determined by the Secretary of Defense, the limitation on maximum monthly amount applicable to the resident for months beginning after December 31, 2001, shall be—

"(A) in the case of an independent living resident, $800; and

"(B) in the case of an assisted living resident, $1,300.

SEC. 1046. LOCAL BOARDS OF TRUSTEES.

Section 1516 (24 U.S.C. 416) is amended to read as follows:

"SEC. 1516. LOCAL BOARDS OF TRUSTEES.

"(a) ESTABLISHMENT.—Each facility of the Retirement Home shall have a Local Board of Trustees.

"(b) DUTIES.—The Local Board for a facility shall serve in an advisory capacity to the Director of the facility and to the Chief Operating Officer.

"(c) COMPOSITION.—(1) The Local Board for a facility shall consist of at least 11 members who (except as otherwise specifically provided) shall be appointed by the

Secretary of Defense in consultation with each of the Secretaries of the military departments concerned. At least one member of the Local Board shall have a perspective that is oriented toward the Retirement Home overall. The Local Board for a facility shall consist of the following members:

"(A) One member who is a civilian expert in nursing home or retirement home administration and financing from the geographical area of the facility.

"(B) One member who is a civilian expert in gerontology from the geographical area of the facility.

"(C) One member who is a service expert in financial management.

"(D) One representative of the Department of Veterans Affairs regional office nearest in proximity to the facility, who shall be designated by the Secretary of Veterans Affairs.

"(E) One representative of the resident advisory committee or council of the facility, who shall be a nonvoting member.

"(F) One enlisted representative of the Services' Retiree Advisory Council.

"(G) The senior noncommissioned officer of one of the Armed Forces.

"(H) One senior representative of the military hospital nearest in proximity to the facility.

"(I) One senior judge advocate from one of the Armed Forces.

"(J) The Director of the facility, who shall be a nonvoting member.

"(K) One senior representative of one of the chief personnel officers of the Armed Forces.

"(L) Other members designated by the Secretary of Defense (if the Local Board is to have more than 11 members).

"(2) The Secretary of Defense shall designate one member of a Local Board to serve as the chairman of the Local Board at the pleasure of the Secretary of Defense.

"(d) TERMS.—(1) Except as provided in subsections (e), (f), and (g), the term of office of a member of a Local Board shall be five years.

"(2) Unless earlier terminated by the Secretary of Defense, a person may continue to serve as a member of the Local Board after the expiration of the member's term until a successor is appointed or designated, as the case may be.

"(e) EARLY EXPIRATION OF TERM.—A member of a Local Board who is a member of the Armed Forces or an employee of the United States serves as a member of the Local Board only for as long as the member is assigned to or serving in a position for which the duties include the duty to serve as a member of the Local Board.

"(f) VACANCIES.—(1) A vacancy in the membership of a Local Board shall be filled in the manner in which the original appointment or designation was made, as the case may be.

"(2) A member appointed or designated to fill a vacancy occurring before the end of the term of the predecessor of the member shall be appointed or designated, as the case may be, for the remainder of the term for which the predecessor was appointed.

"(3) A vacancy in a Local Board shall not affect its authority to perform its duties.

"(g) EARLY TERMINATION.—The Secretary of Defense may terminate the appointment of a member of a Local Board before the expiration of the member's term for any reason that the Secretary determines appropriate.

"(h) COMPENSATION.—(1) Except as provided in paragraph (2), a member of a Local Board shall—

"(A) be provided a stipend consistent with the daily government consultant fee for each day on

which the member is engaged in the performance of services for the Local Board; and

''(B) while away from home or regular place of business in the performance of services for the Local Board, be allowed travel expenses (including per diem in lieu of subsistence) in the same manner as a person employed intermittently in Government under sections 5701 through 5707 of title 5, United States Code.

''(2) A member of a Local Board who is a member of the Armed Forces on active duty or a full-time officer or employee of the United States shall receive no additional pay by reason of serving a member of a Local Board.''.

SEC. 1047. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

Section 1517 (24 U.S.C. 417) is amended to read as follows:

''SEC. 1517. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

''(a) APPOINTMENT.—The Secretary of Defense shall appoint a Director and a Deputy Director for each facility of the Retirement Home.

''(b) DIRECTOR.—The Director of a facility shall—

"(1) be a member of the Armed Forces serving on active duty in a grade above lieutenant colonel or commander;

"(2) have appropriate leadership and management skills; and

"(3) be required to pursue a course of study to receive certification as a retirement facilities director by an appropriate civilian certifying organization, if the Director is not so certified at the time of appointment.

"(c) DUTIES OF DIRECTOR.—(1) The Director of a facility shall be responsible for the day-to-day operation of the facility, including the acceptance of applicants to be residents of that facility.

"(2) The Director of a facility shall keep accurate and complete records of the facility.

"(d) DEPUTY DIRECTOR.—(1) The Deputy Director of a facility shall—

"(A) be a civilian with experience as a continuing care retirement community professional; and

"(B) have appropriate leadership and management skills.

"(2) The Deputy Director of a facility shall—

"(A) be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

"(B) serve at the pleasure of the Secretary of Defense, without regard to the provisions of title 5, United States Code.

"(e) DUTIES OF DEPUTY DIRECTOR.—The Deputy Director of a facility shall, under the authority, direction, and control of the Director of the facility, perform such duties as the Director may assign.

"(f) STAFF.—(1) The Director of a facility may, subject to the approval of the Chief Operating Officer, appoint and prescribe the pay of such principal staff as the Director considers appropriate to assist the Director in operating the facility.

"(2) The principal staff of a facility shall include persons with experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

"(3) The Director of a facility may exercise the authority under paragraph (1) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and pay, except that the limitations in section 5373 of such title

(relating to pay set by administrative action) shall apply to the rates of pay prescribed under this paragraph.

''(g) ANNUAL EVALUATION OF DIRECTORS.—(1) The Chief Operating Officer shall evaluate the performance of each of the Directors of the facilities of the Retirement Home each year.

''(2) The Chief Operating Officer shall submit to the Secretary of Defense any recommendations regarding a Director that the Chief Operating Officer determines appropriate taking into consideration the annual evaluation.''.

SEC. 1048. DISPOSITION OF EFFECTS OF DECEASED PERSONS AND UNCLAIMED PROPERTY.

(a) LEGAL REPRESENTATION FOR RETIREMENT HOME.—Subsection (b)(2)(A) of section 1520 (24 U.S.C. 420) is amended by inserting ''who is a full-time officer or employee of the United States or a member of the Armed Forces on active duty'' after ''may designate an attorney''.

(b) CORRECTION OF REFERENCE.—Subsection (b)(1)(B) of such section is amended by inserting ''Armed Forces'' before ''Retirement Home Trust Fund''.

SEC. 1049. TRANSITIONAL PROVISIONS.

Part B is amended by striking sections 1531, 1532, and 1533 and inserting the following:

"SEC. 1531. TEMPORARY CONTINUATION OF ARMED FORCES RETIREMENT HOME BOARD.

''Until the Secretary of Defense appoints the first Chief Operating Officer after the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Armed Forces Retirement Home Board, as constituted on the day before the date of the enactment of that Act, shall continue to serve and shall perform the duties of the Chief Operating Officer.

"SEC. 1532. TEMPORARY CONTINUATION OF DIRECTOR OF THE ARMED FORCES RETIREMENT HOME—WASHINGTON.

''The person serving as the Director of the Armed Forces Retirement Home—Washington on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve as the Director of that facility until April 2, 2002.

"SEC. 1533. TEMPORARY CONTINUATION OF INCUMBENT DEPUTY DIRECTORS.

''A person serving as the Deputy Director of a facility of the Retirement Home on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve, at the pleasure of the Secretary of Defense, as the Deputy Director until the date on which a Deputy Director is appointed for that facility under section 1517, except that the service in that position

may not continue under this section after December 31, 2004.''.

SEC. 1050. CONFORMING AND CLERICAL AMENDMENTS AND REPEALS OF OBSOLETE PROVISIONS.

(a) CONFORMING AMENDMENTS.—(1) Section 1513(b) (24 U.S.C. 413(b)), relating to services provided to residents of the Armed Forces Retirement Home, is amended by striking ''maintained as a separate establishment'' in the second sentence.

(2) The heading for section 1519 (24 U.S.C. 419) is amended to read as follows:

''SEC. 1519. ARMED FORCES RETIREMENT HOME TRUST FUND.''.

(3) Section 1520 (24 U.S.C. 420), relating to disposition of effects of deceased persons and unclaimed property, is amended—

(A) in subsection (a), by striking ''each facility that is maintained as a separate establishment'' and inserting ''a facility'';

(B) in subsection (b)(2)(A), by striking ''maintained as a separate establishment''; and

(C) in subsection (e), by striking ''Directors'' and inserting ''Director of the facility''.

(4)(A) Section 1523 (24 U.S.C. 423), relating to preservation of historic buildings and grounds at the

Armed Forces Retirement Home—Washington, is amended by striking ''United States Soldiers' and Airmen's Home'' each place it appears and inserting ''Armed Forces Retirement Home—Washington''.

(B) The heading for such section is amended to read as follows:

''SEC. 1523. PRESERVATION OF HISTORIC BUILDINGS AND GROUNDS AT THE ARMED FORCES RETIREMENT HOME—WASHINGTON.''.

(5) Section 1524 (24 U.S.C. 424), relating to conditional supervisory control of the Retirement Home Board, is repealed.

(b) REPEAL OF OBSOLETE PROVISIONS.—The following provisions are repealed:

(1) Section 1512(f) (24 U.S.C. 412(f)), relating to the applicability of certain eligibility requirements.

(2) Section 1519(d) (24 U.S.C. 419(d)), relating to transitional accounts in the Armed Forces Retirement Home Trust Fund.

(3) Part C, relating to effective date and authorization of appropriations.

(c) ADDITION OF TABLE OF CONTENTS.—Title XV of the National Defense Authorization Act for Fiscal Year

1991 (Public Law 101–510; 104 Stat. 1722) is amended by inserting after the heading for such title the following:

"Sec. 1501. Short title.
"Sec. 1502. Definitions.

"PART A—ESTABLISHMENT AND OPERATION OF RETIREMENT HOME

"Sec. 1511. Establishment of the Armed Forces Retirement Home.
"Sec. 1512. Residents of Retirement Home.
"Sec. 1513. Services provided residents.
"Sec. 1514. Fees paid by residents.
"Sec. 1515. Chief Operating Officer.
"Sec. 1516. Local Boards of Trustees.
"Sec. 1517. Directors, Deputy Directors, and staff of facilities.
"Sec. 1518. Inspection of Retirement Home.
"Sec. 1519. Armed Forces Retirement Home Trust Fund.
"Sec. 1520. Disposition of effects of deceased persons; unclaimed property.
"Sec. 1521. Payment of residents for services.
"Sec. 1522. Authority to accept certain uncompensated services.
"Sec. 1523. Preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington.

"PART B—TRANSITIONAL PROVISIONS

"Sec. 1531. Temporary Continuation of Armed Forces Retirement Home Board.
"Sec. 1532. Temporary Continuation of Director of the Armed Forces Retirement Home—Washington.
"Sec. 1533. Temporary Continuation of Incumbent Deputy Directors.".

SEC. 1051. AMENDMENTS OF OTHER LAWS.

(a) EMPLOYEE PERFORMANCE APPRAISALS.—Section 4301(2) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (G);

(2) by striking "and" at the end of subparagraph (H) and inserting "or"; and

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

"(I) the Chief Operating Officer and the Deputy Directors of the Armed Forces Retirement Home; and".

(b) EXCLUSION OF CERTAIN OFFICERS FROM CERTAIN LIMITATIONS APPLICABLE TO GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—(1) Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) An officer while serving as a Director of the Armed Forces Retirement Home, if serving in the grade of major general or rear admiral, is in addition to the number that would otherwise be permitted for that officer's armed force for that grade under subsection (a).".

(2)(A) Section 526 of such title is amended by adding at the end the following new subsection:

"(e) EXCLUSION OF DIRECTORS OF ARMED FORCES RETIREMENT HOME.—The limitations of this section do not apply to a general or flag officer while the officer is assigned as the Director of a facility of the Armed Forces Retirement Home.".

(B) Subsection (d) of such section is amended by inserting "RESERVE COMPONENT" after "EXCLUSION OF CERTAIN".

(3) Section 688(e)(2) of such title is amended by adding at the end the following new subparagraph:

"(D) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.".

(4) Section 690 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking the second sentence and inserting the following: "The following officers are not counted for the purposes of this subsection:"; and

(ii) by adding at the end the following:

"(1) A retired officer ordered to active duty for a period of 60 days or less.

"(2) A general or flag officer who is assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered."; and

(B) in subsection (b), by adding at the end of paragraph (2) the following new subparagraph:

"(E) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.".

Subtitle E—Other Matters

SEC. 1061. REQUIREMENT TO CONDUCT CERTAIN PREVIOUSLY AUTHORIZED EDUCATIONAL PROGRAMS FOR CHILDREN AND YOUTH.

(a) NATIONAL GUARD CHALLENGE PROGRAM.—Section 509(a) of title 32, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

(b) STARBASE PROGRAM.—Section 2193b(a) of title 10, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

SEC. 1062. AUTHORITY TO ENSURE DEMILITARIZATION OF SIGNIFICANT MILITARY EQUIPMENT FORMERLY OWNED BY THE DEPARTMENT OF DEFENSE.

(a) PROHIBITION.—It is unlawful for any person to possess significant military equipment formerly owned by the Department of Defense unless—

(1) the military equipment has been demilitarized in accordance with standards prescribed by the Secretary of Defense;

(2) the person is in possession of the military equipment for the purpose of demilitarizing the

equipment pursuant to a Federal Government contract; or

(3) the person is specifically authorized by law or regulation to possess the military equipment.

(b) REFERRAL TO ATTORNEY GENERAL.—The Secretary of Defense shall notify the Attorney General of any potential violation of subsection (a) of which the Secretary becomes aware.

(c) AUTHORITY TO REQUIRE DEMILITARIZATION.—(1) The Attorney General may require any person who, in violation of subsection (a), is in possession of significant military equipment formerly owned by the Department of Defense—

(A) to demilitarize the equipment;

(B) to have the equipment demilitarized by a third party; or

(C) to return the equipment to the Federal Government for demilitarization.

(2) When the demilitarization of significant military equipment is carried out pursuant to subparagraph (A) or (B) of paragraph (1), an officer or employee of the United States designated by the Attorney General shall have the right to confirm, by inspection or other means authorized by the Attorney General, that the equipment has been demilitarized.

(3) If significant military equipment is not demilitarized or returned to the Federal Government for demilitarization as required under paragraph (1) within a reasonable period after the Attorney General notifies the person in possession of the equipment of the requirement to do so, the Attorney General may request that a court of the United States issue a warrant authorizing the seizure of the military equipment in the same manner as is provided for a search warrant. If the court determines that there is probable cause to believe that the person is in possession of significant military equipment in violation of subsection (a), the court shall issue a warrant authorizing the seizure of such equipment.

(d) DEMILITARIZATION OF EQUIPMENT.—(1) The Attorney General shall transfer any military equipment returned to the Federal Government or seized pursuant to subsection (c) to the Department of Defense for demilitarization.

(2) If the person in possession of significant military equipment obtained the equipment in accordance with any other provision of law, the Secretary of Defense shall bear all costs of transportation and demilitarization of the equipment and shall either—

(A) return the equipment to the person upon completion of the demilitarization; or

(B) reimburse the person for the cost incurred by that person to acquire the equipment if the Secretary determines that the cost to demilitarize and return the property to the person would be prohibitive.

(e) ESTABLISHMENT OF DEMILITARIZATION STANDARDS.—(1) The Secretary of Defense shall prescribe regulations regarding the demilitarization of military equipment.

(2) The regulations shall be designed to ensure that—

(A) the equipment, after demilitarization, does not constitute a significant risk to public safety and does not have—

(i) a significant capability for use as a weapon; or

(ii) a uniquely military capability; and

(B) any person from whom private property is taken for public use under this section receives just compensation for the taking of the property.

(3) The regulations shall, at a minimum, define—

(A) the classes of significant military equipment requiring demilitarization before disposal; and

(B) what constitutes demilitarization for each class of significant military equipment.

(f) DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.—In this section, the term ''significant military equipment'' means equipment that has a capability described in clause (i) or (ii) of subsection (e)(2) and—

(1) is a defense article listed on the United States Munitions List maintained under section 38 of the Arms Export Control Act (22 U.S.C. 2778) that is designated on that list as significant military equipment; or

(2) is designated by the Secretary of Defense under the regulations prescribed under subsection (e) as being equipment that it is necessary in the interest of public safety to demilitarize before disposal by the United States.

SEC. 1063. CONVEYANCES OF EQUIPMENT AND RELATED MATERIALS LOANED TO STATE AND LOCAL GOVERNMENTS AS ASSISTANCE FOR EMERGENCY RESPONSE TO A USE OR THREATENED USE OF A WEAPON OF MASS DESTRUCTION.

Section 1412(e) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2718; 50 U.S.C. 2312(e)) is amended by adding at the end the following new paragraph:

"(5) A conveyance of ownership of United States property to a State or local government, without cost and without regard to subsection (f) and title II of the Federal Property and Administrative Services Act of 1949 (or any other provision of law relating to the disposal of property of the United States), if the property is equipment, or equipment and related materials, that is in the possession of the State or local government on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002 pursuant to a loan of the property as assistance under this section.".

SEC. 1064. AUTHORITY TO PAY GRATUITY TO MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE UNITED STATES FOR SLAVE LABOR PERFORMED FOR JAPAN DURING WORLD WAR II.

(a) PAYMENT OF GRATUITY AUTHORIZED.—The Secretary of Veterans Affairs may pay a gratuity to a covered veteran or civilian internee, or to the surviving spouse of a covered veteran or civilian internee, in the amount of $20,000.

(b) COVERED VETERAN OR CIVILIAN INTERNEE DEFINED.—In this section, the term "covered veteran or civilian internee" means any individual who—

(1) was a member of the Armed Forces, a civilian employee of the United States, or an employee of a contractor of the United States during World War II;

(2) served in or with United States combat forces during World War II;

(3) was captured and held as a prisoner of war or prisoner by Japan in the course of such service; and

(4) was required by the Imperial Government of Japan, or one or more Japanese corporations, to perform slave labor during World War II.

(c) RELATIONSHIP TO OTHER PAYMENTS.—Any amount paid a person under this section for activity described in subsection (b) is in addition to any other amount paid such person for such activity under any other provision of law.

SEC. 1065. RETENTION OF TRAVEL PROMOTIONAL ITEMS.

(a) IN GENERAL.—To the extent provided in subsection (b), a Federal employee, member of the foreign service, member of a uniformed service, any family member or dependent of such an employee or member, or other individual traveling at Government expense who receives a promotional item (including frequent flyer miles, upgrades, or access to carrier clubs or facilities) as a result

of using travel or transportation services procured by the United States or accepted under section 1353 of title 31, United States Code, may retain the promotional item for personal use if the promotional item is obtained under the same terms as those offered to the general public and at no additional cost to the Government.

(b) APPLICABILITY TO EXECUTIVE BRANCH ONLY.—Subsection (a)—

(1) applies only to travel that is at the expense of the executive branch; and

(2) does not apply to travel by any officer, employee, or other official of the Government outside the executive branch.

(c) CONFORMING AMENDMENT.—Section 6008 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 5 U.S.C. 5702 note) is amended by adding at the end the following new subsection:

''(d) INAPPLICABILITY TO EXECUTIVE BRANCH.—The guidelines issued under subsection (a) and the requirement under subsection (b) shall not apply to any agency of the executive branch or to any Federal employee or other personnel in the executive branch.''.

(d) APPLICABILITY.—This section shall apply with respect to promotional items received before, on, or after the date of enactment of this Act.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Subtitle A—Intelligence Personnel

SEC. 1101. AUTHORITY TO INCREASE MAXIMUM NUMBER OF POSITIONS IN THE DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.

Section 1606(a) of title 10, United States Code, is amended by striking ''517.'' and inserting the following: ''517, except that the Secretary may increase such maximum number by one position for each Senior Intelligence Service position in the Central Intelligence Agency that is permanently eliminated by the Director of Central Intelligence after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002. In no event may the number of positions in the Defense Intelligence Senior Executive Service exceed 544.''.

SEC. 1102. CONTINUED APPLICABILITY OF CERTAIN CIVIL SERVICE PROTECTIONS FOR EMPLOYEES INTEGRATED INTO THE NATIONAL IMAGERY AND MAPPING AGENCY FROM THE DEFENSE MAPPING AGENCY.

Section 1612(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) If not otherwise applicable to an employee described in subparagraph (B), subchapters II and IV of chapter 75 of title 5 shall continue to apply to the employee for as long as the employee serves on and after October 1, 1996, without a break in service, as an employee of the Department of Defense in any position, or successively in two or more positions, in the National Imagery and Mapping Agency.

"(B) This paragraph applies to a person who—

"(i) on September 30, 1996, was employed as an employee of the Department of Defense in a position in the Defense Mapping Agency to whom subchapters II and IV of title 5 applied; and

"(ii) on October 1, 1996, became an employee of the National Imagery and Mapping Agency under paragraph 1601(a) of this title.".

Subtitle B—Matters Relating to Retirement

SEC. 1111. FEDERAL EMPLOYMENT RETIREMENT CREDIT FOR NONAPPROPRIATED FUND INSTRUMENTALITY SERVICE.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—(1) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (15);

(B) by striking the period at the end of paragraph (16) and inserting "; and";

(C) by inserting after paragraph (16) the following new paragraph:

"(17) service performed by any individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title that is not covered by paragraph (16), if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.";

(D) in the last sentence, by inserting "or (17)" after "service of the type described in paragraph (16)"; and

(E) by inserting after the last sentence the following: "Service credited under paragraph (17) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.".

(2) Section 8334 of such title is amended by adding at the end the following new subsection:

"(o) Notwithstanding subsection (c), no deposit may be made with respect to service credited under section 8332(b)(17) of this title.".

(3) Section 8339 of such title is amended by adding at the end the following new subsection:

''(u) The annuity of an employee retiring under this subchapter with service credited under section 8332(b)(17) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8332(b)(17) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—(1) Section 8411 of such title is amended—

(A) in subsection (b)—

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

(ii) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(iii) by inserting after paragraph (5) the following new paragraph:

''(6) service performed by any individual as an employee of a nonappropriated fund instrumentality

of the Department of Defense or the Coast Guard described in section 2105(c) of this title, if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.''; and

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

''(k)(1) The Office of Personnel Management shall accept, for the purposes if this chapter, the certification of the head of a nonappropriated fund instrumentality of the United States concerning service of the type described in subsection (b)(6) that was performed for such nonappropriated fund instrumentality.

''(2) Service credited under subsection (b)(6) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.''.''.

(2)(A) Section 8422 of such title is amended by adding at the end the following new subsection:

''(g) No deposit may be made with respect to service credited under section 8411(b)(6) of this title.''.

(B) The heading for such section is amended to read as follows:

"§ 8422. Deductions from pay; contributions for other service".

(C) The item relating to such section in the table of contents at the beginning of chapter 84 of title 5, United States Code, is amended to read as follows:

"8422. Deductions from pay; contributions for other service.".

(3) Section 8415 of such title is amended by adding at the end the following new subsection:

''(j) The annuity of an employee retiring under this chapter with service credited under section 8411(b)(6) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee under this subchapter is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8411(b)(6) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(c) APPLICABILITY.—The amendments made by this section shall apply only to separations from service as an employee of the United States on or after the date of the enactment of this Act.

SEC. 1112. IMPROVED PORTABILITY OF RETIREMENT COVERAGE FOR EMPLOYEES MOVING BETWEEN CIVIL SERVICE EMPLOYMENT AND EMPLOYMENT BY NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8347(q) of title 5, United States Code, is amended—

(1) in paragraph (1)—

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

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8461(n) of such title is amended—

(1) in paragraph (1)—

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

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

SEC. 1113. REPEAL OF FISCAL YEAR 2003 LIMITATION ON EXERCISE OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY AND VOLUNTARY EARLY RETIREMENT AUTHORITY.

Section 1153(b)(2) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–323) is amended by striking ''during fiscal years 2002 and 2003'' and inserting ''during fiscal year 2002''.

Subtitle C—Other Matters

SEC. 1121. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR THE CORPS OF CADETS AT THE UNITED STATES MILITARY ACADEMY.

Section 4337 of title 10, United States Code, is amended by striking the second sentence and inserting the following: ''The chaplain is entitled to a housing allowance equal to the basic allowance for housing that is applicable for an officer in pay grade O–5 at the Academy under section 403 of title 37, and to fuel and light for quarters in kind.''.

SEC. 1122. STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy of the pay and other elements of the compensation provided for teachers in the defense dependents' education system established under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

(b) SPECIFIC CONSIDERATIONS.—In carrying out the study, the Comptroller General shall consider the following issues:

(1) Whether the compensation is adequate for recruiting and retaining high quality teachers.

(2) Whether any revision of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901 et seq) or the regulations under that Act is advisable to address any problems identified with respect to the recruitment and retention of high quality teachers or for other purposes.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than March 1, 2002. The report shall include the following:

(1) The Comptroller General's conclusions on the issues considered.

(2) Any recommendations for actions that the Comptroller General considers appropriate.

SEC. 1123. PILOT PROGRAM FOR PAYMENT OF RETRAINING EXPENSES INCURRED BY EMPLOYERS OF PERSONS INVOLUNTARILY SEPARATED FROM EMPLOYMENT BY THE DEPARTMENT OF DEFENSE.

(a) AUTHORITY.—The Secretary of Defense may carry out a pilot program in accordance with this section to facilitate the reemployment of employees of the Department of Defense who are being separated as described in subsection (b) by providing employers outside the Federal Government with retraining incentive payments to encourage those employers to hire, train, and retain such employees.

(b) COVERED EMPLOYEES.—A retraining incentive payment may be made under subsection (c) with respect to a person who—

(1) has been involuntarily separated from employment by the United States due to—

(A) a reduction in force (within the meaning of chapter 35 of title 5, United States Code); or

(B) a relocation resulting from a transfer of function (within the meaning of section 3503 of title 5, United States Code), realignment, or change of duty station; and

(2) when separated—

(A) was employed without time limitation in a position in the Department of Defense;

(B) had been employed in such position or any combination of positions in the Department of Defense for a continuous period of at least one year;

(C) was not a reemployed annuitant under subchapter III of chapter 83 of title 5, United States Code, chapter 84 of such title, or another retirement system for employees of the Federal Government;

(D) was not eligible for an immediate annuity under subchapter III of chapter 83 of title 5, United States Code, or subchapter II of chapter 84 of such title; and

(E) was not eligible for disability retirement under any of the retirement systems referred to in subparagraph (C).

(c) RETRAINING INCENTIVE.—(1) Under the pilot program, the Secretary may pay a retraining incentive to

any person outside the Federal Government that, pursuant to an agreement entered into under subsection (d), employs a former employee of the United States referred to in subsection (b).

(2) For employment of a former employee that is continuous for one year, the amount of any retraining incentive paid to the employer under paragraph (1) shall be the lesser of—

(A) the amount equal to the total cost incurred by the employer for any necessary training provided to the former employee in connection with the employment by that employer, as determined by the Secretary taking into consideration a certification by the employer under subsection (d); or

(B) $10,000.

(3) For employment of a former employee that terminates within one year after the employment begins, the amount of any retraining incentive paid to the employer under paragraph (1) shall be equal to the amount that bears the same ratio to the amount computed under paragraph (2) as the period of continuous employment of the employee by that employer bears to one year.

(4) The cost of the training of a former employee of the United States for which a retraining incentive is paid to an employer under this subsection may include any cost

incurred by the employer for training that commenced for the former employee after the former employee, while still employed by the Department of Defense, received a notice of the separation from employment by the United States.

(5) Not more than one retraining incentive may be paid with respect to a former employee under this subsection.

(d) EMPLOYER AGREEMENT.—Under the pilot program, the Secretary shall enter into an agreement with an employer outside the Federal Government that provides for the employer—

(1) to employ a person described in subsection (b) for at least one year for a salary or rate of pay that is mutually agreeable to the employer and such person; and

(2) to certify to the Secretary the cost incurred by the employer for any necessary training provided to such person in connection with the employment of the person by that employer.

(e) NECESSARY TRAINING.—For the purposes of this section, the necessity of training provided a former employee of the Department of Defense shall be determined under regulations prescribed by the Secretary of Defense for the administration of this section.

(f) TERMINATION OF PILOT PROGRAM.—No retraining incentive may be paid under this section for training commenced after September 30, 2005.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2002 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2002 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section

301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1202. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $403,000,000 authorized to be appropriated to the Department of Defense for fiscal year 2002 in section 301(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $133,405,000.

(2) For strategic nuclear arms elimination in Ukraine, $51,500,000.

(3) For weapons of mass destruction infrastructure elimination in Ukraine, $6,024,000.

(4) For weapons of mass destruction infrastructure elimination in Kazakhstan, $6,000,000.

(5) For weapons transportation security in Russia, $9,500,000.

(6) For weapons storage security in Russia, $56,000,000.

(7) For implementation of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $41,700,000.

(8) For biological weapons proliferation prevention activities in the former Soviet Union, $17,000,000.

(9) For chemical weapons destruction in Russia, $50,000,000.

(10) For activities designated as Other Assessments/Administrative Support, $13,221,000.

(11) For defense and military contacts, $18,650,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2002 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2002 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any

case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2002 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for the purposes stated in any of the paragraphs of subsection (a) in excess of 115 percent of the amount specifically authorized for such purposes.

SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.

Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 794; 22 U.S.C. 5952 note) is amended by inserting before the period at the end the following: ''until the Secretary

of Defense submits to Congress a certification that there has been—

"(1) full and accurate disclosure by Russia of the size of its existing chemical weapons stockpile;

"(2) a demonstrated annual commitment by Russia to allocate at least $25,000,000 to chemical weapons elimination;

"(3) development by Russia of a practical plan for destroying its stockpile of nerve agents;

"(4) enactment of a law by Russia that provides for the elimination of all nerve agents at a single site;

"(5) an agreement by Russia to destroy its chemical weapons production facilities at Volgograd and Novocheboksark; and

"(6) a demonstrated commitment from the international community to fund and build infrastructure needed to support and operate the facility".

SEC. 1204. MANAGEMENT OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) AUTHORITY OVER MANAGEMENT.—The Secretary of Defense shall have authority, direction, and control over the management of Cooperative Threat Reduction programs and the funds for such programs.

(b) EXECUTIVE AGENT.—The Defense Threat Reduction Agency shall be the executive agent of the Department of Defense for the functions of the Department relating to Cooperative Threat Reduction programs.

(c) SPECIFICATION OF FUNDS IN DEPARTMENT OF DEFENSE BUDGET.—The budget justification materials submitted to Congress in support of the budget of the Department of Defense for each fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) shall include amounts, if any, requested for such fiscal year for Cooperative Threat Reduction programs.

SEC. 1205. ADDITIONAL MATTER IN ANNUAL REPORT ON ACTIVITIES AND ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Section 1308(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (at enacted by Public Law 106–398; 114 Stat. 1654A–341) is amended by adding at the end of the following new paragraph:

"(6) A description of the amount of the financial commitment from the international community, and from Russia, for the chemical weapons destruction facility located at Shchuch'ye, Russia, for the fiscal year beginning in the year in which the report is submitted.".

Subtitle B—Other Matters

SEC. 1211. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2002—The total amount of the assistance for fiscal year 2002 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2001'' and inserting ''2002''.

SEC. 1212. COOPERATIVE RESEARCH AND DEVELOPMENT PROJECTS WITH NATO AND OTHER COUNTRIES.

(a) ELIGIBILITY OF FRIENDLY FOREIGN COUNTRIES.—Section 2350a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''(a) AUTHORITY TO ENGAGE IN COOPERATIVE R&D PROJECTS.—'';

(B) by striking ''major allies of the United States or NATO organizations'' and inserting ''countries or organizations referred to in paragraph (2)''; and

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

''(2) The countries and organizations with which the Secretary may enter into a memorandum of agreement (or other formal agreement) under paragraph (1) are as follows:

''(A) The North Atlantic Treaty Organization.

''(B) A NATO organization.

''(C) A member nation of the North Atlantic Treaty Organization.

''(D) A major non-NATO ally.

''(E) Any other friendly foreign country.'';

(2) in subsection (b), by striking ''its major non-NATO allies'' and inserting ''a country or organization referred to in subsection (a)(2)'';

(3) in subsection (d)—

(A) in paragraph (1), by striking ''the major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(B) in paragraph (2)—

(i) by striking ''major ally of the United States'' and inserting ''country or organization referred to in subsection (a)(2)''; and

(ii) by striking ''ally's'' and inserting ''country's or organization's'';

(4) in subsection (e)(2)—

(A) in subparagraph (A), by striking ''one or more of the major allies of the United States'' and inserting ''any country or organization referred to in subsection (a)(2)'';

(B) in subparagraph (B), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(C) in subparagraph (C), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(D) in subparagraph (D), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(5) paragraphs (1)(A) and (4)(A) of subsection (g), by striking ''major allies of the United States

and other friendly foreign countries'' and inserting ''countries referred to in subsection (a)(2)''; and

(6) in subsection (i)—

(A) in paragraph (1), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(B) by striking paragraph (2); and

(C) by redesignating paragraph (4) as paragraph (2), and by transferring that paragraph, as so redesignated, within that subsection and inserting the paragraph after paragraph (1).

(b) DELEGATION OF AUTHORITY TO DETERMINE ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such section is amended by striking ''or the Under Secretary of Defense for Acquisition and Technology'' and inserting ''and to one other official of the Department of Defense''.

(c) REVISION OF REQUIREMENT FOR ANNUAL REPORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of such section is amended to read as follows:

''(2) Not later than January 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and to the Committees on Armed Services and on Inter-

national Relations of the House of Representatives a report specifying—

"(A) the countries that are eligible to participate in a cooperative project agreement under this section; and

"(B) the criteria used to determine the eligibility of such countries.".

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

"§ 2350a. Cooperative research and development agreements: NATO and foreign countries".

(2) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 138 of title 10, United States Code, is amended to read as follows:

"2350a. Cooperative research and development agreements: NATO and foreign countries.".

SEC. 1213. INTERNATIONAL COOPERATIVE AGREEMENTS ON USE OF RANGES AND OTHER FACILITIES FOR TESTING OF DEFENSE EQUIPMENT.

(a) AUTHORITY.—Chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations

"(a) AUTHORITY.—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a memorandum of understanding (or other formal agreement) with a foreign country or international organization to provide reciprocal access by the United States and such country or organization to each other's ranges and other facilities for testing of defense equipment.

"(b) PAYMENT OF COSTS.—A memorandum or other agreement entered into under subsection (a) shall include provisions for charging a user of a range or other facility for test and evaluation services furnished by the officers, employees, or governmental agencies of the supplying country or international organization under the memorandum or other agreement. The provisions for charging a user shall conform to the following pricing principles:

"(1) The user shall be charged the amount equal to the direct costs incurred by the country or international organization to supply the services.

"(2) The user may also be charged indirect costs of the use of the range or other facility, but only to the extent specified in the memorandum or other agreement.

"(c) RETENTION OF FUNDS COLLECTED BY THE UNITED STATES.—Amounts collected from the user of a range or other facility of the United States under a memorandum of understanding or other formal agreement entered into under subsection (a) shall be credited to the appropriation from which the costs incurred by the United States in providing support for the use of the range or other facility by that user were paid.

"(d) DELEGATION OF AUTHORITY.—The Secretary of Defense may delegate only to the Deputy Secretary of Defense and to one other official of the Department of Defense authority to determine the appropriateness of the amount of indirect costs charged the United States under a memorandum or other agreement entered into under subsection (a).

"(e) DEFINITIONS.—In this section:

"(1) The term 'direct cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

"(A) means any item of cost that—

"(i) is easily and readily identified to a specific unit of work or output within the range or other facility where the testing and evaluation occurred under the memorandum or other agreement; and

"(ii) would not have been incurred if the testing and evaluation had not taken place; and

"(B) may include costs of labor, materials, facilities, utilities, equipment, supplies, and any other resources of the range or other facility that are consumed or damaged in connection with—

"(i) the conduct of the test and evaluation; or

"(ii) the maintenance of the range or other facility for the use of the country or international organization under the memorandum or other agreement.

"(2) The term 'indirect cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

"(A) means any item of cost that cannot readily be identified directly to a specific unit of work or output; and

"(B) may include general and administrative expenses for such activities as supporting base operations, manufacturing, supervision, procurement of office supplies, and utilities that

are accumulated costs allocated among several users.''.

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

''2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations.''.

SEC. 1214. CLARIFICATION OF AUTHORITY TO FURNISH NUCLEAR TEST MONITORING EQUIPMENT TO FOREIGN GOVERNMENTS.

(a) REDESIGNATION OF EXISTING AUTHORITY.—(1) Section 2555 of title 10, United States Code, as added by section 1203 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–324), is redesignated as section 2565 of that title.

(2) The table of sections at the beginning of chapter 152 of that title is amended by striking the item relating to section 2555, as so added, and inserting the following new item:

''2565. Nuclear test monitoring equipment: furnishing to foreign governments.''.

(b) CLARIFICATION OF AUTHORITY.—Section 2565 of that title, as so redesignated by subsection (a), is further amended—

(1) in subsection (a)—

(A) by striking ''CONVEY OR'' in the subsection heading and inserting ''TRANSFER TITLE TO OR OTHERWISE'';

(B) in paragraph (1)—

(i) by striking ''convey'' and inserting ''transfer title''; and

(ii) by striking ''and'' at the end;

(C) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) inspect, test, maintain, repair, or replace any such equipment.''; and

(2) in subsection (b)—

(A) by striking ''conveyed or otherwise provided'' and inserting ''provided to a foreign government'';

(B) by inserting ''and'' at the end of paragraph (1);

(C) by striking ''; and'' at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3).

SEC. 1215. PARTICIPATION OF GOVERNMENT CONTRACTORS IN CHEMICAL WEAPONS INSPECTIONS AT UNITED STATES GOVERNMENT FACILITIES UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) AUTHORITY.—Section 303(b)(2) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6723(b)(2)) is amended by inserting after ''designation of employees of the Federal Government'' the following: ''(and, in the case of an inspection of a United States Government facility, the designation of contractor personnel who shall be led by an employee of the Federal Government)''.

(b) CREDENTIALS.—Section 304(c) of such Act (22 U.S.C. 6724(c)) is amended by striking ''Federal government'' and inserting ''Federal Government (and, in the case of an inspection of a United States Government facility, any accompanying contractor personnel)''.

SEC. 1216. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) TRANSFERS BY GRANT.—The President is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) POLAND.—To the Government of Poland, the OLIVER HAZARD PERRY class guided missile frigate WADSWORTH (FFG 9).

(2) TURKEY.—To the Government of Turkey, the KNOX class frigates CAPODANNO (FF 1093), THOMAS C. HART (FF 1092), DONALD B. BEARY (FF 1085), McCANDLESS (FF 1084), REASONER (FF 1063), and BOWEN (FF 1079).

(b) TRANSFERS BY SALE.—The President is authorized to transfer vessels to foreign governments and foreign governmental entities on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) TAIWAN.—To the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act), the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(2) TURKEY.—To the Government of Turkey, the OLIVER HAZARD PERRY class guided missile frigates ESTOCIN (FFG 15) and SAMUEL ELIOT MORISON (FFG 13).

(c) ADDITIONAL CONGRESSIONAL NOTIFICATION NOT REQUIRED.—Except as provided in subsection (d),

the following provisions do not apply with respect to transfers authorized by this section:

(1) Section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)).

(2) Section 524 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 2001 (as enacted by Public Law 106–429; 114 Stat. 1900A–30) and any similar successor provision.

(d) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(e) COSTS OF TRANSFERS ON GRANT BASIS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1))) in the case of a transfer authorized to be made on a grant basis under subsection (a).

(f) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(g) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

TITLE XIII—CONTINGENT AUTHORIZATION OF APPROPRIATIONS

SEC. 1301. AUTHORIZATION OF APPROPRIATIONS CONTINGENT ON INCREASED ALLOCATION OF NEW BUDGET AUTHORITY.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the total amounts authorized to be appropriated under subtitle A of title I, sections 201, 301, and 302, and division B are authorized to be appropriated in accordance with those provisions without reduction under section 1302 only if—

(1) the Chairman of the Committee on the Budget of the Senate—

(A) determines, for the purposes of section 217(b) of the Concurrent Resolution on the Budget for Fiscal Year 2002, that the appropriation of all of the amounts specified in section 1302 would not, when taken together with all other previously enacted legislation (except for legislation enacted pursuant to section 211 of such concurrent resolution) reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by the concurrent resolution; and

(B) increases the allocation of new budget authority for defense spending in accordance with section 217(a) of the Concurrent Resolution on the Budget for Fiscal Year 2002; or

(2) the Senate—

(A) by a vote of at least three-fifths of the Members of the Senate duly chosen and sworn, waives the point of order under section 302(f) of the Congressional Budget and Impoundment Control Act of 1974 with respect to an appropriation bill or resolution that provides new

budget authority for the National Defense major functional category (050) in excess of the amount specified for the defense category in section 203(c)(1)(A) of the Concurrent Resolution on the Budget for Fiscal Year 2002; and

(B) approves the appropriation bill or resolution.

(b) FULL OR PARTIAL AUTHORIZATION.—(1) If the total amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by at least $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002 by the Concurrent Resolution on the Budget for Fiscal Year 2002, the reductions under section 1302 shall not be made.

(2) If the total amount of new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by less than $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002 by the Concurrent Resolution on the Budget for Fiscal Year 2002, each of the total amounts referred to in section 1302 shall be reduced by a proportionate amount of the difference between

$18,448,601,000 and the amount of the increase in the allocated new budget authority.

SEC. 1302. REDUCTIONS.

Until such time as the amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in section 1301(a), the total amounts authorized to be appropriated by provisions of this Act are reduced as follows:

(1) For the total amount authorized to be appropriated for procurement by subtitle A of title I, the reduction is $2,100,854,000.

(2) For the total amount authorized to be appropriated for research, development, test and evaluation by section 201, the reduction is $3,033,434,000.

(3) For the total amount authorized to be appropriated for operation and maintenance by section 301, the reduction is $8,737,773,000.

(4) For the total amount authorized to be appropriated for working capital and revolving funds by section 302, the reduction is $1,018,394,000.

(5) For the total amount authorized to be appropriated by division B, the reduction is $348,065,000.

SEC. 1303. REFERENCE TO CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.

For the purposes of this title, a reference to the Concurrent Resolution on the Budget for Fiscal Year 2002 is a reference to House Concurrent Resolution 83 (107th Congress, 1st session).

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2002''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$5,150,000
	Fort Rucker	$11,400,000
	Redstone Arsenal	$7,200,000
Alaska	Fort Richardson	$115,000,000
	Fort Wainwright	$27,200,000
Arizona	Fort Huachuca	$6,100,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Colorado	Fort Carson	$66,000,000
District of Columbia	Fort McNair	$11,600,000
Georgia	Fort Benning	$23,900,000
	Fort Gillem	$34,600,000
	Fort Gordon	$34,000,000
	Fort Stewart/Hunter Army Air Field.	$39,800,000
Hawaii	Navy Public Works Center, Pearl Harbor.	$11,800,000
	Pohakuloa Training Facility	$6,600,000
	Wheeler Army Air Field	$50,000,000
Illinois	Rock Island Arsenal	$3,500,000
Kansas	Fort Riley	$10,900,000
Kentucky	Fort Campbell	$88,900,000
	Fort Knox	$11,600,000
Louisiana	Fort Polk	$21,200,000
Maryland	Aberdeen Proving Ground	$58,300,000
	Fort Meade	$5,800,000
Missouri	Fort Leonard Wood	$7,850,000
New Jersey	Fort Monmouth	$20,000,000
New Mexico	White Sands Missile Range	$7,600,000
New York	Fort Drum	$37,850,000
North Carolina	Fort Bragg	$21,300,000
	Sunny Point Military Ocean Terminal.	$11,400,000
Oklahoma	Fort Sill	$18,600,000
South Carolina	Fort Jackson	$62,000,000
Texas	Fort Hood	$86,200,000
	Fort Sam Houston	$2,250,000
Virginia	Fort Belvoir	$35,950,000
	Fort Eustis	$34,650,000
	Fort Lee	$23,900,000
Washington	Fort Lewis	$238,200,000
	Total:	$1,258,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Area Support Group, Bamberg	$36,000,000
	Area Support Group, Darmstadt	$13,500,000
	Baumholder	$9,000,000
	Hanau	$7,200,000
	Heidelberg	$15,300,000
	Mannheim	$16,000,000
	Wiesbaden Air Base	$26,300,000
Korea	Camp Carroll	$16,593,000

Army: Outside the United States—Continued

Country	Installation or location	Amount
	Camp Casey	$8,500,000
	Camp Hovey	$35,750,000
	Camp Humphreys	$14,500,000
	Camp Jackson	$6,100,000
	Camp Stanley	$28,000,000
Kwajalein	Kwajalein Atoll	$11,000,000
	Total:	$243,743,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or county	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	32 Units	$12,000,000
Arizona	Fort Huachuca	72 Units	$10,800,000
Kansas	Fort Leavenworth	40 Units	$20,000,000
Texas	Fort Bliss	76 Units	$13,600,000
	Fort Sam Houston	80 Units	$11,200,000
Korea	Camp Humphreys	54 Units	$12,800,000
	Total:		$80,400,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $12,702,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $220,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,068,303,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,027,300,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $243,743,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $18,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $142,198,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $313,852,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,108,991,000.

(7) For the Homeowners Assistance Program, as authorized by section 2832 of title 10, United States Code, $10,119,000, to remain available until expended.

(8) For the construction of the Cadet Development Center, United States Military Academy, West Point, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $37,900,000.

(9) For the construction of a Barracks Complex—Tagaytay Street Phase 2C, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 824), $17,500,000.

(10) For the construction of a Barracks Complex—Wilson Street, Phase 1C, Schofield Barracks, Hawaii, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 824), $23,000,000.

(11) For construction of a Basic Combat Training Complex Phase 2, Fort Leonard Wood, Missouri, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389), $27,000,000.

(12) For the construction of the Battle Simulation Center Phase 2, Fort Drum, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $9,000,000.

(13) For the construction of a Barracks Complex—Bunter Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $49,000,000.

(14) For the construction of a Barracks Complex—Longstreet Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $27,000,000.

(15) For the construction of a Multipurpose Digital Training Range, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost

of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $52,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex D Street Phase at Fort Richardson, Alaska);

(3) $41,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—Nelson Boulevard (Phase I) at Fort Carson, Colorado);

(4) $36,000,000 (the balance of the amount authorized under section 2101(a) for Basic Combat Training Complex (Phase I) at Fort Jackson, South Carolina); and

(5) $102,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—17th & B Street (Phase I) at Fort Lewis, Washington).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from ad-

justments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389) is amended—

(1) in the item relating to Fort Leonard Wood, Missouri, by striking ''$65,400,000'' in the amount column and inserting ''$69,800,000'';

(2) in the item relating to Fort Drum, New York, by striking ''$18,000,000'' in the amount column and inserting ''$21,000,000'';

(3) in the item relating to Fort Hood, Texas, by striking ''$36,492,000'' in the amount column and inserting ''$39,492,000''; and

(4) by striking the amount identified as the total in the amount column and inserting ''$626,374,000''.

(b) CONFORMING AMENDMENTS.—Section 2104 of that Act (114 Stat. 1654A–391) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''$1,925,344,000'' and inserting ''$1,935,744,000''; and

(2) in subsection (b)—

(A) in paragraph (2), by striking ''$22,600,000'' and inserting ''$27,000,000'';

(B) in paragraph (3), by striking ''$10,000,000'' and inserting ''$13,000,000''; and

(C) in paragraph (6), by striking ''$6,000,000'' and inserting ''$9,000,000''.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$22,570,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms.	$75,125,000
	Marine Corps Air Station, Camp Pendleton.	$4,470,000
	Marine Corps Base, Camp Pendleton	$96,490,000
	Naval Air Facility, El Centro	$23,520,000
	Naval Air Station, Lemoore	$10,010,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval Air Warfare Center, Point Mugu, San Nicholas Island.	$13,730,000
	Naval Amphibious Base, Coronado	$8,610,000
	Naval Construction Battalion Center, Port Hueneme.	$12,400,000
	Naval Construction Training Center, Port Hueneme.	$3,780,000
	Naval Station, San Diego	$47,240,000
District of Columbia	Naval Air Facility, Washington	$9,810,000
Florida	Naval Air Station, Key West	$11,400,000
	Naval Air Station, Pensacola	$3,700,000
	Naval Air Station, Whiting Field, Milton	$2,140,000
	Naval Station, Mayport	$16,420,000
Hawaii	Marine Corps Base, Kaneohe	$24,920,000
	Naval Magazine, Lualualei	$6,000,000
	Naval Shipyard, Pearl Harbor	$20,000,000
	Naval Station, Pearl Harbor	$54,700,000
	Navy Public Works Center, Pearl Harbor.	$16,900,000
Illinois	Naval Training Center, Great Lakes	$82,260,000
Indiana	Naval Surface Warfare Center, Crane	$5,820,000
Maine	Naval Air Station, Brunswick	$67,395,000
	Naval Shipyard, Kittery-Portsmouth	$14,620,000
Maryland	Naval Air Warfare Center, Patuxent River.	$2,260,000
	Naval Explosive Ordinance Disposal Technology Center, Indian Head.	$1,250,000
Mississippi	Naval Construction Battalion Center, Gulfport.	$21,660,000
	Naval Air Station, Meridian	$3,370,000
	Naval Station, Pascagoula	$4,680,000
Missouri	Marine Corp Support Activity, Kansas City.	$9,010,000
Nevada	Naval Air Station, Fallon	$6,150,000
New Jersey	Naval Weapons Station, Earle	$4,370,000
North Carolina	Marine Corps Air Station, New River	$4,050,000
	Marine Corps Base, Camp LeJeune	$67,070,000
Rhode Island	Naval Station, Newport	$15,290,000
	Naval Undersea Warfare Center, Newport.	$9,370,000
South Carolina	Marine Corps Air Station, Beaufort	$8,020,000
	Marine Corps Recruit Depot, Parris Island.	$5,430,000
Tennessee	Naval Support Activity, Millington	$3,900,000
Texas	Naval Air Station, Kingsville	$6,160,000
Virginia	Marine Corps Air Facility, Quantico	$3,790,000
	Marine Corps Combat Development Command, Quantico.	$9,390,000
	Naval Station, Norfolk	$139,270,000
Washington	Naval Air Station, Whidbey Island	$7,370,000
	Naval Station, Everett	$6,820,000
	Strategic Weapons Facility, Bangor	$3,900,000
	Total:	$996,610,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may

1 acquire real property and carry out military construction
2 projects for the locations outside the United States, and
3 in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Greece	Naval Support Activity Joint Headquarters Command, Larissa.	$12,240,000
	Naval Support Activity, Souda Bay	$3,210,000
Guam	Naval Station, Guam	$9,300,000
	Navy Public Works Center, Guam	$14,800,000
Iceland	Naval Air Station, Keflavik	$2,820,000
Italy	Naval Air Station, Sigonella	$3,060,000
Spain	Naval Station, Rota	$2,240,000
	Total:	$47,670,000

4 **SEC. 2202. FAMILY HOUSING.**

5 (a) CONSTRUCTION AND ACQUISITION.—Using
6 amounts appropriated pursuant to the authorization of ap-
7 propriations in section 2204(a)(5)(A), the Secretary of the
8 Navy may construct or acquire family housing units (in-
9 cluding land acquisition) at the installations, for the pur-
10 poses, and in the amounts set forth in the following table:

Navy: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma.	51 Units	$9,017,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms.	74 Units	$16,250,000
Hawaii	Marine Corps Base, Kaneohe.	172 Units	$55,187,000
	Naval Station, Pearl Harbor.	70 Units	$16,827,000
Mississippi	Naval Construction Battalion Center, Gulfport.	160 Units	$23,354,000
Italy	Naval Air Station, Sigonella.	10 Units	$2,403,000
		Total:	$123,038,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $6,499,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $183,054,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,377,634,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $963,370,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $47,670,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $10,546,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $35,752,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $312,591,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $918,095,000.

(6) For replacement of a pier at Naval Station, San Diego, California, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395), $17,500,000.

(7) For replacement of Pier Delta at Naval Station, Bremerton, Washington, authorized in sec-

tion 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001, $24,460,000.

(8) For construction of the Commander-in-Chief Headquarters, Pacific Command, Camp Smith, Hawaii, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828), $37,580,000.

(9) For construction of an Advanced Systems Integration Facility, phase 6, at Naval Air Warfare Center, Patuxent River, Maryland, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $10,770,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $33,240,000 (the balance of the amount authorized under section 2201(a) for Pier Replacement (Increment I), Naval Station, Norfolk, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395) is amended—

(1) in the item relating to Naval Shipyard, Bremerton, Puget Sound, Washington, by striking ''$100,740,000'' in the amount column and inserting ''$98,740,000'';

(2) in the item relating to Naval Station, Bremerton, Washington, by striking ''$11,930,000'' in the amount column and inserting ''$1,930,000''; and

(3) by striking the amount identified as the total in the amount column and inserting ''$799,497,000''.

SEC. 2206. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828) is amended—

(1) in the item relating to Camp Smith, Hawaii, by striking ''$86,050,000'' in the amount column and inserting ''$89,050,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$820,230,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(3) of that Act (113 Stat. 831) is amended by striking ''$70,180,000'' and inserting ''$73,180,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(A) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construc-

1 tion projects for the installations and locations inside the
2 United States, and in the amounts, set forth in the fol-
3 lowing table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$34,400,000
Alaska	Eareckson Air Force Base	$4,600,000
	Elmendorf Air Force Base	$32,200,000
Arizona	Davis-Monthan Air Force Base	$17,300,000
Arkansas	Little Rock Air Force Base	$18,100,000
California	Edwards Air Force Base	$16,300,000
	Los Angeles Air Force Base	$23,000,000
	Travis Air Force Base	$16,400,000
	Vandenberg Air Force Base	$11,800,000
Colorado	Buckley Air Force Base	$23,200,000
	Schriever Air Force Base	$19,000,000
	United States Air Force Academy	$25,500,000
Delaware	Dover Air Force Base	$7,300,000
District of Columbia	Bolling Air Force Base	$2,900,000
Florida	Cape Canaveral Air Force Station	$7,800,000
	Eglin Air Force Base	$11,400,000
	Hurlburt Field	$10,400,000
	MacDill Air Force Base	$10,000,000
	Tyndall Air Force Base	$15,050,000
Georgia	Moody Air Force Base	$8,600,000
	Robins Air Force Base	$14,650,000
Idaho	Mountain Home Air Force Base	$14,600,000
Louisiana	Barksdale Air Force Base	$5,000,000
Maryland	Andrews Air Force Base	$19,420,000
Massachusetts	Hanscom Air Force Base	$9,400,000
Mississippi	Columbus Air Force Base	$5,000,000
	Keesler Air Force Base	$28,600,000
Montana	Malmstrom Air Force Base	$4,650,000
Nebraska	Offet Air Force Base	$10,400,000
Nevada	Nellis Air Force Base	$31,600,000
New Jersey	McGuire Air Force Base	$36,550,000
New Mexico	Cannon Air Force Base	$9,400,000
	Kirtland Air Force Base	$15,500,000
North Carolina	Pope Air Force Base	$17,800,000
North Dakota	Grand Forks Air Force Base	$7,800,000
Ohio	Wright-Patterson Air Force Base	$24,850,000
Oklahoma	Altus Air Force Base	$20,200,000
	Tinker Air Force Base	$21,400,000
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$5,800,000
South Dakota	Ellsworth Air Force Base	$12,000,000
Tennessee	Arnold Air Force Base	$24,400,000
Texas	Lackland Air Force Base	$12,800,000
	Laughlin Air Force Base	$12,000,000
	Sheppard Air Force Base	$37,000,000
Utah	Hill Air Force Base	$14,000,000
Virginia	Langley Air Force Base	$47,300,000
Washington	Fairchild Air Force Base	$2,800,000
	McChord Air Force Base	$20,700,000
Wyoming	F.E. Warren Air Force Base	$10,200,000
	Total:	$811,370,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$42,900,000
	Spangdahlem Air Base	$8,700,000
Guam	Andersen Air Force Base	$10,150,000
Italy	Aviano Air Base	$11,800,000
Korea	Kunsan Air Base	$12,000,000
	Osan Air Base	$101,142,000
Turkey	Eskisehir	$4,000,000
United Kingdom	Royal Air Force, Lakenheath	$11,300,000
	Royal Air Force, Mildenhall	$22,400,000
Wake Island	Wake Island	$25,000,000
	Total:	$249,392,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,458,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of ap-

propriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	120 Units	$15,712,000
California	Travis Air Force Base	118 Units	$18,150,000
Colorado	Buckley Air Force Base.	55 Units	$11,400,000
Delaware	Dover Air Force Base	120 Units	$18,145,000
District of Columbia	Bolling Air Force Base	136 Units	$16,926,000
Hawaii	Hickam Air Force Base.	102 Units	$25,037,000
Louisiana	Barksdale Air Force Base.	56 Units	$7,300,000
South Dakota	Ellsworth Air Force Base.	78 Units	$13,700,000
Virginia	Langley Air Force Base.	4 Units	$1,200,000
Portugal	Lajes Field, Azores	64 Units	$13,230,000
		Total:	$140,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,558,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A),

the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $375,379,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,579,791,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $816,070,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $249,392,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $4,458,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,250,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $90,419,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $542,381,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $869,121,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from adjustments to foreign currency exchange rates for military

family housing construction and military family housing support outside the United States.

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–400) is amended in the item relating to Mountain Home Air Force Base, Idaho, by striking ''119 Units'' in the purpose column and inserting ''46 Units''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity ..	Laurel Bay, South Carolina	$12,850,000
	Marine Corps Base, Camp LeJeune, North Carolina	$8,857,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
Defense Logistics Agency	Defense Distribution Depot Tracy, California	$30,000,000
	Defense Distribution Depot, Susquehanna, New Cumberland, Pennsylvania	$19,900,000
	Eielson Air Force Base, Alaska	$8,800,000
	Fort Belvoir, Virginia	$900,000
	Grand Forks Air Force Base, North Dakota	$9,110,000
	Hickam Air Force Base, Hawaii	$29,200,000
	McGuire Air Force Base, New Jersey	$4,400,000
	Minot Air Force Base, North Dakota	$14,000,000
	Philadelphia, Pennsylvania	$2,429,000
	Pope Air Force Base, North Carolina	$3,400,000
Special Operations Command	Aberdeen Proving Ground, Maryland	$3,200,000
	Fort Benning, Georgia	$5,100,000
	Fort Bragg, North Carolina	$33,562,000
	Fort Lewis, Washington	$6,900,000
	Hurlburt Field, Florida	$13,400,000
	MacDill Air Force Base, Florida	$12,000,000
	Naval Station, San Diego, California	$13,650,000
	CONUS Classified	$2,400,000
TRICARE Management Activity.	Andrews Air Force Base, Maryland	$10,250,000
	Dyess Air Force Base, Texas	$3,300,000
	F.E. Warren Air Force Base, Wyoming	$2,700,000
	Fort Hood, Texas	$12,200,000
	Fort Stewart/Hunter Army Air Field, Georgia	$11,000,000
	Holloman Air Force Base, New Mexico	$5,700,000
	Hurlburt Field, Florida	$8,800,000
	Marine Corps Base, Camp Pendleton, California	$15,300,000
	Marine Corps Logistics Base, Albany, Georgia	$5,800,000
	Naval Air Station, Whidbey Island, Washington	$6,600,000
	Naval Hospital, Twentynine Palms, California	$1,600,000
	Naval Station, Mayport, Florida	$24,000,000
	Naval Station, Norfolk, Virginia	$21,000,000
	Schriever Air Force Base, Colorado	$4,000,000
Washington Headquarters Services.	Pentagon Reservation, Virginia	$25,000,000
	Total:	$391,308,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(2), the Secretary of Defense may acquire real property and carry out military construction

1 projects for the installations and locations outside the
2 United States, and in the amounts, set forth in the fol-
3 lowing table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity ..	Aviano Air Base, Italy	$3,647,000
	Geilenkirchen, Germany	$1,733,000
	Heidelberg, Germany	$3,312,000
	Kaiserslautern, Germany	$1,439,000
	Kitzingen, Germany	$1,394,000
	Landstuhl, Germany	$1,444,000
	Ramstein Air Base, Germany	$2,814,000
	Royal Air Force, Feltwell, United Kingdom	$22,132,000
	Vogelweh Annex, Germany	$1,558,000
	Wiesbaden Air Base, Germany	$1,378,000
	Wuerzburg, Germany	$2,684,000
Defense Logistics Agency	Andersen Air Force Base, Guam	$20,000,000
	Camp Casey, Korea	$5,500,000
	Naval Station, Rota, Spain	$3,000,000
	Yokota Air Base, Japan	$13,000,000
Office of Secretary of Defense.	Comalapa Air Base, El Salvador	$12,577,000
TRICARE Management Activity.	Heidelberg, Germany	$28,000,000
	Lajes Field, Azores, Portugal	$3,750,000
	Thule, Greenland	$10,800,000
	Total:	$140,162,000

4 **SEC. 2402. ENERGY CONSERVATION PROJECTS.**

5 Using amounts appropriated pursuant to the author-
6 ization of appropriations in section 2405(a)(6), the Sec-
7 retary of Defense may carry out energy conservation
8 projects under section 2865 of title 10, United States
9 Code, in the amount of $35,600,000.

10 **SEC. 2403. AUTHORIZATION OF APPROPRIATIONS, DE-**
11 **FENSE AGENCIES.**

12 (a) IN GENERAL.—Funds are hereby authorized to
13 be appropriated for fiscal years beginning after September
14 30, 2001, for military construction, land acquisition, and

military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,492,956,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $391,308,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $140,162,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $24,492,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $87,382,000.

(6) For energy conservation projects authorized by section 2402 of this Act, $35,600,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $592,200,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $250,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $43,762,000 of which not more than $37,298,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For construction of the Ammunition Demilitarization Facility Phase 6, Pine Bluff Arsenal, Arkansas, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 538), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), section 2406 of the Military Construction Authorization Act for Fiscal

Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), and section 2408 of this Act, $26,000,000.

(10) For construction of the Ammunition Demilitarization Facility Phase 3, Pueblo Army Depot, Colorado, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), $11,000,000.

(11) For construction of the Ammunition Demilitarization Facility Phase 4, Newport Army Depot, Indiana, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $66,000,000.

(12) For construction of the Ammunition Demilitarization Facility phase 4, Aberdeen Proving Ground, Maryland, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (112 Stat. 2193), as amended by section 2407 of this Act, $66,500,000.

(13) For construction of the Ammunition Demilitarization Facility Phase 2, Blue Grass Army Depot, Kentucky, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2406 of this Act, $3,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $1,700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2404. CANCELLATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) CANCELLATION OF PROJECTS AT CAMP PENDLETON, CALIFORNIA.—(1) The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–402) is amended—

(A) by striking the item relating to Marine Corps Base, Camp Pendleton, California, under the heading TRICARE Management Activity; and

(B) by striking the amount identified as the total in the amount column and inserting ''$242,756,000''.

(2) Of the amount authorized to be appropriated by section 2403(a) of that Act (114 Stat. 1654A–404), and paragraph (1) of that section, $14,150,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2403(a) of the Military Construction Authorization Act for Fiscal Year 2001 for purposes

authorized in section 2401(a) of that Act relating to Marine Corps Base, Camp Pendleton, California.

(b) CONFORMING AMENDMENTS.—Section 2403(a) of that Act is amended—

(1) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(2) in paragraph (3), by striking ''$85,095,000'' and inserting ''$30,095,000''.

SEC. 2405. CANCELLATION OF AUTHORITY TO CARRY OUT ADDITIONAL FISCAL YEAR 2001 PROJECT.

(a) CANCELLATION OF AUTHORITY.—Section 2401(c) the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–404) is amended by striking ''$451,135,000'' and inserting ''$30,095,000''.

(b) CONFORMING AMENDMENTS.—Section 2403 of that Act is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(B) in paragraph (3), by striking "$85,095,000" and inserting "$30,095,000"; and

(2) in subsection (b), by striking "may not exceed—" and all that follows through the end of the subsection and inserting "may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).".

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835) is amended—

(1) in the item under the heading Chemical Demilitarization relating to Blue Grass Army Depot, Kentucky, by striking "$206,800,000" and inserting "$254,030,000";

(2) under the heading relating to TRICARE Management Agency—

(A) in the item relating to Fort Wainwright, Alaska, by striking "$133,000,000" and inserting "$215,000,000"; and

(B) by striking the item relating to Naval Air Station, Whidbey Island, Washington; and

(3) by striking the amount identified as the total in the amount column and inserting "$711,950,000".

(b) CONFORMING AMENDMENTS.—Section 2405(b) of that Act (113 Stat. 839) is amended—

(1) in paragraph (2), by striking "$115,000,000" and inserting "$197,000,000"; and

(2) in paragraph (3), by striking "$184,000,000" and inserting "$231,230,000".

(c) TREATMENT OF AUTHORIZATION OF APPROPRIATIONS FOR CANCELED PROJECT.—Of the amount authorized to be appropriated by section 2405(a) of that Act (113 Stat. 837), and paragraph (1) of that section, $4,700,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2405(a) of the Military Construction Authorization Act for Fiscal Year 2000 for purposes authorized in section 2401(a) of that Act relating to Naval Air Station, Whidbey Island, Washington.

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193) is amended—

(1) in the item under the agency heading Chemical Demilitarization relating to Aberdeen Proving Ground, Maryland, by striking ''$186,350,000'' in the amount column and inserting ''$223,950,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$727,616,000''.

(b) CONFORMING AMENDMENT.—Section 2404(b)(3) of that Act (112 Stat. 2196) is amended by striking ''$158,000,000'' and inserting ''$195,600,000''.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECT.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division

B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), is further amended under the agency heading relating to Chemical Weapons and Munitions Destruction in the item relating to Pine Bluff Arsenal, Arkansas, by striking ''$154,400,000'' in the amount column and inserting ''$177,400,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for con-

tributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $162,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2001, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $365,240,000; and

(B) for the Army Reserve, $111,404,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $33,641,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $227,232,000; and

(B) for the Air Force Reserve, $53,732,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and con-

tributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2002, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 units).	$8,998,000
Florida	Patrick Air Force Base	Replace Family Housing (46 units).	$9,692,000
New Mexico	Kirtland Air Force Base.	Replace Family Housing (37 units).	$6,400,000
Ohio	Wright-Patterson Air Force Base.	Replace Family Housing (40 units).	$5,600,000

Army National Guard: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Massachusetts	Westfield	Army Aviation Support Facility.	$9,274,000
South Carolina	Spartanburg	Readiness Center.	$5,260,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1998 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1984), authorizations set forth in the tables in subsection (b), as provided in section 2102, 2202, or 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–408)), shall remain in effect until October 1, 2002, or the date of the enactment of an Act

1 authorizing funds for military construction for fiscal year
2 2003, whichever is later.

3 (b) TABLES.—The tables referred to in subsection (a)
4 are as follows:

Army: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
Maryland	Fort Meade	Family Housing Construction (56 units).	$7,900,000

Navy: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
California	Naval Complex, San Diego.	Replacement Family Housing Construction (94 units).	$13,500,000
California	Marine Corps Air Station, Miramar.	Family Housing Construction (166 units).	$28,881,000
Louisiana	Naval Complex, New Orleans.	Replacement Family Housing Construction (100 units).	$11,930,000
Texas	Naval Air Station, Corpus Christi.	Family Housing Construction (212 units).	$22,250,000

Air Force: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
New Mexico	Kirtland Air Force Base.	Replace Family Housing (180 units).	$20,900,000

5 **SEC. 2704. EFFECTIVE DATE.**

6 Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI
7 shall take effect on the later of—

8 (1) October 1, 2001; or

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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN THRESHOLDS FOR CERTAIN UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) PROJECTS REQUIRING ADVANCE APPROVAL OF SECRETARY CONCERNED.—Subsection (b)(1) of section 2805 of title 10, United States Code, amended by striking ''$500,000'' and inserting ''$750,000''.

(b) PROJECTS USING AMOUNTS FOR OPERATION AND MAINTENANCE.—Subsection (c)(1) of that section is amended—

(1) in subparagraph (A), by striking ''$1,000,000'' and inserting ''$1,500,000''; and

(2) in subparagraph (B), by striking ''$500,000'' and inserting ''$750,000''.

SEC. 2802. UNFORESEEN ENVIRONMENTAL HAZARD REMEDIATION AS BASIS FOR AUTHORIZED COST VARIATIONS FOR MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION PROJECTS.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

''(d) The limitation on cost increases in subsection (a) does not apply to the following:

''(1) The settlement of a contractor claim under a contract.

''(2) The cost of any environmental hazard remediation required by law, including asbestos removal, radon abatement, and lead-based paint removal or abatement, if such remediation could not have reasonably been anticipated at the time the project was approved originally by Congress.''.

SEC. 2803. REPEAL OF REQUIREMENT FOR ANNUAL REPORTS TO CONGRESS ON MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING ACTIVITIES.

(a) REPEAL.—Section 2861 of title 10, United States Code is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such

title is amended by striking the item relating to section 2861.

SEC. 2804. AUTHORITY AVAILABLE FOR LEASE OF PROPERTY AND FACILITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) LEASE AUTHORITIES AVAILABLE.—Section 2878 of title 10, United States Code, is amended—

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

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

''(c) LEASE AUTHORITIES AVAILABLE.—(1) The Secretary concerned may use any authority or combination of authorities available under section 2667 of this title in leasing property or facilities under this section to the extent such property or facilities, as the case may be, are described by subsection (a)(1) of such section 2667.

''(2) The limitation in subsection (b)(1) of section 2667 of this title shall not apply with respect to a lease of property or facilities under this section.''.

(b) CONFORMING AMENDMENT.—Subsection (e) of that section, as redesignated by subsection (a) of this section, is further amended—

(1) by striking paragraph (1); and

(2) by redesignated paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(c) TECHNICAL AMENDMENT.—Paragraph (3) of subsection (e) of that section, as redesignated by this section, is further amended by striking ''Stewart B. McKinney Homeless Assistance Act'' and inserting ''McKinney–Vento Homeless Assistance Act''.

SEC. 2805. FUNDS FOR HOUSING ALLOWANCES OF MEMBERS ASSIGNED TO MILITARY FAMILY HOUSING UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) IN GENERAL.—Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2883 the following new section:

''§ 2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units

''To the extent provided in advance in appropriations Acts, the Secretary of Defense may, during the fiscal year in which a contract is awarded for the acquisition or construction of military family housing units under this subchapter that are not to be owned by the United States, transfer from appropriations available for support of military housing for the armed force concerned for that fiscal

year to appropriations available for pay and allowances of military personnel of that armed force for that fiscal year amounts equal to any additional amounts payable during that fiscal year to members of that armed force assigned to such housing units as basic allowance for housing under section 403 of title 37 that would not otherwise have been payable to such members if not for assignment to such housing units.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that subchapter is amended by inserting after the item relating to section 2883 the following new item:

''2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units.''.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AVAILABILITY OF PROCEEDS OF SALES OF DEPARTMENT OF DEFENSE PROPERTY FROM CLOSED MILITARY INSTALLATIONS.

Section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) In the case of property located at a military installation that is closed, such amount shall be available for facility maintenance and repair or envi-

ronmental restoration by the military department that had jurisdiction over such property before the closure of the military installation.

"(B) In the case of property located at any other military installation—

"(i) 50 percent of such amount shall be available for facility maintenance and repair or environmental restoration at the military installation where such property was located before it was disposed of or transferred; and

"(ii) 50 percent of such amount shall be available for facility maintenance and repair and for environmental restoration by the military department that had jurisdiction over such property before it was disposed of or transferred.".

SEC. 2812. PILOT EFFICIENT FACILITIES INITIATIVE.

(a) INITIATIVE AUTHORIZED.—The Secretary of Defense may carry out a pilot program for purposes of determining the potential for increasing the efficiency and effectiveness of the operation of military installations. The pilot program shall be known as the "Pilot Efficient Facilities Initiative" (in this section referred to as the "Initiative").

(b) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two installations of each military department for participation in the Initiative.

(2) The Secretary shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a written notification of each installation proposed to be included in the Initiative not less than 30 days before taking any action to carry out the Initiative at such installation.

(3) The Secretary shall include in the notification regarding an installation designated for participation in the Initiative a management plan for the Initiative at the installation. Each management plan for an installation shall include the following:

(A) A description of—

(i) each proposed lease of real or personal property located at the installation;

(ii) each proposed disposal of real or personal property located at the installation;

(iii) each proposed leaseback of real or personal property leased or disposed of at the installation;

(iv) each proposed conversion of services at the installation from Federal Government per-

formance to non-Federal Government performance, including performance by contract with a State or local government or private entity or performance as consideration for the lease or disposal of property at the installation; and

(v) each other action proposed to be taken to improve mission effectiveness and reduce the cost of providing quality installation support at the installation.

(B) With respect to each proposed action described under subparagraph (A)—

(i) an estimate of the savings expected to be achieved as a result of the action;

(ii) each regulation not required by statute that is proposed to be waived to implement the action; and

(iii) each statute or regulation required by statute that is proposed to be waived to implement the action, including—

(I) an explanation of the reasons for the proposed waiver; and

(II) a description of the action to be taken to protect the public interests served by the statute or regulation, as the case

may be, proposed to be waived in the event of the waiver.

(C) A description of the steps taken by the Secretary to consult with employees at the facility, and communities in the vicinity of the facility, regarding the Initiative at the installation.

(D) Measurable criteria for the evaluation of the effects of the actions to be taken pursuant to the Initiative at the installation.

(c) WAIVER OF STATUTORY REQUIREMENTS.—The Secretary of Defense may waive any statute or regulation required by statute for purposes of carrying out the Initiative only if specific authority for the waiver of such statute or regulation is provided in an Act that is enacted after the date of the enactment of this Act.

(d) INSTALLATION EFFICIENCY PROJECT FUND.—(1) There is established on the books of the Treasury a fund to be known as the ''Installation Efficiency Project Fund'' (in this subsection referred to as the ''Fund'').

(2) There shall be deposited in the Fund all cash rents, payments, reimbursements, proceeds and other amounts from leases, sales, or other conveyances or transfers, joint activities, and other actions taken under the Initiative.

(3) To the extent provided in advance in authorization Acts and appropriations Acts, amounts in the Fund shall be available to the Secretary concerned for purposes of managing capital assets and providing support services at installations participating in the Initiative. Amounts in the Fund may be used for such purposes in addition to, or in combination with, other amounts authorized to appropriated for such purposes. Amounts in the Fund shall be available for such purposes for five years.

(4) Subject to applicable financial management regulations, the Secretary of Defense shall structure the Fund, and provide administrative policies and procedures, in order provide proper control of deposits in and disbursements from the Fund.

(e) TERMINATION.—The authority of the Secretary to carry out the Initiative shall terminate four years after the date of the enactment of this Act.

(f) REPORT.—Not later than three years after the date of the enactment of this Act, the Secretary shall submit to the committees of Congress referred to in subsection (b)(2) a report on the Initiative. The report shall contain a description of the actions taken under the Initiative and include such other information, including recommendations, as the Secretary considers appropriate in light of the Initiative.

SEC. 2813. DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) AUTHORITY TO CARRY OUT PROGRAM.—Subject to the provisions of this section, the Secretary of the Army may conduct a demonstration program to assess the feasibility and desirability of including facility maintenance requirements in construction contracts for military construction projects. The purpose of the demonstration program is to determine whether or not such requirements facilitate reductions in the long-term facility maintenance costs of the military departments.

(b) CONTRACTS.—(1) The demonstration program shall cover contracts entered into on or after the date of the enactment of this Act.

(2) Not more than three contracts entered into in any year may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(c) EFFECTIVE PERIOD OF REQUIREMENTS.—The effective period of a requirement referred to in subsection (a) that is included in a contract for the purpose of the demonstration program shall be any period elected by the Secretary not in excess of five years.

(d) REPORTS.—(1) Not later than January 31, 2003, and annually thereafter until the year following the cessation of effectiveness of any requirements referred to in subsection (a) in contracts under the demonstration pro-

gram, the Secretary shall submit to the congressional defense committees a report on the demonstration program.

(2) Each report under paragraph (1) shall include, for the year covered by such report, the following:

(A) A description of the contracts entered into during the year that contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(B) The experience of the Secretary during the year with respect to any contracts containing requirements referred to in subsection (a) for the purpose of the demonstration program that were in force during the year.

(3) The final report under this subsection shall include, in addition to the matters required under paragraph (2), an evaluation of the demonstration program and any recommendations, including recommendations for the termination, continuation, or expansion of the demonstration program, that the Secretary considers appropriate.

(e) EXPIRATION.—The authority under subsection (a) to include requirements referred to in that subsection in contracts under the demonstration program shall expire on September 30, 2006.

(f) FUNDING.—Amounts authorized to be appropriated for the Army for a fiscal year for military con-

struction shall be available for the demonstration program under this section in such fiscal year.

Subtitle C—Land Conveyances

SEC. 2821. LAND CONVEYANCE, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of United States in and to two parcels of real property, including any improvements thereon, located at the Engineer Proving Ground, Fort Belvoir, Virginia, as follows:

(1) The parcel, consisting of approximately 170 acres, that is to be used for a portion of the Fairfax County Parkway, including for construction of that portion of the parkway.

(2) The parcel, consisting of approximately 11.45 acres, that is subject to an easement previously granted to the Commonwealth as Army easement DACA 31–3–96–440 for the construction of a portion of Interstate Highway 95.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the Commonwealth shall—

(1) design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground;

(2) provide a conceptual design for eventual incorporation and construction by others of access into the Engineer Proving Ground at the Rolling Road Interchange from Fairfax County Parkway as specified in Virginia Department of Transportation Project #R000–029–249, C514;

(3) provide such easements or rights of way for utilities under or across the Fairfax County Parkway as the Secretary considers appropriate for the optimum development of the Engineer Proving Ground; and

(4) pay the United States an amount, jointly determined by the Secretary and the Commonwealth, appropriate to cover the costs of constructing a replacement building for building 5089 located on the Engineer Proving Ground.

(c) RESPONSIBILITY FOR ENVIRONMENTAL CLEANUP.—The Secretary shall retain liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), and any other applicable environmental statute or regulation, for any environmental hazard on the property conveyed under

subsection (a) as of the date of the conveyance under that subsection.

(d) ACCEPTANCE AND DISPOSITION OF FUNDS.—(1) The Secretary of the Army may accept the funds paid by the Commonwealth as consideration under subsection (b)(4) and shall credit the accepted funds to the appropriation or appropriations that are appropriate for paying the costs of the replacement of Building 5089, located on the Engineer Proving Ground, Fort Belvoir, Virginia, consistent with paragraphs (2) and (3) of this subsection.

(2) Funds accepted under paragraph (1) shall be available, until expended, for the replacement of Building 5089.

(3) Funds appropriated pursuant to the authorization of appropriations in section 301(1), and funds appropriated pursuant to the authorization of appropriations in section 2104(a)(4), shall be available in accordance with section 2805 of title 10, United States Code, for the excess, if any, of the cost of the replacement of Building 5089 over the amount available for such project under paragraph (2).

(e) DESCRIPTION OF PROPERTY.—(1) The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by

a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Commonwealth.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (a)(2) are as set forth in Army easement DACA 31–3–96–440.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2822. MODIFICATION OF AUTHORITY FOR CONVEYANCE OF NAVAL COMPUTER AND TELECOMMUNICATIONS STATION, CUTLER, MAINE.

Section 2853(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–430) is amended by inserting ''any or'' before ''all right''.

SEC. 2823. LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—(1) The Secretary of the Navy may transfer to the Secretary of the Interior administrative jurisdiction of a

parcel of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 26 acres as generally depicted as Tract 15–116 on the map entitled ''Acadia National Park Schoodic Point Area'', numbered 123/80,418 and dated May 2001. The map shall be on file and available for inspection in the appropriate offices of the National Park Service.

(2) The transfer authorized by this subsection shall occur, if at all, concurrently with the reversion of administrative jurisdiction of a parcel of real property consisting of approximately 71 acres, as depicted as Tract 15–115 on the map referred to in paragraph (1), from the Secretary of the Navy to the Secretary of the Interior as authorized by Public Law 80–260 (61 Stat. 519) and to be executed on or about June 30, 2002.

(b) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to any of the parcels of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 485 acres and comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, located in Hancock County, Maine, less the real

property described in subsection (a)(1), for the purpose of economic redevelopment.

(c) TRANSFER OF PERSONAL PROPERTY.—The Secretary of the Navy may transfer, without consideration, to the Secretary of the Interior in the case of the real property transferred under subsection (a), or to any recipient of such real property in the case of real property conveyed under subsection (b), any or all personal property associated with such real property so transferred or conveyed, including any personal property required to continue the maintenance of the infrastructure of such real property (including the generators for an uninterrupted power supply in building 154 at the Corea site).

(d) MAINTENANCE OF PROPERTY PENDING CONVEYANCE.—(1) The Secretary of the Navy shall maintain any real property, including any improvements thereon, appurtenances thereto, and supporting infrastructure, to be conveyed under subsection (b) in accordance with the protection and maintenance standards specified in section 101–47.4913 of title 41, Code of Federal Regulations, until the earlier of—

(A) the date of the conveyance of such real property under subsection (b); or

(B) September 30, 2003.

(2) The requirement in paragraph (1) shall not be construed as authority to improve the real property, improvements, and infrastructure referred to in that paragraph so as to bring such real property, improvements, or infrastructure into compliance with any zoning or property maintenance codes or to repair any damage to such improvements and infrastructure through an Act of God.

(e) INTERIM LEASE.—(1) Until such time as any parcel of real property to be conveyed under subsection (b) is conveyed by deed under that subsection, the Secretary of the Navy may lease such parcel to any person or entity determined by the Secretary to be an appropriate lessee of such parcel.

(2) The amount of rent for a lease under paragraph (1) shall be the amount determined by the Secretary to be appropriate, and may be an amount less than the fair market value of the lease.

(3) Notwithstanding any other provision of law, the Secretary shall credit any amount received for a lease of real property under paragraph (1) to the appropriation or account providing funds for the operation and maintenance of such property or for the procurement of utility services for such property. Amounts so credited shall be merged with funds in the appropriation or account to which credited, and shall be available for the same pur-

poses, and subject to the same conditions and limitations, as the funds with which merged.

(f) REIMBURSEMENT FOR ENVIRONMENTAL AND OTHER ASSESSMENTS.—(1) The Secretary of the Navy may require each recipient of real property conveyed under subsection (b) to reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis carried out by the Secretary with respect to such property before completing the conveyance under that subsection.

(2) The amount of any reimbursement required under paragraph (1) shall be determined by the Secretary, but may not exceed the cost of the assessment, study, or analysis for which reimbursement is required.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property transferred under subsection (a), and each parcel of real property conveyed under subsection (b), shall be determined by a survey satisfactory to the Secretary of the Navy. The cost of any survey under the preceding sentence for real property conveyed under subsection (b) shall be borne by the recipient of the real property.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with any conveyance under subsection (b), and any lease under subsection (e), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. CONVEYANCE OF SEGMENT OF LORING PETROLEUM PIPELINE, MAINE, AND RELATED EASEMENTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Loring Development Authority, Maine (in this section referred to as the ''Authority''), all right, title, and interest of the United States in and to the segment of the Loring Petroleum (POL) Pipeline, Maine, consisting of approximately 27 miles in length and running between the Searsport terminal and Bangor Air National Guard Base.

(b) RELATED EASEMENTS.—As part of the conveyance authorized by subsection (a), the Secretary may convey to the Authority, without consideration, all right, title, and interest of the United States in and to any easements or rights-of-way necessary for the operation or maintenance of the segment of pipeline conveyed under that subsection.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for a conveyance authorized by this section.

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the segment of pipeline conveyed under subsection (a), and of any easements or rights-of-way conveyed under subsection (b), shall be determined by surveys and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the preceding sentence shall be borne by the Authority.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, PETROLEUM TERMINAL SERVING FORMER LORING AIR FORCE BASE AND BANGOR AIR NATIONAL GUARD BASE, MAINE.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey to the Maine Port Authority of the State of Maine (in this section referred to as the ''Authority'') all right, title, and interest of the United States in and to the Petroleum Terminal (POL) at Mack Point, Searsport, Maine, which served former Loring Air Force Base and Bangor Air National Guard Base, Maine.

(2) The conveyance under paragraph (1) may include the following:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 20 acres and comprising a portion of the Petroleum Terminal.

(B) Any additional fuel tanks, other improvements, and equipment located on the 43-acre parcel of property adjacent to the property described in subparagraph (A), and currently leased by the Secretary, which constitutes the remaining portion of the Petroleum Terminal.

(b) CONDITION OF CONVEYANCE.—The Secretary may not make the conveyance under subsection (a) unless the Authority agrees to utilize the property to be conveyed

under that subsection solely for economic development purposes.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Authority shall lease to the Air Force approximately one acre of the real property conveyed under that subsection, together with any improvements thereon, that constitutes the Aerospace Fuels Laboratory (also known as Building 14).

(2) The real property leased under this subsection shall include the parking lot, outbuildings, and other improvements associated with the Aerospace Fuels Laboratory and such easements of ingress and egress to the real property, including easements for utilities, as are required for the operations of the Aerospace Fuels Laboratory.

(3) As part of the lease of real property under this subsection, the Authority shall maintain around the real property for the term of the lease a zone, not less than 75 feet in depth, free of improvements or encumbrances.

(4) The lease under this subsection shall be without cost to the United States.

(5) The term of the lease under this subsection may not exceed 25 years. If operations at the Aerospace Fuels Laboratory cease before the expiration of the term of the lease otherwise provided for under this subsection, the

lease shall be deemed to have expired upon the cessation of such operations.

(d) CONVEYANCE CONTINGENT ON EXPIRATION OF LEASE OF FUEL TANKS.—The Secretary may not make the conveyance under subsection (a) until the expiration of the lease referred to in paragraph (2)(B) of that subsection.

(e) ENVIRONMENTAL REMEDIATION.—The Secretary may not make the conveyance under subsection (a) until the completion of any environmental remediation required by law with respect to the property to be conveyed under that subsection.

(f) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Authority.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease under subsection (c), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, TOLEDO, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the Toledo-Lucas County Port Authority, Ohio (in this section referred to as the ''Port Authority''), any or all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 29 acres and comprising the Naval Weapons Industrial Reserve Plant, Toledo, Ohio.

(2) The Secretary may include in the conveyance under paragraph (1) such facilities, equipment, fixtures, and other personal property located or based on the parcel conveyed under that paragraph, or used in connection with

the parcel, as the Secretary determines to be excess to the Navy.

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a)(1) is conveyed by deed, the Secretary may lease such real property, and any personal property described in subsection (a)(2), to the Port Authority in exchange for such security, fire protection, and maintenance services as the Secretary considers appropriate.

(c) CONDITIONS OF CONVEYANCE.—The conveyance under subsection (a), and any lease under subsection (b), shall be subject to the conditions that the Port Authority—

(1) accept the real and personal property concerned in their condition at the time of the conveyance or lease, as the case may be; and

(2) except as provided in subsection (d), use the real and personal property concerned, whether directly or through an agreement with a public or private entity, for economic development or such other public purposes as the Port Authority considers appropriate.

(d) SUBSEQUENT USE.—(1) The Port Authority may, following entry into a lease under subsection (b) for real property, personal property, or both, sublease such

property for a purpose set forth in subsection (c)(2) if the Secretary approves the sublease of such property for that purpose.

(2) The Port Authority may, following the conveyance of real property under subsection (a), lease or reconvey such real property, and any personal property conveyed with such real property under that subsection, for a purpose set forth in subsection (c)(2).

(e) REIMBURSEMENT FOR COSTS OF CONVEYANCE AND LEASE.—(1) The Port Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a) or any lease authorized by subsection (b).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal of the real property to be conveyed under subsection (a)(1), and an appropriate inventory or other description of the personal property to be conveyed under

subsection (a)(2), shall be determined by a survey and other means satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1), and any lease under subsection (b), as the Secretary considers appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2841. DEVELOPMENT OF UNITED STATES ARMY HERITAGE AND EDUCATION CENTER AT CARLISLE BARRACKS, PENNSYLVANIA.

(a) AUTHORITY TO ENTER INTO PARTNERSHIP.—(1) The Secretary of the Army may enter into a partnership with the Military Heritage Foundation, a not-for-profit organization, for the design, construction, and operation of a facility for the United States Army Heritage and Education Center at Carlisle Barracks, Pennsylvania.

(2) The facility is to be used for curation and storage of artifacts, research facilities, classrooms, and offices, and for education and other activities, relating to the heritage of the Army. The facility may also be used to support such education and training as the Secretary considers appropriate.

(b) DESIGN AND CONSTRUCTION.—The Secretary may accept funds from the Military Heritage Foundation for the design and construction of the facility for the United States Army Heritage and Education Center referred to in subsection (a).

(c) ACCEPTANCE OF FACILITY.—(1) Upon completion of the facility referred to subsection (a), and upon the satisfaction of any and all financial obligations incident thereto by the Military Heritage Foundation, the Secretary shall accept the facility from the Military Heritage Foundation, and all right, title, and interest in and to the facility shall vest in the United States.

(2) Upon becoming property of the United States, the facility shall be under the jurisdiction of the Secretary.

(d) USE OF CERTAIN GIFTS.—(1) Under regulations prescribed by the Secretary, the Commandant of the Army War College may, without regard to section 2601 of title 10, United States Code, accept, hold, administer, invest, and spend any gift, devise, or bequest of personnel property of a value of $250,000 or less made to the United States if such gift, devise, or bequest is for the benefit of the United States Army Heritage and Education Center.

(2) The Secretary may pay or authorize the payment of any reasonable and necessary expense in connection

with the conveyance or transfer of a gift, devise, or bequest under this subsection.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the partnership authorized to be entered into by subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 2842. LIMITATION ON AVAILABILITY OF FUNDS FOR RENOVATION OF THE PENTAGON RESERVATION.

(a) CONSTRUCTION OF SECURE SECRETARIAL OFFICES AND SUPPORT FACILITIES.—No funds authorized to be appropriated by this Act, or any other Act, may be obligated or expended for construction of secure secretarial offices and support facilities at the Pentagon Reservation until the Secretary of Defense makes a certification to the congressional defense committees described in subsection (c).

(b) RENOVATION OF PENTAGON RESERVATION.—Of the amounts authorized to be appropriated by this Act and any other Act for the purpose of the renovation of the Pentagon Reservation, not more than $1,158,000,000 may be obligated or expended for that purposes until the Secretary makes a certification to the congressional defense committees described in subsection (c).

(c) CERTIFICATION.—A certification described in this subsection is a certification that the Defense Threat Reduction Agency has—

(1) reviewed plans for construction of secure secretarial offices and support facilities at the Pentagon Reservation; and

(2) determined that construction of such offices and facilities in accordance with such plans would meet all applicable force protection requirements.

SEC. 2843. NAMING OF PATRICIA C. LAMAR ARMY NATIONAL GUARD READINESS CENTER, OXFORD, MISSISSIPPI.

(a) DESIGNATION.—The Oxford Army National Guard Readiness Center, Oxford, Mississippi, shall be known and designated as the ''Patricia C. Lamar Army National Guard Readiness Center''.

(b) REFERENCE TO READINESS CENTER.—Any reference to the Oxford Army National Guard Readiness Center, Oxford, Mississippi, in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Patricia C. Lamar Army National Guard Readiness Center.

TITLE XXIX—DEFENSE BASE CLOSURE AND REALIGNMENT

Subtitle A—Modifications of 1990 Base Closure Law

SEC. 2901. AUTHORITY TO CARRY OUT BASE CLOSURE ROUND IN 2003.

(a) COMMISSION MATTERS.—

(1) APPOINTMENT.—Section 2902(c)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (ii);

(ii) by striking the period at the end of clause (iii) and inserting ''; and''; and

(iii) by adding at the end the following new clause:

''(iv) by no later than January 24, 2003, in the case of members of the Commission whose terms will expire at the end of the first session of the 108th Congress.''; and

(B) in subparagraph (C), by striking ''or for 1995 in clause (iii) of such subparagraph'' and inserting '', for 1995 in clause (iii) of that

subparagraph, or for 2003 in clause (iv) of that subparagraph''.

(2) MEETINGS.—Section 2902(e) of that Act is amended by striking ''and 1995'' and inserting ''1995, and 2003''.

(3) FUNDING.—Section 2902(k) of that Act is amended by adding at the end the following new paragraph (4):

''(4) If no funds are appropriated to the Commission by the end of the second session of the 107th Congress for the activities of the Commission in 2003, the Secretary may transfer to the Commission for purposes of its activities under this part in that year such funds as the Commission may require to carry out such activities. The Secretary may transfer funds under the preceding sentence from any funds available to the Secretary. Funds so transferred shall remain available to the Commission for such purposes until expended.''.

(4) TERMINATION.—Section 2902(l) of that Act is amended by striking ''December 31, 1995'' and inserting ''December 31, 2003''.

(b) PROCEDURES.—

(1) FORCE-STRUCTURE PLAN.—Section 2903(a) of that Act is amended—

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

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

''(2)(A) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2003, the Secretary shall include a force-structure plan for the Armed Forces based on the assessment of the Secretary in the quadrennial defense review under section 118 of title 10, United States Code, in 2001 of the probable threats to the national security during the twenty-year period beginning with fiscal year 2003.

''(B) The Secretary may revise the force-structure plan submitted under subparagraph (A). If the Secretary revises the force-structure plan, the Secretary shall submit the revised force-structure plan to Congress as part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2004.''; and

(C) in paragraph (3), as redesignated by subparagraph (A) of this paragraph—

(i) in the matter preceding subparagraph (A), by striking ''Such plan'' and in-

serting ''Each force-structure plan under this subsection''; and

(ii) in subparagraph (A), by striking ''referred to in paragraph (1)'' and inserting ''on which such force-structure plan is based''.

(2) SELECTION CRITERIA.—Section 2903(b) of that Act is amended—

(A) in paragraph (1), by inserting ''and by no later than December 31, 2001, for purposes of activities of the Commission under this part in 2003,'' after ''December 31, 1990,''; and

(B) in paragraph (2)(A)—

(i) in the first sentence, by inserting ''and by no later than February 15, 2002, for purposes of activities of the Commission under this part in 2003,'' after ''February 15, 1991,''; and

(ii) in the second sentence, by inserting '', or enacted on or before March 31, 2002, in the case of criteria published and transmitted under the preceding sentence in 2001'' after ''March 15, 1991''.

(3) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Section 2903(c)(1) of that Act is amended

by striking ''and March 1, 1995'' and inserting ''March 1, 1995, and March 14, 2003''.

(4) COMMISSION REVIEW AND RECOMMENDATIONS.—Section 2903(d) of that Act is amended—

(A) in paragraph (2)(A), by inserting ''or by no later than July 7 in the case of recommendations in 2003,'' after ''pursuant to subsection (c),'';

(B) in paragraph (4), by inserting ''or after July 7 in the case of recommendations in 2003,'' after ''under this subsection,''; and

(C) in paragraph (5)(B), by inserting ''or by no later than May 1 in the case of such recommendations in 2003,'' after ''such recommendations,''.

(5) REVIEW BY PRESIDENT.—Section 2903(e) of that Act is amended—

(A) in paragraph (1), by inserting ''or by no later than July 22 in the case of recommendations in 2003,'' after ''under subsection (d),'';

(B) in the second sentence of paragraph (3), by inserting ''or by no later than August 18 in the case of 2003,'' after ''the year concerned,''; and

(C) in paragraph (5), by inserting ''or by September 3 in the case of recommendations in 2003,'' after ''under this part,''.

(c) RELATIONSHIP TO OTHER BASE CLOSURE AUTHORITY.—Section 2909(a) of that Act is amended by striking ''December 31, 1995,'' and inserting ''December 31, 2003,''.

SEC. 2902. BASE CLOSURE ACCOUNT 2003.

(a) ESTABLISHMENT.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by inserting after section 2906 the following new section:

''SEC. 2906A. BASE CLOSURE ACCOUNT 2003.

''(a) IN GENERAL.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Department of Defense Base Closure Account 2003' (in this section referred to as the 'Account'). The Account shall be administered by the Secretary as a single account.

''(2) There shall be deposited into the Account—

''(A) funds authorized for and appropriated to the Account;

''(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds

may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees; and

"(C) except as provided in subsection (d), proceeds received from the lease, transfer, or disposal of any property at a military installation that is closed or realigned under this part pursuant to a closure or realignment the date of approval of which is after September 30, 2003.

"(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2).

"(b) USE OF FUNDS.—(1) The Secretary may use the funds in the Account only for the purposes described in section 2905 with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003.

"(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the max-

imum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

''(c) REPORTS.—(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part using amounts in the Account, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

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

''(i) The obligations and expenditures from the Account during the fiscal year, identified by subaccount, for each military department and Defense Agency.

''(ii) The fiscal year in which appropriations for such expenditures were made and the fiscal year in which funds were obligated for such expenditures.

"(iii) Each military construction project for which such obligations and expenditures were made, identified by installation and project title.

"(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 2907(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of—

"(I) any failure to carry out military construction projects that were so proposed; and

"(II) any expenditures for military construction projects that were not so proposed.

"(2) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003, and no later than 60 days after the closure of the Account under subsection (a)(3), the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

"(A) all the funds deposited into and expended from the Account or otherwise expended under this part with respect to such installations; and

"(B) any amount remaining in the Account.

"(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part the date of approval of closure or realignment of which is after September 30, 2003, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

"(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary of Defense.

"(3) The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, and improving—

"(A) commissary stores; and

"(B) real property and facilities for nonappropriated fund instrumentalities.

"(4) In this subsection, the terms 'commissary store funds', 'nonappropriated funds', and 'nonappropriated fund instrumentality' shall have the meaning given those terms in section 2906(d)(4).

"(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except as provided in section 2906(e) with respect to funds in the Department of Defense Base Closure Account 1990 under section 2906 and except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the closure of the Account under subsection (a)(3).".

(b) CONFORMING AMENDMENTS.—Section 2906 of that Act is amended—

(1) in subsection (a)(2)(C), by inserting "the date of approval of closure or realignment of which

is before September 30, 2003'' after ''under this part'';

(2) in subsection (b)(1), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''section 2905'';

(3) in subsection (c)(2)—

(A) in the matter preceding subparagraph (A), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''under this part''; and

(B) in subparagraph (A), by inserting ''with respect to such installations'' after ''under this part'';

(4) in subsection (d)(1), by inserting ''the date of approval of closure or realignment of which is before September 30, 2003'' after ''under this part''; and

(5) in subsection (e), by striking ''Except for'' and inserting ''Except as provided in section 2906A(e) with respect to funds in the Department of Defense Base Closure Account 2001 under section 2906A and except for''.

(c) CLERICAL AMENDMENT.—The section heading of section 2906 of that Act is amended to read as follows:

"SEC. 2906. BASE CLOSURE ACCOUNT 1990.".

SEC. 2903. ADDITIONAL MODIFICATIONS OF BASE CLOSURE AUTHORITIES.

(a) INCREASE IN MEMBERS OF COMMISSION.—Section 2902(c)(1)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ''eight members'' and inserting ''nine members''.

(b) SELECTION CRITERIA.—Section 2903(b) of that Act is amended by adding at the end the following new paragraphs:

''(3) The selection criteria shall ensure that military value is the primary consideration in the making of recommendations for the closure or realignment of military installations under this part.

''(4) Any selection criteria proposed by the Secretary relating to the cost savings or return on investment from the proposed closure or realignment of a military installation shall take into account the effect of the proposed closure or realignment on the costs of any other Federal agency that may be required to assume responsibility for activities at the military installation.''.

(c) DEPARTMENT OF DEFENSE RECOMMENDATIONS TO COMMISSION.—Section 2903(c) of that Act is amended—

(1) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as paragraphs (2), (3), (4), (6), (7), and (8), respectively;

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

''(1) The Secretary shall carry out a comprehensive review of the military installations of the Department of Defense inside the United States based on the force-structure plan submitted under subsection (a)(2), and the final criteria transmitted under subsection (b)(2), in 2002. The review shall cover every type of facility or other infrastructure operated by the Department of Defense.'';

(3) in paragraph (4), as so redesignated—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

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

''(B) In considering military installations for closure or realignment under this part in any year after 2001, the Secretary shall consider the anticipated continuing need for and availability of military installations world-

wide. In evaluating the need for military installations inside the United States, the Secretary shall take into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions on the use of such military installations.''; and

(C) in subparagraph (D), as so redesignated, by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

(4) by inserting after paragraph (4), as so redesignated, the following new paragraph (5):

''(5)(A) In making recommendations to the Commission under this subsection in any year after 2001, the Secretary shall consider any notice received from a local government in the vicinity of a military installation that the government would approve of the closure or realignment of the installation.

''(B) Notwithstanding the requirement in subparagraph (A), the Secretary shall make the recommendations referred to in that subparagraph based on the force-structure plan and final criteria otherwise applicable to such recommendations under this section.

''(C) The recommendations made by the Secretary under this subsection in any year after 2001 shall include a statement of the result of the consideration of any notice

described in subparagraph (A) that is received with respect to an installation covered by such recommendations. The statement shall set forth the reasons for the result.''; and

(5) in paragraph (8), as so redesignated—

(A) in the first sentence, by striking ''paragraph (5)(B)'' and inserting ''paragraph (7)(B)''; and

(B) in the second sentence, by striking ''24 hours'' and inserting ''48 hours''.

(d) COMMISSION CHANGES IN RECOMMENDATIONS OF SECRETARY.—Section 2903(d)(2) of that Act is amended—

(1) in subparagraph (B), by striking ''if'' and inserting ''only if'';

(2) in subparagraph (C)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

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

''(v) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.'';

(3) by redesignating subparagraph (E) as subparagraph (F); and

(4) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) In the case of a change not described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

''(i) makes the determination required by subparagraph (B);

''(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1); and

''(iii) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.''.

(e) PRIVATIZATION IN PLACE.—Section 2904(a) of that Act is amended—

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

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in each such report

after 2001 only if privatization in place is a method of closure or realignment of the installation specified in the recommendation of the Commission in such report and is determined by the Commission to be the most-cost effective method of implementation of the recommendation;''.

(f) IMPLEMENTATION.—

(1) PAYMENT FOR CERTAIN SERVICES FOR PROPERTY LEASED BACK BY THE UNITED STATES.—Section 2905(b)(4)(E) of that Act is amended—

(1) in clause (iii), by striking ''A lease'' and inserting ''Except as provided in clause (v), a lease''; and

(2) by adding at the end the following new clause (v):

''(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

''(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate

charged non-Federal tenants leasing property at the installation for such services and maintenance.

"(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.".

(2) TRANSFERS IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Section 2905(e) of that Act is amended—

(A) in paragraph (1)(B), by adding at the end the following new sentence: "The real property and facilities referred to in subparagraph (A) are also the real property and facilities located at an installation approved for closure or realignment under this part after 2001 that are available for purposes other than to assist the homeless.";

(B) in paragraph (2)(A), by striking "to be paid by the recipient of the property or facilities" and inserting "otherwise to be paid by the Secretary with respect to the property or facilities";

(C) by striking paragraph (6);

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), (6), respectively; and

(E) by inserting after paragraph (2) the following new paragraph (3):

''(3) In the case of property or facilities covered by a certification under paragraph (2)(A), the Secretary may pay the recipient of such property or facilities an amount equal to the lesser of—

''(A) the amount by which the costs incurred by the recipient of such property or facilities for all environmental restoration, waste, management, and environmental compliance activities with respect to such property or facilities exceed the fair market value of such property or facilities as specified in such certification; or

''(B) the amount by which the costs (as determined by the Secretary) that would otherwise have been incurred by the Secretary for such restoration, management, and activities with respect to such property or facilities exceed the fair market value of such property or facilities as so specified.''.

(3) SCOPE OF INDEMNIFICATION OF TRANSFEREES IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Paragraph (6) of sec-

tion 2905(e) of that Act, as redesignated by paragraph (1) of this subsection, is further amended by inserting before the period the following: ‘‘, except in the case of releases or threatened releases not disclosed pursuant to paragraph (4)’’.

SEC. 2904. TECHNICAL AND CLARIFYING AMENDMENTS.

(a) COMMENCEMENT OF PERIOD FOR NOTICE OF INTEREST IN PROPERTY FOR HOMELESS.—Section 2905(b)(7)(D)(ii)(I) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ‘‘that date’’ and inserting ‘‘the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation under subparagraph (B)(i)(IV)’’.

(b) OTHER CLARIFYING AMENDMENTS.—(1) That Act is further amended by inserting ‘‘or realignment’’ after ‘‘closure’’ each place it appears in the following provisions:

(A) Section 2905(b)(3).

(B) Section 2905(b)(5).

(C) Section 2905(b)(7)(B)(iv).

(D) Section 2905(b)(7)(N).

(E) Section 2910(10)(B).

(2) That Act is further amended by inserting ''or realigned'' after ''closed'' each place it appears in the following provisions:

(A) Section 2905(b)(3)(C)(ii).

(B) Section 2905(b)(3)(D).

(C) Section 2905(b)(3)(E).

(D) Section 2905(b)(4)(A).

(E) Section 2905(b)(5)(A).

(F) Section 2910(9).

(G) Section 2910(10).

(3) Section 2905(e)(1)(B) of that Act is amended by inserting '', or realigned or to be realigned,'' after ''closed or to be closed''.

Subtitle B—Modification of 1988 Base Closure Law

SEC. 2911. PAYMENT FOR CERTAIN SERVICES PROVIDED BY REDEVELOPMENT AUTHORITIES FOR PROPERTY LEASED BACK BY THE UNITED STATES.

Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act of (Public Law 100–526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph (J):

''(J)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this title (including property at an installation approved

for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

''(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

''(iii) Except as provided in clause (v), a lease under clause (i) may not require rental payments by the United States.

''(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.

"(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

"(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate charged non-Federal tenants leasing property at the installation for such services and maintenance.

"(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.".

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $7,351,721,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities, $5,481,795,000, to be allocated as follows:

(A) For stewardship operation and maintenance, $4,687,443,000, to be allocated as follows:

(i) For directed stockpile work, $1,016,922,000.

(ii) For campaigns, $2,137,300,000, to be allocated as follows:

(I) For operation and maintenance, $1,767,328,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $369,972,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $5,400,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $22,000,000.

Project 00–D–105, strategic computing complex, Los Alamos

National Laboratory, Los Alamos, New Mexico, $11,070,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $5,377,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $81,125,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $245,000,000.

(iii) For readiness in technical base and facilities, $1,533,221,000, to be allocated as follows:

(I) For operation and maintenance, $1,356,107,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of

projects authorized in prior years, and land acquisition related thereto), $177,114,000, to be allocated as follows:

Project 02–D–101, microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico, $39,000,000.

Project 02–D–103, project engineering and design (PE&D), various locations, $31,130,000.

Project 02–D–107, electrical power systems safety communications and bus upgrades, Nevada Test Site, Nevada, $3,507,000.

Project 01–D–103, preliminary project design and engineering, various locations, $16,379,000.

Project 01–D–124, highly enriched uranium (HEU) materials storage facility, Y–12 Plant, Oak Ridge, Tennessee, $0.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $7,700,000.

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $12,993,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,400,000.

Project 99–D–104, protection of real property (roof reconstruction, phase II), Lawrence Livermore National Laboratory, Livermore, California, $2,800,000.

Project 99–D–106, model validation and system certification center, Sandia National Laboratories, Albuquerque, New Mexico, $4,955,00.

Project 99–D–108, renovation of existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $300,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $22,200,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant, Amarillo, Texas, $3,300,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $13,700,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation,

Oak Ridge, Tennessee, $6,850,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $3,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,900,000.

(B) For secure transportation asset, $77,571,000, to be allocated for operation and maintenance.

(C) For safeguards and security, $448,881,000, to be allocated as follows:

(i) For operation and maintenance, $439,281,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $9,600,000, to be allocated as follows:

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,600,000.

(D) For facilities and infrastructure, $267,900,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For other nuclear security activities, $872,500,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $258,161,000, to be allocated as follows:

(i) For operation and maintenance, $222,355,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $35,806,000, to be allocated as follows:

Project 00–D–192, nonproliferation and international security center

(NISC), Los Alamos National Laboratory, Los Alamos, New Mexico, $35,806,000.

(B) For arms control, $138,000,000.

(C) For international materials protection, control, and accounting, $143,800,000.

(D) For highly enriched uranium transparency implementation, $13,950,000.

(E) For international nuclear safety, $19,500,000.

(F) For fissile materials control and disposition, $299,089,000, to be allocated as follows:

(i) For United States surplus fissile materials disposition, $233,089,000, to be allocated as follows:

(I) For operation and maintenance, $130,089,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto),

$103,000,000, to be allocated as follows:

Project 01–D–142, immobilization and associated processing facility, (Title I and II design), Savannah River Site, Aiken, South Carolina, $0.

Project 01–D–407, highly enriched uranium blend-down, Savannah River Site, Aiken, South Carolina, $24,000,000.

Project 99–D–141, pit disassembly and conversion facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $16,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $63,000,000.

(ii) For Russian fissile materials disposition, $66,000,000.

(3) NAVAL REACTORS.—For naval reactors, $688,045,000, to be allocated as follows:

(A) For naval reactors development, $665,445,000, to be allocated as follows:

(i) For operation and maintenance, $652,245,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $13,200,000, to be allocated as follows:

Project 01–D–200, major office replacement building, Schenectady, New York, $9,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $4,200,000.

(B) For program direction, $22,600,000.

(4) OFFICE OF ADMINISTRATOR FOR NUCLEAR SECURITY.—For the Office of the Administrator for Nuclear Security, and for program direction for the National Nuclear Security Administration (other than for naval reactors), $380,366,000.

(b) ADJUSTMENTS.—The amount authorized to be appropriated by subsection (a) is hereby reduced by $70,985,000, as follows:

(1) The amount authorized to be appropriated by paragraph (1) of that subsection is hereby reduced by $28,985,000, which is to be derived from offsets and use of prior year balances.

(2) The amount authorized to be appropriated by paragraph (2) of that subsection is hereby reduced by $42,000,000, which is to be derived from use of prior year balances.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for environmental restoration and waste management activities in carrying out programs necessary for national security in the amount of $6,047,617,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,080,538,000.

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $943,196,000, to be allocated as follows:

(A) For operation and maintenance, $919,030,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $24,166,000, to be allocated as follows:

Project 02–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $3,256,000.

Project 01–D–414, preliminary project engineering and design (PE&D), various locations, $6,254,000.

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $5,040,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering and Environmental Laboratories, Idaho Falls, Idaho, $2,700,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $1,910,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $4,244,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $0.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $762,000.

(3) POST-2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $3,245,201,000, to be allocated as follows:

(A) For operation and maintenance, $1,955,979,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $6,754,000, to be allocated as follows:

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $6,754,000.

(C) For the Office of River Protection in carrying out environmental restoration and waste management activities necessary for national security programs, $862,468,000, to be allocated as follows:

(i) For operation and maintenance, $322,151,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisi-

tion related thereto), $540,317,000, to be allocated as follows:

Project 01–D–416, waste treatment and immobilization plant, Richland, Washington, $500,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $33,473,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $6,844,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental restoration and waste management activities necessary for national security programs, $216,000,000.

(5) EXCESS FACILITIES.—For excess facilities in carrying out environmental restoration and waste management activities necessary for national security programs, $1,300,000.

(6) SAFEGUARDS AND SECURITY.—For safeguards and security in carrying out environmental restoration and waste management activities necessary for national security programs, $205,621,000.

(7) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs, $355,761,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated by subsection (a) is the sum of the amounts authorized to be appropriated by paragraphs (2) through (7) of that subsection, reduced by $42,161,000, to be derived from offsets and use of prior year balances.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for other defense activities in carrying out programs necessary for national security in the amount of $512,195,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence, $40,844,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence, $46,389,000.

(3) SECURITY AND EMERGENCY OPERATIONS.—For security and emergency operations, $247,565,000, to be allocated as follows:

(A) For nuclear safeguards and security, $121,188,000.

(B) For security investigations, $44,927,000.

(C) For program direction, $81,450,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance, $14,904,000.

(5) ENVIRONMENT, SAFETY, AND HEALTH.—For the Office of Environment, Safety, and Health, $114,600,000, to be allocated as follows:

(A) For environment, safety, and health (defense), $91,307,000.

(B) For program direction, $23,293,000.

(6) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $20,000,000, to be allocated as follows:

(A) For worker and community transition, $18,000,000.

(B) For program direction, $2,000,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $2,893,000.

(8) NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.—For national security programs administrative support, $25,000,000.

(b) ADJUSTMENTS.—

(1) SECURITY AND EMERGENCY OPERATIONS, FOR PROGRAM DIRECTION.—The amount authorized to be appropriated pursuant to subsection (a)(3)(B) is reduced by $712,000 to reflect an offset provided by user organizations for security investigations.

(2) OTHER.—The total amount authorized to be appropriated pursuant to paragraphs (1), (2), (4), (5), (6), (7), and (8) of subsection (a) is hereby reduced by $10,000,000 to reflect use of prior year balances.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $157,537,000, to be allocated as follows:

Project 02–PVT–1, Paducah disposal facility, Paducah, Kentucky, $13,329,000.

Project 02–PVT–2, Portsmouth disposal facility, Portsmouth, Ohio, $2,000,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $49,332,000.

Project 98–PVT–5, environmental management/waste management disposal, Oak Ridge, Tennessee, $26,065,000.

Project 97–PVT–2, advanced mixed waste treatment project, Idaho Falls, Idaho, $56,000,000.

Project 97–PVT–3, transuranic waste treatment, Oak Ridge, Tennessee, $10,826,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for payment to the Nuclear Waste Fund established in section 302(C) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $250,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $2,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON MINOR CONSTRUCTION PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any minor construction project using operation and maintenance funds, or facilities and infrastructure funds, authorized by this title.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding year. Each report shall give a brief description of each minor construction project covered by such report.

(c) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''minor construction project'' means any plant project not specifically authorized by law if the approved total estimated cost of the plant project does not exceed $5,000,000.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there is excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the author-

izations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a minor construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, under sections 3101, 3102, 3103, and 3104 to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any con-

struction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall re-

main available to be expended only until the end of fiscal year 2004.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has spe-

cifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102(a).

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager

determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of weapons activities funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in 3101(1).

(B) A program or project not described in subparagraph (A) that is for weapons activities necessary for national security programs of the Department, that is being carried out by the office, and for which weapons activities funds

have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''weapons activities funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. LIMITATION ON AVAILABILITY OF FUNDS FOR WEAPONS ACTIVITIES FOR FACILITIES AND INFRASTRUCTURE.

Not more than 50 percent of the funds authorized to be appropriated by section 3101(a)(1)(D) for the National Nuclear Security Administration for weapons activities for facilities and infrastructure may be obligated or expended until the Administrator for Nuclear Security submits to the congressional defense committees a report setting forth the following:

(1) Criteria for the selection of projects to be carried out using such funds.

(2) Criteria for establishing priorities among projects so selected.

(3) A list of the projects so selected, including the priority assigned to each such project.

SEC. 3132. LIMITATION ON AVAILABILITY OF FUNDS FOR OTHER DEFENSE ACTIVITIES FOR NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.

Not more than $5,000,000 of the funds authorized to be appropriated by section 3103(a)(8) for other defense activities for national security programs administrative support may be obligated or expended until the later of the following:

(1) The date on which the Secretary of Energy submits to Congress a report setting forth the purposes for which such funds will be obligated and expended.

(2) The date on which the Administrator for Nuclear Security submits to Congress the future-years nuclear security program for fiscal year 2002 required by section 3253 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–35; 50 U.S.C. 2453).

SEC. 3133. NUCLEAR CITIES INITIATIVE.

(a) LIMITATIONS ON USE OF FUNDS.—No funds authorized to be appropriated for the Nuclear Cities Initiative after fiscal year 2001 may be obligated or expended with respect to more than three nuclear cities, or more than two serial production facilities in Russia, until 30 days after the Administrator for Nuclear Security submits to the appropriate congressional committees an agreement signed by the Russian Federation on access under the Nuclear Cities Initiative to the ten closed nuclear cities and four serial production facilities of the Nuclear Cities Initiative.

(b) ANNUAL REPORT.—(1) Not later than the first Monday in February each year, the Administrator shall submit to the appropriate congressional committees a report on financial and programmatic activities with respect to the Nuclear Cities Initiative during the preceding fiscal year.

(2) Each report shall include, for the fiscal year covered by such report, the following:

(A) A list of each project that is or was completed, ongoing, or planned under the Nuclear Cities Initiative during such fiscal year.

(B) For each project listed under subparagraph (A), information, current as of the end of such fiscal year, on the following:

(i) The purpose of such project.

(ii) The budget for such project.

(iii) The life-cycle costs of such project.

(iv) Participants in such project.

(v) The commercial viability of such project.

(vi) The number of jobs in Russia created or to be created by or through such project.

(vii) Of the total amount of funds spent on such project, the percentage of such amount spent in the United States and the percentage of such amount spent overseas.

(C) A certification by the Administrator that each project listed under subparagraph (A) did contribute, is contributing, or will contribute, as the case may be, to the downsizing of the nuclear weapons complex in Russia, together with a description of the evidence utilized to make such certification.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees means'' the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(2) NUCLEAR CITIES INITIATIVE.—The term ''Nuclear Cities Initiative'' means the initiative arising pursuant to the March 1998 discussion between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

(3) NUCLEAR CITY.—The term ''nuclear city'' means any of the nuclear cities within the complex of the Russia Ministry of Atomic Energy (MINATOM) as follows:

(A) Sarov (Arzamas–16 and Avangard).

(B) Zarechnyy (Penza–19).

(C) Novoural'sk (Sverdlovsk–44).

(D) Lesnoy (Sverdlovsk–45).

(E) Ozersk (Chelyabinsk–65).

(F) Snezhinsk (Chelyabinsk–70).

(G) Trechgornyy (Zlatoust–36).

(H) Seversk (Tomsk–7).

(I) Zhelenznogorsk (Krasnoyarsk–26).

(I) Zelenogorsk (Krasnoyarsk–45).

SEC. 3134. CONSTRUCTION OF DEPARTMENT OF ENERGY OPERATIONS OFFICE COMPLEX.

(a) AUTHORITY FOR DESIGN AND CONSTRUCTION.—Subject to subsection (b), the Secretary of Energy may provide for the design and construction of a new operations office complex for the Department of Energy in accordance with the feasibility study regarding such operations office complex conducted under the National Defense Authorization Act for Fiscal Year 2000.

(b) LIMITATION.—The Secretary may not exercise the authority in subsection (a) until the date on which the Secretary certifies to Congress that the feasibility study referred to in subsection (a) is consistent with the plan submitted under section 3153(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–465).

(c) BASIS OF AUTHORITY.—The design and construction of the operations office complex authorized by subsection (a) shall be carried out through one or more energy savings performance contracts (ESPC) entered into under this section and in accordance with the provisions of title VIII of the National Energy Policy Conservation Act (42 U.S.C. 8287 et seq.).

(d) PAYMENT OF COSTS.—Amounts for payments of costs associated with the construction of the operations

office complex authorized by subsection (a) shall be derived from energy savings and ancillary operation and maintenance savings that result from the replacement of a current Department of Energy operations office complex (as identified in the feasibility study referred to in subsection (a)) with the operations office complex authorized by subsection (a).

Subtitle D—Matters Relating to Management of National Nuclear Security Administration

SEC. 3141. ESTABLISHMENT OF POSITION OF DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

(a) ESTABLISHMENT OF POSITION.—Subtitle A of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 50 U.S.C. 2401 et seq.) is amended—

(1) by redesignating section 3213 as section 3219 and transferring such section, as so redesignated, to the end of the subtitle; and

(2) by inserting after section 3212 the following new section 3213:

"SEC. 3213. DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

"(a) IN GENERAL.—There is in the Administration a Deputy Administrator for Nuclear Security, who is ap-

pointed by the President, by and with the advice and consent of the Senate.

"(b) DUTIES.—(1) The Deputy Administrator shall be the principal assistant to the Administrator in carrying out the responsibilities of the Director under this title, and shall act for, and exercise the powers and duties of, the Administrator when the Administrator is disabled or there is no Administrator for Nuclear Security.

"(2) Subject to the authority, direction, and control of the Administrator, the Deputy Administrator shall perform such duties, and exercise such powers, relating to the functions of the Administration as the Administrator may prescribe.".

(b) PAY LEVEL.—Section 5314 of title 5, United States Code, is amended in the item relating to the Deputy Administrators of the National Nuclear Security Administration—

(1) by striking "(3)" and inserting "(4)"; and

(2) by striking "(2)" and inserting "(3)".

SEC. 3142. RESPONSIBILITY FOR NATIONAL SECURITY LABORATORIES AND WEAPONS PRODUCTION FACILITIES OF DEPUTY ADMINISTRATOR OF NATIONAL NUCLEAR SECURITY ADMINISTRATION FOR DEFENSE PROGRAMS.

Section 3214 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 959; 50 U.S.C. 2404) is amended by striking subsection (c).

SEC. 3143. CLARIFICATION OF STATUS WITHIN THE DEPARTMENT OF ENERGY OF ADMINISTRATION AND CONTRACTOR PERSONNEL OF THE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Section 3219 of the National Nuclear Security Administration Act, as redesignated and transferred by section 3141(a)(1) of this Act, is further amended—

(1) in subsection (a), by striking ''Administration—'' and inserting ''Administration, in carrying out any function of the Administration—''; and

(2) in subsection (b), by striking ''shall'' and inserting '', in carrying out any function of the Administration, shall''.

SEC. 3144. MODIFICATION OF AUTHORITY OF ADMINISTRATOR FOR NUCLEAR SECURITY TO ESTABLISH SCIENTIFIC, ENGINEERING, AND TECHNICAL POSITIONS.

(a) INCREASE IN AUTHORIZED NUMBER OF POSITIONS.—Section 3241 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 964; 50 U.S.C. 2441) is amended—

(1) by inserting ''(a) IN GENERAL—'' before ''The Administrator''; and

(2) in subsection (a), as so designated, by striking ''300'' and inserting ''500''.

(b) DESIGNATION OF EXISTING PROVISIONS ON TREATMENT OF AUTHORITY.—That section is further amended—

(1) by designating the second sentence as subsection (b);

(2) aligning the margin of that subsection, as so designated, so as to indent the text two ems; and

(3) in that subsection, as so designated, by striking ''Subject to the limitations in the preceding sentence,'' and inserting ''(b) TREATMENT OF AUTHORITY.—Subject to the limitations in subsection (a),''.

(c) TREATMENT OF POSITIONS.—That section is further amended by adding at the end the following new subsection:

''(c) TREATMENT OF POSITIONS.—A position established under subsection (a) may not be considered a Senior Executive Service position (as that term is defined in section 3132(a)(2) of title 5, United States Code), and shall not be subject to the provisions of subchapter II of chapter 31 of that title, relating to the Senior Executive Service.''.

Subtitle E—Other Matters

SEC. 3151. IMPROVEMENTS TO ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) CERTAIN LEUKEMIA AS SPECIFIED CANCER.—Section 3621(17) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (title XXXVI of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–502), as amended by section 2403 of the Supplemental Appropriations Act, 2001 (Public Law 107–20), is further amended by adding at the end the following new subparagraph:

''(D) Leukemia (other than chronic lymphocytic leukemia), if initial occupation exposure occurred before 21 years of age and

onset occurred more than two years after initial occupational exposure.''.

(b) ADDITIONAL MEMBERS OF SPECIAL EXPOSURE COHORT.—Section 3626(b) of that Act (114 Stat. 1654A–505) is amended in the matter preceding paragraph (1) by inserting after ''Department of Energy facility'' the following: '', or at an atomic weapons employer facility,''.

(c) ESTABLISHMENT OF CHRONIC SILICOSIS.—Section 3627(e)(2)(A) of that Act (114 Stat. 1654A–506) is amended by striking ''category 1/1'' and inserting ''category 1/0''.

(d) SURVIVORS.—

(1) IN GENERAL.—Subsection (e) of section 3628 of that Act (114 Stat. 1654A–506) is amended to read as follows:

''(e) SURVIVORS.—(1) If a covered employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered employee's occupational illness, the survivors of the covered employee shall receive payment of compensation under this section in lieu of the covered employee as follows:

''(A) If at the time of death the covered employee is survived by a spouse and one or more children—

"(i) the spouse shall receive one-half of the amount of compensation provided for the covered employee under this section; and

"(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered employee under this section.

"(B) If at the time of death the covered employee is survived by a spouse or one or more children, but not both a spouse and one or more children—

"(i) the spouse shall receive the amount of compensation provided for the covered employee under this section; or

"(ii) each child shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

"(C) If at the time of death the covered employee is not survived by a spouse or any children, but is survived by one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

"(2) For purposes of this subsection, the term 'child', in the case of a covered employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.".

(2) URANIUM EMPLOYEES.—Subsection (e) of section 3630 of that Act (114 Stat. 1654A–507) is amended to read as follows:

"(e) SURVIVORS.—(1) If a covered uranium employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered uranium employee's occupational illness, the survivors of the covered uranium employee shall receive payment of compensation under this section in lieu of the covered uranium employee as follows:

"(A) If at the time of death the covered uranium employee is survived by a spouse and one or more children—

"(i) the spouse shall receive one-half of the amount of compensation provided for the covered uranium employee under this section; and

"(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered uranium employee under this section.

"(B) If at the time of death the covered uranium employee is survived by a spouse or one or more children, but not both a spouse and one or more children—

"(i) the spouse shall receive the amount of compensation provided for the covered uranium employee under this section; or

"(ii) each child shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

"(C) If at the time of death the covered uranium employee is not survived by a spouse or any children, but is survived by one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

"(2) For purposes of this subsection, the term 'child', in the case of a covered uranium employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.".

(3) REPEAL OF SUPERSEDED PROVISION.—Paragraph (18) of section 3621 of that Act (114 Stat. 1654A–502) is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2001.

(e) DISMISSAL OF PENDING SUITS.—Section 3645(d) of that Act (114 Stat. 1654A–510) is amended by striking ''the plaintiff shall not'' and all that follows through the end and inserting ''and was not dismissed as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the plaintiff shall be eligible for compensation or benefits under subtitle B only if the plaintiff dismisses such case not later than December 31, 2003.''.

(f) ATTORNEY FEES.—Section 3648 of that Act (114 Stat. 1654A–511) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) 10 percent of any compensation paid under the claim for assisting with or representing a

claimant seeking such compensation by the provision of services other than, or in addition to, services in connection with the filing of an initial claim covered by paragraph (1).'';

(2) by redesignating subsection (c) and subsection (d); and

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

''(c) INAPPLICABILITY TO SERVICES PROVIDED AFTER AWARD OF COMPENSATION.—This section shall not apply with respect to any representation or assistance provided to an individual awarded compensation under subtitle B after the award of compensation.''.

(g) STUDY OF RESIDUAL CONTAMINATION OF FACILITIES.—(1) The National Institute for Occupational Safety and Health shall conduct a study on the following:

(A) Whether or not significant contamination remained in any atomic weapons employer facility or facility of a beryllium vendor after such facility discontinued activities relating to the production of nuclear weapons.

(B) If so, whether or not such contamination could have caused or substantially contributed to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

(2) Not later than 180 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to the congressional defense committees a report on the study under paragraph (1).

(3) Amounts for the study under paragraph (1) shall be derived from amounts authorized to be appropriated by section 3614(a) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(4) In this subsection:

(A) The terms ''atomic weapons employer facility'', ''beryllium vendor'', ''covered employee with cancer'', and ''covered beryllium illness'' have the meanings given those terms in section 3621 of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(B) The term ''contamination'' means the presence of any material exposure to which could cause or substantially contribute to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

SEC. 3152. DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) INTERIM COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than 120 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a plan for conducting, as part of the Department of Energy personnel assurance programs, an interim counterintelligence polygraph program consisting of polygraph examinations of Department of Energy employees, or contractor employees, at Department facilities. The purpose of examinations under the interim program is to minimize the potential for release or disclosure of classified data, materials, or information until the program required under subsection (b) is in effect.

(2) The Secretary may exclude from examinations under the interim program any position or class of positions (as determined by the Secretary) for which the individual or individuals in such position or class of positions—

(A) either—

(i) operate in a controlled environment that does not afford an opportunity, through action solely by the individual or individuals, to inflict damage on or impose risks to national security; and

(ii) have duties, functions, or responsibilities which are compartmentalized or supervised such that the individual or individuals do not impose risks to national security; or

(B) do not have routine access to top secret Restricted Data.

(3) The plan shall ensure that individuals who undergo examinations under the interim program receive protections as provided under part 40 of title 49, Code of Federal Regulations.

(4) To ensure that administration of the interim program does not disrupt safe operations of a facility, the plan shall insure notification of the management of the facility at least 14 days in advance of any examination scheduled under the interim program for any employees of the facility.

(5) The plan shall include procedures under the interim program for—

(A) identifying and addressing so-called ''false positive'' results of polygraph examinations; and

(B) ensuring that adverse personnel actions not be taken against an individual solely by reason of the individual's physiological reaction to a question in a polygraph examination, unless reasonable efforts are first made to independently determine

through alternative means the veracity of the individual's response to the question.

(b) NEW COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than six months after obtaining the results of the Polygraph Review, the Secretary shall prescribe a proposed rule containing requirements for a counterintelligence polygraph program for the Department of Energy. The purpose of the program is to minimize the potential for release or disclosure of classified data, materials, or information.

(2) The Secretary shall prescribe the proposed rule under this subsection in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the Administrative Procedures Act).

(3) In prescribing the proposed rule under this subsection, the Secretary may include in requirements under the proposed rule any requirement or exclusion provided for in paragraphs (2) through (5) of subsection (a).

(4) In prescribing the proposed rule under this subsection, the Secretary shall take into account the results of the Polygraph Review.

(c) REPEAL OF EXISTING POLYGRAPH PROGRAM.—Section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement

Act of 1999 (subtitle D of title XXXI of Public Law 106–65; 42 U.S.C. 7383h) is repealed.

(d) REPORT ON FURTHER ENHANCEMENT OF PERSONNEL SECURITY PROGRAM.—(1) Not later than December 31, 2002, the Administrator for Nuclear Security shall submit to Congress a report setting forth the recommendations of the Administrator for any legislative action that the Administrator considers appropriate in order to enhance the personnel security program of the Department of Energy.

(2) Any recommendations under paragraph (1) regarding the use of polygraphs shall take into account the results of the Polygraph Review.

(e) DEFINITIONS.—In this section:

(1) The term ''Polygraph Review'' means the review of the Committee to Review the Scientific Evidence on the Polygraph of the National Academy of Sciences.

(2) The term ''Restricted Data'' has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3153. ONE-YEAR EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

Section 3161(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 942; 5 U.S.C. 5597 note) is amended by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

SEC. 3154. ADDITIONAL OBJECTIVE FOR DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY WORK FORCE RESTRUCTURING PLAN.

Section 3161(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h(c)) is amended by adding at the end the following new paragraph:

''(7) The Department of Energy should provide assistance to promote the diversification of the economies of communities in the vicinity of any Department of Energy defense nuclear facility that may, as determined by the Secretary, be affected by a future restructuring of its work force under the plan.''.

SEC. 3155. MODIFICATION OF DATE OF REPORT OF PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

Section 3159(d) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 42 U.S.C. 2121 note) is amended by striking ''of each year, beginning with 1999,'' and inserting ''of 1999 and 2000, and not later than February 1, 2002,''.

SEC. 3156. REPORTS ON ACHIEVEMENT OF MILESTONES FOR NATIONAL IGNITION FACILITY.

(a) NOTIFICATION OF ACHIEVEMENT.—The Administrator for Nuclear Security shall notify the congressional defense committees when the National Ignition Facility (NIF), Lawrence Livermore National Laboratory, California, achieves each Level one milestone and Level two milestone for the National Ignition Facility.

(b) REPORT ON FAILURE OF TIMELY ACHIEVEMENT.—Not later than 10 days after the date on which the National Ignition Facility fails to achieve a Level one milestone or Level two milestone for the National Ignition Facility in a timely manner, the Administrator shall submit to the congressional defense committees a report on the failure. The report on a failure shall include—

(1) a statement of the failure of the National Ignition Facility to achieve the milestone concerned in a timely manner;

(2) an explanation for the failure; and

(3) either—

(A) an estimate when the milestone will be achieved; or

(B) if the milestone will not be achieved—

(i) a statement that the milestone will not be achieved;

(ii) an explanation why the milestone will not be achieved; and

(iii) the implications for the overall scope, schedule, and budget of the National Ignition Facility project of not achieving the milestone.

(c) MILESTONES.—For purposes of this section, the Level one milestones and Level two milestones for the National Ignition Facility are as established in the August 2000 revised National Ignition Facility baseline document.

SEC. 3157. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT IN FISCAL YEAR 2002.—From amounts authorized to be appropriated or otherwise made available to the Secretary of Energy by this title—

(1) $6,900,000 shall be available for payment by the Secretary for fiscal year 2002 to the Los Alamos National Laboratory Foundation, a not-for-profit educational foundation chartered in accordance with section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052); and

(2) $8,000,000 shall be available for extension of the contract between the Department of Energy and the Los Alamos Public Schools through fiscal year 2002.

(b) SUPPORT THROUGH FISCAL YEAR 2004.—Subject to the availability of appropriations for such purposes, the Secretary may—

(1) make a payment for each of fiscal years 2003 and 2004 similar in amount to the payment referred to in subsection (a)(1) for fiscal year 2002; and

(2) provide for a contract extension through fiscal year 2004 similar to the contract extension re-

ferred to in subsection (a)(2), including the use of an amount for that purpose in each of fiscal years 2003 and 2004 similar to the amount available for that purpose in fiscal year 2002 under that subsection.

(c) USE OF FUNDS.—The Los Alamos National Laboratory Foundation shall—

(1) use funds provided the Foundation under this section as a contribution to the endowment fund of the Foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to payments made under this section to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

(d) REPORT.—Not later than March 1, 2003, the Administrator for Nuclear Security shall submit to the congressional defense committees a report setting for the following:

(1) An evaluation of the requirements for continued payments after fiscal year 2004 into the endowment fund of the Los Alamos Laboratory Foundation to enable the Foundation to meet the goals of the Department of Energy to support the recruit-

ment and retention of staff at the Los Alamos National Laboratory.

(2) Recommendations regarding the advisability of any further direct support after fiscal year 2004 for the Los Alamos Public Schools.

SEC. 3158. IMPROVEMENTS TO CORRAL HOLLOW ROAD, LIVERMORE, CALIFORNIA.

Of the amounts authorized to be appropriated by section 3101, not more than $325,000 shall be available to the Secretary of Energy for safety improvements to Corral Hollow Road adjacent to Site 300 of Lawrence Livermore National Laboratory, California.

Subtitle F—Rocky Flats National Wildlife Refuge

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the ''Rocky Flats National Wildlife Refuge Act of 2001''.

SEC. 3172. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) The Federal Government, through the Atomic Energy Commission, acquired the Rocky Flats site in 1951 and began operations there in 1952. The site remains a Department of Energy facility. Since 1992, the mission of the Rocky Flats site has changed from the production of nuclear

weapons components to cleanup and closure in a manner that is safe, environmentally and socially responsible, physically secure, and cost-effective.

(2) The site has generally remained undisturbed since its acquisition by the Federal Government.

(3) The State of Colorado is experiencing increasing growth and development, especially in the metropolitan Denver Front Range area in the vicinity of the Rocky Flats site. That growth and development reduces the amount of open space and thereby diminishes for many metropolitan Denver communities the vistas of the striking Front Range mountain backdrop.

(4) Some areas of the site contain contamination and will require further remediation. The national interest requires that the ongoing cleanup and closure of the entire site be completed safely, effectively, and without unnecessary delay and that the site thereafter be retained by the United States and managed so as to preserve the value of the site for open space and wildlife habitat.

(5) The Rocky Flats site provides habitat for many wildlife species, including a number of threatened and endangered species, and is marked by the presence of rare xeric tallgrass prairie plant commu-

nities. Establishing the site as a unit of the National Wildlife Refuge System will promote the preservation and enhancement of those resources for present and future generations.

(b) PURPOSE.—The purpose of this subtitle is to provide for the establishment of the Rocky Flats site as a national wildlife refuge while creating a process for public input on refuge management and ensuring that the site is thoroughly and completely cleaned up.

SEC. 3173. DEFINITIONS.

In this subtitle:

(1) CLEANUP AND CLOSURE.—The term ''cleanup and closure'' means the remedial actions and decommissioning activities being carried out at Rocky Flats by the Department of Energy under the 1996 Rocky Flats Cleanup Agreement, the closure plans and baselines, and any other relevant documents or requirements.

(2) COALITION.—The term ''Coalition'' means the Rocky Flats Coalition of Local Governments established by the Intergovernmental Agreement, dated February 16, 1999, among—

(A) the city of Arvada, Colorado;

(B) the city of Boulder, Colorado;

(C) the city of Broomfield, Colorado;

(D) the city of Westminster, Colorado;

(E) the town of Superior, Colorado;

(F) Boulder County, Colorado; and

(G) Jefferson County, Colorado.

(3) HAZARDOUS SUBSTANCE.—The term ''hazardous substance'' has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(4) POLLUTANT OR CONTAMINANT.—The term ''pollutant or contaminant'' has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(5) REFUGE.—The term ''refuge'' means the Rocky Flats National Wildlife Refuge established under section 3177.

(6) RESPONSE ACTION.—The term ''response action'' has the meaning given the term ''response'' in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) or any similar requirement under State law.

(7) RFCA.—The term ''RFCA'' means the Rocky Flats Cleanup Agreement, an intergovernmental agreement, dated July 19, 1996, among—

(A) the Department of Energy;

(B) the Environmental Protection Agency; and

(C) the Department of Public Health and Environment of the State of Colorado.

(8) ROCKY FLATS.—The term ''Rocky Flats'' means the Rocky Flats Environmental Technology Site, Colorado, a defense nuclear facility, as depicted on the map entitled ''Rocky Flats Environmental Technology Site'', dated July 15, 1998.

(9) ROCKY FLATS TRUSTEES.—The term ''Rocky Flats Trustees'' means the Federal and State of Colorado entities that have been identified as trustees for Rocky Flats under section 107(f)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(f)(2)).

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 3174. FUTURE OWNERSHIP AND MANAGEMENT.

(a) FEDERAL OWNERSHIP.—Unless Congress provides otherwise in an Act enacted after the date of enact-

ment of this Act, all right, title, and interest of the United States, held on or acquired after the date of enactment of this Act, to land within the boundaries of Rocky Flats shall be retained by the United States.

(b) LINDSAY RANCH.—The structures that comprise the former Lindsay Ranch homestead site in the Rock Creek Reserve area of the buffer zone, as depicted on the map referred to in section 3173(8), shall be permanently preserved and maintained in accordance with the National Historic Preservation Act (16 U.S.C. 470 et seq.).

(c) PROHIBITION ON ANNEXATION.—The Secretary of the Interior shall not allow the annexation of land within the refuge by any unit of local government.

(d) PROHIBITION ON THROUGH ROADS.—Except as provided in subsection (e), no public road shall be constructed through Rocky Flats.

(e) TRANSPORTATION RIGHT-OF-WAY.—

(1) IN GENERAL.—

(A) AVAILABILITY OF LAND.—On submission of an application meeting each of the conditions specified in paragraph (2), the Secretary and the Secretary of the Interior shall make available land along the eastern boundary of Rocky Flats for the sole purpose of transportation improvements along Indiana Street.

(B) BOUNDARIES.—Land made available under this paragraph may not extend more than 300 feet from the west edge of the Indiana Street right-of-way, as that right-of-way exists as of the date of enactment of this Act.

(C) EASEMENT OR SALE.—Land may be made available under this paragraph by easement or sale to one or more appropriate entities.

(D) COMPLIANCE WITH APPLICABLE LAW.—Any action under this paragraph shall be taken in compliance with applicable law.

(2) CONDITIONS.—An application for land under this subsection may be submitted by any county, city, or other political subdivision of the State of Colorado and shall include documentation demonstrating that—

(A) the transportation project is constructed so as to minimize adverse effects on the management of Rocky Flats as a wildlife refuge; and

(B) the transportation project is included in the Regional Transportation Plan of the Metropolitan Planning Organization designated

for the Denver metropolitan area under section 5303 of title 49, United States Code.

SEC. 3175. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ROCKY FLATS.

(a) IN GENERAL.—

(1) MEMORANDUM OF UNDERSTANDING.—

(A) IN GENERAL.—Not later than one year after the date of enactment of this Act, the Secretary and the Secretary of the Interior shall publish in the Federal Register a draft memorandum of understanding under which the Secretary shall transfer to the Secretary of the Interior administrative jurisdiction over Rocky Flats.

(B) REQUIRED ELEMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the memorandum of understanding shall—

(I) provide for the timing of the transfer;

(II) provide for the division of responsibilities between the Secretary and the Secretary of the Interior for the period ending on the date of the transfer; and

(III) provide an appropriate allocation of costs and personnel to the Secretary of the Interior.

(ii) NO REDUCTION IN FUNDS.—The memorandum of understanding shall not result in any reduction in funds available to the Secretary for cleanup and closure of Rocky Flats.

(C) DEADLINE.—Not later than 18 months after the date of enactment of this Act, the Secretary and Secretary of the Interior shall finalize and implement the memorandum of understanding.

(2) EXCLUSIONS.—The transfer under paragraph (1) shall not include the transfer of any property or facility over which the Secretary retains jurisdiction, authority, and control under subsection (b)(1).

(3) CONDITION.—The transfer under paragraph (1) shall occur—

(A) not earlier than the date on which the Regional Administrator for Region VIII of the Environmental Protection Agency signs the Final On-site Record of Decision for Rocky Flats; but

(B) not later than 10 business days after that date.

(4) COST; IMPROVEMENTS.—The transfer—

(A) shall be completed without cost to the Secretary of the Interior; and

(B) may include such buildings or other improvements as the Secretary of the Interior may request in writing for refuge management purposes.

(b) PROPERTY AND FACILITIES EXCLUDED FROM TRANSFERS.—

(1) IN GENERAL.—The Secretary shall retain jurisdiction, authority, and control over all real property and facilities at Rocky Flats that are to be used for—

(A) any necessary and appropriate long-term operation and maintenance facility to intercept, treat, or control a radionuclide or any other hazardous substance, pollutant, or contaminant; and

(B) any other purpose relating to a response action or any other action that is required to be carried out at Rocky Flats.

(2) CONSULTATION.—

(A) IDENTIFICATION OF PROPERTY.—The Secretary shall consult with the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the State of Colorado on the identification of all property to be retained under this subsection to ensure the continuing effectiveness of response actions.

(B) MANAGEMENT OF PROPERTY.—

(i) IN GENERAL.—The Secretary shall consult with the Secretary of the Interior on the management of the retained property to minimize any conflict between the management of property transferred to the Secretary of the Interior and property retained by the Secretary for response actions.

(ii) CONFLICT.—In the case of any such conflict, implementation and maintenance of the response action shall take priority.

(3) ACCESS.—As a condition of the transfer under subsection (a), the Secretary shall be provided such easements and access as are reasonably required to carry out any obligation or address any liability.

(c) ADMINISTRATION.—

(1) IN GENERAL.—On completion of the transfer under subsection (a), the Secretary of the Interior shall administer Rocky Flats in accordance with this Act subject to—

(A) any response action or institutional control at Rocky Flats carried out by or under the authority of the Secretary under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) any other action required under any other Federal or State law to be carried out by or under the authority of the Secretary.

(2) CONFLICT.—In the case of any conflict between the management of Rocky Flats by the Secretary of the Interior and the conduct of any response action or other action described in subparagraph (A) or (B) of paragraph (1), the response action or other action shall take priority.

(3) CONTINUING ACTIONS.—Except as provided in paragraph (1), nothing in this subsection affects any response action or other action initiated at Rocky Flats on or before the date of the transfer under subsection (a).

(4) LIABILITY.—The Secretary shall retain any obligation or other liability for land transferred under subsection (a) under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or

(B) any other applicable law.

SEC. 3176. CONTINUATION OF ENVIRONMENTAL CLEANUP AND CLOSURE.

(a) ONGOING CLEANUP AND CLOSURE.—

(1) IN GENERAL.—The Secretary shall carry out to completion cleanup and closure at Rocky Flats.

(2) NO RESTRICTION ON USE OF NEW TECHNOLOGIES.—Nothing in this subtitle, and no action taken under this subtitle, restricts the Secretary from using at Rocky Flats any new technology that may become available for remediation of contamination.

(b) RULES OF CONSTRUCTION.—

(1) NO RELIEF FROM OBLIGATIONS UNDER OTHER LAW.—

(A) IN GENERAL.—Nothing in this subtitle, and no action taken under this subtitle, relieves the Secretary, the Administrator of the

Environmental Protection Agency, or any other person from any obligation or other liability with respect to Rocky Flats under the RFCA or any applicable Federal or State law.

(B) NO EFFECT ON RFCA.—Nothing in this subtitle impairs or alters any provision of the RFCA.

(2) REQUIRED CLEANUP LEVELS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), nothing in this subtitle affects the level of cleanup and closure at Rocky Flats required under the RFCA or any Federal or State law.

(B) NO EFFECT FROM ESTABLISHMENT AS NATIONAL WILDLIFE REFUGE.—

(i) IN GENERAL.—The requirements of this subtitle for establishment and management of Rocky Flats as a national wildlife refuge shall not affect the level of cleanup and closure.

(ii) CLEANUP LEVELS.—The Secretary is required to conduct cleanup and closure of Rocky Flats to the levels hereafter established for soil, water, and other media, following a thorough review, by the

parties to the RFCA and the public (including the United States Fish and Wildlife Service and other interested government agencies), of the appropriateness of the interim levels in the RFCA.

(3) NO EFFECT ON OBLIGATIONS FOR MEASURES TO CONTROL CONTAMINATION.—Nothing in this subtitle, and no action taken under this subtitle, affects any long-term obligation of the United States relating to funding, construction, monitoring, or operation and maintenance of—

(A) any necessary intercept or treatment facility; or

(B) any other measure to control contamination.

(c) PAYMENT OF RESPONSE ACTION COSTS.—Nothing in this subtitle affects the obligation of a Federal department or agency that had or has operations at Rocky Flats resulting in the release or threatened release of a hazardous substance or pollutant or contaminant to pay the costs of response actions carried out to abate the release of, or clean up, the hazardous substance or pollutant or contaminant.

(d) CONSULTATION.—In carrying out a response action at Rocky Flats, the Secretary shall consult with the

Secretary of the Interior to ensure that the response action is carried out in a manner that—

(1) does not impair the attainment of the goals of the response action; but

(2) minimizes, to the maximum extent practicable, adverse effects of the response action on the refuge.

SEC. 3177. ROCKY FLATS NATIONAL WILDLIFE REFUGE.

(a) ESTABLISHMENT.—Not later than 30 days after the transfer of jurisdiction under section 3175(a)(3), the Secretary of the Interior shall establish at Rocky Flats a national wildlife refuge to be known as the ''Rocky Flats National Wildlife Refuge''.

(b) COMPOSITION.—The refuge shall consist of the real property subject to the transfer of jurisdiction under section 3175(a)(1).

(c) NOTICE.—The Secretary of the Interior shall publish in the Federal Register a notice of the establishment of the refuge.

(d) ADMINISTRATION AND PURPOSES.—

(1) IN GENERAL.—The Secretary of the Interior shall manage the refuge in accordance with applicable law, including this Act, the National Wildlife Refuge System Administration Act of 1966 (16

U.S.C. 668dd et seq.), and the purposes specified in that Act.

(2) SPECIFIC MANAGEMENT PURPOSES.—To the extent consistent with applicable law, the refuge shall be managed for the purposes of—

(A) restoring and preserving native ecosystems;

(B) providing habitat for, and population management of, native plants and migratory and resident wildlife;

(C) conserving threatened and endangered species (including species that are candidates for listing under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.));

(D) providing opportunities for compatible, wildlife-dependent environmental scientific research; and

(E) providing the public with opportunities for compatible outdoor recreational and educational activities.

SEC. 3178. PUBLIC INVOLVEMENT.

(a) ESTABLISHMENT OF PROCESS.—Not later than 90 days after the date of enactment of this Act, in developing plans for the management of fish and wildlife and public use of the refuge, the Secretary of the Interior, in

consultation with the Secretary, the members of the Coalition, the Governor of the State of Colorado, and the Rocky Flats Trustees, shall establish a process for involvement of the public and local communities in accomplishing the purposes and objectives of this section.

(b) OTHER PARTICIPANTS.—In addition to the entities specified in subsection (a), the public involvement process shall include the opportunity for direct involvement of entities not members of the Coalition as of the date of enactment of this Act, including the Rocky Flats Citizens' Advisory Board and the cities of Thornton, Northglenn, Golden, Louisville, and Lafayette, Colorado.

(c) DISSOLUTION OF COALITION.—If the Coalition dissolves, or if any Coalition member elects to leave the Coalition during the public involvement process under this section—

(1) the public involvement process under this section shall continue; and

(2) an opportunity shall be provided to each entity that is a member of the Coalition as of September 1, 2000, for direct involvement in the public involvement process.

(d) PURPOSES.—The public involvement process under this section shall provide input and make rec-

ommendations to the Secretary and the Secretary of the Interior on the following:

(1) The long-term management of the refuge consistent with the purposes of the refuge described in section 3177(d) and in the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.).

(2) The identification of any land described in section 3174(e) that could be made available for transportation purposes.

(3) The potential for leasing any land in Rocky Flats for the National Renewable Energy Laboratory to carry out projects relating to the National Wind Technology Center.

(4) The characteristics and configuration of any perimeter fencing that may be appropriate or compatible for cleanup and closure, refuge, or other purposes.

(5) The feasibility of locating, and the potential location for, a visitor and education center at the refuge.

(6) The establishment of a Rocky Flats museum described in section 3180.

(7) Any other issues relating to Rocky Flats.

(e) REPORT.—Not later than three years after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Armed Services of the Senate and the appropriate committee of the House of Representatives a report that—

(1) outlines the conclusions reached through the public involvement process; and

(2) to the extent that any input or recommendation from the public involvement process is not accepted, clearly states the reasons why the input or recommendation is not accepted.

SEC. 3179. PROPERTY RIGHTS.

(a) IN GENERAL.—Except as provided in subsection (c), nothing in this subtitle limits any valid, existing property right at Rocky Flats that is owned by any person or entity, including, but not limited to—

(1) any mineral right;

(2) any water right or related easement; and

(3) any facility or right-of-way for a utility.

(b) ACCESS.—Except as provided in subsection (c), nothing in this subtitle affects any right of an owner of a property right described in subsection (a) to access the owner's property.

(c) REASONABLE CONDITIONS.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may impose such reasonable conditions on access to property rights described in subsection (a) as are appropriate for the cleanup and closure of Rocky Flats and for the management of the refuge.

(2) NO EFFECT ON APPLICABLE LAW.—Nothing in this subtitle affects any other applicable Federal, State, or local law (including any regulation) relating to the use, development, and management of property rights described in subsection (a).

(3) NO EFFECT ON ACCESS RIGHTS.—Nothing in this subsection precludes the exercise of any access right, in existence on the date of enactment of this Act, that is necessary to perfect or maintain a water right in existence on that date.

(d) PURCHASE OF MINERAL RIGHTS.—

(1) IN GENERAL.—The Secretary shall seek to acquire any and all mineral rights at Rocky Flats through donation or through purchase or exchange from willing sellers for fair market value.

(2) FUNDING.—The Secretary and the Secretary of the Interior—

(A) may use for the purchase of mineral rights under paragraph (1) funds specifically provided by Congress; but

(B) shall not use for such purchase funds appropriated by Congress for the cleanup and closure of Rocky Flats.

(e) UTILITY EXTENSION.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may allow not more than one extension from an existing utility right-of-way on Rocky Flats, if necessary.

(2) CONDITIONS.—An extension under paragraph (1) shall be subject to the conditions specified in subsection (c).

(f) EASEMENT SURVEYS.—

(1) IN GENERAL.—Subject to paragraph (2), until the date that is 180 days after the date of enactment of this Act, an entity that possesses a decreed water right or prescriptive easement relating to land at Rocky Flats may carry out such surveys at Rocky Flats as the entity determines are necessary to perfect the right or easement.

(2) LIMITATION ON CONDITIONS.—An activity carried out under paragraph (1) shall be subject only to such conditions as are imposed—

(A) by the Secretary of Energy, before the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize interference with the clean-up and closure of Rocky Flats; and

(B) by the Secretary of the Interior, on or after the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize adverse effects on the management of the refuge.

SEC. 3180. ROCKY FLATS MUSEUM.

(a) MUSEUM.—In order to commemorate the contribution that Rocky Flats and its worker force provided to the winning of the Cold War and the impact that the contribution has had on the nearby communities and the State of Colorado, the Secretary may establish a Rocky Flats Museum.

(b) LOCATION.—The Rocky Flats Museum shall be located in the city of Arvada, Colorado, unless, after consultation under subsection (c), the Secretary determines otherwise.

(c) CONSULTATION.—The Secretary shall consult with the city of Arvada, other local communities, and the Colorado State Historical Society on—

(1) the development of the museum;

(2) the siting of the museum; and

(3) any other issues relating to the development and construction of the museum.

(d) REPORT.—Not later than three years after the date of enactment of this Act, the Secretary, in coordination with the city of Arvada, shall submit to the Committee on Armed Services of the Senate and the appropriate committee of the House of Representatives a report on the costs associated with the construction of the museum and any other issues relating to the development and construction of the museum.

SEC. 3181. REPORT ON FUNDING.

At the time of submission of the first budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, after the date of enactment of this Act, and annually thereafter, the Secretary and the Secretary of the Interior shall report to the Committee on Armed Services and the Committee on Appropriations of the Senate and the appropriate committees of the House of Representatives on—

(1) the costs incurred in implementing this subtitle during the preceding fiscal year; and

(2) the funds required to implement this subtitle during the current and subsequent fiscal years.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2002, $18,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c). The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Bauxite	40,000 short tons
Chromium Metal	3,512 short tons
Iridium	25,140 troy ounces

Authorized Stockpile Disposals—Continued

Material for disposal	Quantity
Jewel Bearings	30,273,221 pieces
Manganese Ferro HC	209,074 short tons
Palladium	11 troy ounces
Quartz Crystal	216,648 pounds
Tantalum Metal Ingot	120,228 pounds contained
Tantalum Metal Powder	36,020 pounds contained
Thorium Nitrate	600,000 pounds.

(b) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

SEC. 3302. REVISION OF LIMITATIONS ON REQUIRED DISPOSALS OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

(a) PUBLIC LAW 105–261.—Section 3303 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (112 Stat. 2263; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''the amount of—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2), by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts in the total amount specified in such subsection (a)(4)''.

(b) PUBLIC LAW 105–85.—Section 3305 of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of cobalt under this section'' and inserting ''may not, under this section, dispose of cobalt in the fiscal year referred to in subsection (a)(5)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that fiscal year in the total amount specified in such subsection (a)(5)''.

(c) PUBLIC LAW 104–201.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (110 Stat. 2855; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of materials under this section'' and inserting ''may not, under this section, dispose of materials during the 10-fiscal year period referred to in subsection (a)(2)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that period in the total amount specified in such subsection (a)(2)''.

SEC. 3303. ACCELERATION OF REQUIRED DISPOSAL OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

Section 3305(a) of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in paragraph (1), by striking ''2003'' and inserting ''2002'';

(2) in paragraph (1), by striking ''2004'' and inserting ''2003'';

(3) in paragraph (1), by striking ''2005'' and inserting ''2004'';

(4) in paragraph (1), by striking ''2006'' and inserting ''2005''; and

(5) in paragraph (1), by striking ''2007'' and inserting ''2006''.

SEC. 3304. REVISION OF RESTRICTION ON DISPOSAL OF MANGANESE FERRO.

Section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 629) is amended—

(1) in subsection (a)—

(A) by striking ''(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President'' and inserting ''During fiscal year 2002, the President''; and

(B) in the first sentence, by striking '', until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification''; and

(2) by striking subsections (b) and (c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Secretary of Energy $17,371,000 for fiscal year 2002 for the purpose

of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title).

(b) AVAILABILITY.—The amount authorized to be appropriated by subsection (a) shall remain available until expended.

Calendar No. 163

107TH CONGRESS
1ST SESSION

S. 1438

A BILL

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SEPTEMBER 20, 2001

Read the second time and placed on the calendar