

107TH CONGRESS
2^D SESSION

S. 2515

AN ACT

To authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 2003”.

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1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

6 (2) the Committee on Armed Services and the
 7 Committee on Appropriations of the House of Rep-
 8 resentatives.

1 **TITLE I—PROCUREMENT**
2 **Subtitle A—Authorization of**
3 **Appropriations**

4 **SEC. 101. ARMY.**

5 Funds are hereby authorized to be appropriated for
6 fiscal year 2003 for procurement for the Army as follows:

7 (1) For aircraft, \$2,144,386,000.

8 (2) For missiles, \$1,653,150,000.

9 (3) For weapons and tracked combat vehicles,
10 \$2,242,882,000.

11 (4) For ammunition, \$1,205,499,000.

12 (5) For other procurement, \$5,513,679,000.

13 **SEC. 102. NAVY AND MARINE CORPS.**

14 (a) NAVY.—Funds are hereby authorized to be appro-
15 priated for fiscal year 2003 for procurement for the Navy
16 as follows:

17 (1) For aircraft, \$9,037,209,000.

18 (2) For weapons, including missiles and tor-
19 pedoes, \$2,505,820,000.

20 (3) For shipbuilding and conversion,
21 \$8,624,160,000.

22 (4) For other procurement, \$4,515,500,000.

23 (b) MARINE CORPS.—Funds are hereby authorized to
24 be appropriated for fiscal year 2003 for procurement for
25 the Marine Corps in the amount of \$1,341,219,000.

1 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
2 are hereby authorized to be appropriated for fiscal year
3 2003 for procurement of ammunition for the Navy and
4 the Marine Corps in the amount of \$1,173,157,000.

5 **SEC. 103. AIR FORCE.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2003 for procurement for the Air Force as fol-
8 lows:

9 (1) For aircraft, \$12,613,605,000.

10 (2) For ammunition, \$1,275,864,000.

11 (3) For missiles, \$3,258,162,000.

12 (4) For other procurement, \$10,477,840,000.

13 **SEC. 104. DEFENSE-WIDE ACTIVITIES.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2003 for Defense-wide procurement in the
16 amount of \$3,054,943,000.

17 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

18 Funds are hereby authorized to be appropriated for
19 fiscal year 2003 for procurement for the Inspector General
20 of the Department of Defense in the amount of
21 \$2,000,000.

1 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
2 **TION, DEFENSE.**

3 There is hereby authorized to be appropriated for the
4 Office of the Secretary of Defense for fiscal year 2003
5 the amount of \$1,490,199,000 for—

6 (1) the destruction of lethal chemical agents
7 and munitions in accordance with section 1412 of
8 the Department of Defense Authorization Act, 1986
9 (50 U.S.C. 1521); and

10 (2) the destruction of chemical warfare materiel
11 of the United States that is not covered by section
12 1412 of such Act.

13 **SEC. 107. DEFENSE HEALTH PROGRAMS.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2003 for the Department of Defense for pro-
16 curement for carrying out health care programs, projects,
17 and activities of the Department of Defense in the total
18 amount of \$278,742,000.

19 **Subtitle B—Army Programs**

20 **SEC. 111. PILOT PROGRAM ON SALES OF MANUFACTURED**
21 **ARTICLES AND SERVICES OF CERTAIN ARMY**
22 **INDUSTRIAL FACILITIES WITHOUT REGARD**
23 **TO AVAILABILITY FROM DOMESTIC SOURCES.**

24 (a) EXTENSION OF PROGRAM.—Subsection (a) of
25 section 141 of the National Defense Authorization Act for
26 Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543

1 note) is amended by striking “through 2002” in the first
2 sentence and inserting “through 2004”.

3 (b) USE OF OVERHEAD FUNDS MADE SURPLUS BY
4 SALES.—Such section is further amended—

5 (1) by redesignating subsection (c) as sub-
6 section (d); and

7 (2) by inserting after subsection (b) the fol-
8 lowing new subsection (c):

9 “(c) For each Army industrial facility participating
10 in the pilot program that sells manufactured articles and
11 services in a total amount in excess of \$20,000,000 in any
12 fiscal year, the amount equal to one-half of one percent
13 of such total amount shall be transferred from the sums
14 in the Army Working Capital Fund for unutilized plant
15 capacity to appropriations available for the following fiscal
16 year for the demilitarization of conventional ammunition
17 by the Army.”.

18 (c) UPDATE OF INSPECTOR GENERAL’S REVIEW.—
19 The Inspector General of the Department of Defense shall
20 review the experience under the pilot program carried out
21 under section 141 of Public Law 105–85 and, not later
22 than July 1, 2003, submit to Congress a report on the
23 results of the review. The report shall contain the views,
24 information, and recommendations called for under sub-
25 section (d) of such section (as redesignated by subsection

1 (b)(1)). In carrying out the review and preparing the re-
2 port, the Inspector General shall take into consideration
3 the report submitted to Congress under such subsection
4 (as so redesignated).

5 **Subtitle C—Navy Programs**

6 **SEC. 121. INTEGRATED BRIDGE SYSTEM.**

7 (a) AMOUNT FOR PROGRAM.—Of the amount author-
8 ized to be appropriated by section 102(a)(4), \$5,000,000
9 shall be available for the procurement of the integrated
10 bridge system in items less than \$5,000,000.

11 (b) OFFSETTING REDUCTION.—Of the total amount
12 authorized to be appropriated by section 102(a)(4), the
13 amount available for the integrated bridge system in Aegis
14 support equipment is hereby reduced by \$5,000,000.

15 **SEC. 122. EXTENSION OF MULTIYEAR PROCUREMENT AU-** 16 **THORITY FOR DDG-51 CLASS DESTROYERS.**

17 Section 122(b) of the National Defense Authorization
18 Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat.
19 2446), as amended by section 122 of Public Law 106–
20 65 (113 Stat. 534) and section 122(a) of the Floyd D.
21 Spence National Defense Authorization Act for Fiscal
22 Year 2001 (as enacted into law by Public Law 106–398;
23 114 Stat. 1654A–24), is further amended by striking “Oc-
24 tober 1, 2005” in the first sentence and inserting “Octo-
25 ber 1, 2007”.

1 **SEC. 123. MAINTENANCE OF SCOPE OF CRUISER CONVER-**
2 **SION OF TICONDEROGA CLASS AEGIS CRUIS-**
3 **ERS.**

4 The Secretary of the Navy should maintain the scope
5 of the cruiser conversion program for the Ticonderoga
6 class of AEGIS cruisers such that the program—

7 (1) covers all 27 Ticonderoga class AEGIS
8 cruisers; and

9 (2) modernizes the class of cruisers to include
10 an appropriate mix of upgrades to ships' capabilities
11 for theater missile defense, naval fire support, and
12 air dominance.

13 **SEC. 124. MARINE CORPS LIVE FIRE RANGE IMPROVE-**
14 **MENTS.**

15 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
16 TIONS.—The amount authorized to be appropriated by
17 section 102(b) for procurement for the Marine Corps is
18 hereby increased by \$1,900,000, with the amount of the
19 increase to be allocated to Training Devices.

20 (b) AVAILABILITY.—(1) Of the amount authorized to
21 be appropriated by section 102(b) for procurement for the
22 Marine Corps, as increased by subsection (a), \$1,900,000
23 shall be available as follows:

24 (A) For upgrading live fire range target mov-
25 ers.

1 (B) To bring live fire range radio controls into
2 compliance with Federal Communications Commis-
3 sion narrow band requirements.

4 (2) Amounts available under paragraph (1) for the
5 purposes set forth in that paragraph are in addition to
6 any other amounts available in this Act for such purposes.

7 (c) OFFSETTING REDUCTION.—The amount author-
8 ized to be appropriated by section 103(1) for the C-17
9 interim contractor support is reduced by \$1,900,000.

10 **Subtitle D—Air Force Programs**

11 **SEC. 131. C-130J AIRCRAFT PROGRAM.**

12 (a) MULTIYEAR PROCUREMENT AUTHORITY.—Be-
13 ginning with the fiscal year 2003 program year, the Sec-
14 retary of the Air Force may, in accordance with section
15 2306b of title 10, United States Code, enter into a
16 multiyear contract for the procurement of C-130J aircraft
17 and variants of the C-130J aircraft, subject to subsection
18 (b), and except that, notwithstanding subsection (k) of
19 such section, such a contract may be for a period of six
20 program years.

21 (b) LIMITATION.—The Secretary of the Air Force
22 may not enter into a multiyear contract authorized by sub-
23 section (a) until the C-130J aircraft has been cleared for
24 worldwide over-water capability.

1 **SEC. 132. PATHFINDER PROGRAMS.**

2 (a) SPIRAL DEVELOPMENT PLAN FOR SELECTED
3 PATHFINDER PROGRAMS.—Not later than February 1,
4 2003, the Secretary of the Air Force shall—

5 (1) identify among the pathfinder programs
6 listed in subsection (e) each pathfinder program that
7 the Secretary shall conduct as a spiral development
8 program; and

9 (2) submit to the Secretary of Defense for each
10 pathfinder program identified under paragraph (1) a
11 spiral development plan that meets the requirements
12 of section 803(c).

13 (b) APPROVAL OR DISAPPROVAL OF SPIRAL DEVEL-
14 OPMENT PLANS.—Not later than March 15, 2003, the
15 Secretary of Defense shall—

16 (1) review each spiral development plan sub-
17 mitted under subsection (a)(2);

18 (2) approve or disapprove the conduct as a spi-
19 ral development plan of the pathfinder program cov-
20 ered by each such spiral development plan; and

21 (3) submit to the congressional defense commit-
22 tees a copy of each spiral development plan approved
23 under paragraph (2).

24 (c) ASSESSMENT OF PATHFINDER PROGRAMS NOT
25 SELECTED OR APPROVED FOR SPIRAL DEVELOPMENT.—
26 Not later than March 15, 2003, each official of the De-

1 partment of Defense specified in subsection (d) shall sub-
2 mit to the congressional defense committees the assess-
3 ment required of such official under that subsection for
4 the acquisition plan for each pathfinder program as fol-
5 lows:

6 (1) Each pathfinder program that is not identi-
7 fied by the Secretary of the Air Force under sub-
8 section (a)(1) as a program that the Secretary shall
9 conduct as a spiral development program.

10 (2) Each pathfinder program that is dis-
11 approved by the Secretary of Defense for conduct as
12 a spiral development program under subsection
13 (b)(2).

14 (d) OFFICIALS AND REQUIRED ASSESSMENTS FOR
15 PROGRAMS OUTSIDE SPIRAL DEVELOPMENT.—The offi-
16 cials specified in this subsection, and the assessment re-
17 quired of such officials, are as follows:

18 (1) The Director of Operational Test and Eval-
19 uation, who shall assess the test contents of the ac-
20 quisition plan for each pathfinder program covered
21 by subsection (c).

22 (2) The Chairman of the Joint Requirements
23 Oversight Council, who shall assess the extent to
24 which the acquisition plan for each such pathfinder
25 program addresses validated military requirements.

1 (3) The Under Secretary of Defense (Comp-
2 troller), in coordination with the Under Secretary of
3 Defense for Acquisition, Technology, and Logistics,
4 who shall conduct an independent programmatic
5 evaluation of the acquisition plan for each such
6 pathfinder program, including an analysis of the
7 total cost, schedule, and technical risk associated
8 with development of such program.

9 (e) PATHFINDER PROGRAMS.—The pathfinder pro-
10 grams listed in this subsection are the program as follows:

- 11 (1) Space Based Radar.
- 12 (2) Global Positioning System.
- 13 (3) Global Hawk.
- 14 (4) Combat Search and Rescue.
- 15 (5) B-2 Radar.
- 16 (6) Predator B.
- 17 (7) B-1 Defensive System Upgrade.
- 18 (8) Multi Mission Command and Control Con-
19 stellation.
- 20 (9) Unmanned Combat Air Vehicle.
- 21 (10) Global Transportation Network.
- 22 (11) C-5 Avionics Modernization Program.
- 23 (12) Hunter/Killer.
- 24 (13) Tanker/Lease.
- 25 (14) Small Diameter Bomb.

1 (15) KC-767.

2 (16) AC-130 Gunship.

3 **SEC. 133. OVERSIGHT OF ACQUISITION FOR DEFENSE**
4 **SPACE PROGRAMS.**

5 (a) IN GENERAL.—The Office of the Secretary of De-
6 fense shall maintain oversight of acquisition for defense
7 space programs.

8 (b) REPORT ON OVERSIGHT.—(1) Not later than
9 March 15, 2003, the Secretary of Defense shall submit
10 to the congressional defense committees a detailed plan
11 on how the Office of the Secretary of Defense shall provide
12 oversight of acquisition for defense space programs.

13 (2) The plan shall set forth the following:

14 (A) The organizations in the Office of the Sec-
15 retary of Defense, and the Joint Staff organizations,
16 to be involved in oversight of acquisition for defense
17 space programs.

18 (B) The process for the review of defense space
19 programs by the organizations specified under sub-
20 paragraph (A).

21 (C) The process for the provision by such orga-
22 nizations of technical, programmatic, scheduling,
23 and budgetary advice on defense space programs to
24 the Deputy Secretary of Defense and the Under Sec-
25 retary of the Air Force.

1 (D) The process for the development of inde-
2 pendent cost estimates for defense space programs,
3 including the organization responsible for developing
4 such cost estimates and when such cost estimates
5 shall be required.

6 (E) The process for the development of the
7 budget for acquisition for defense space programs.

8 (F) The process for the resolution of issues re-
9 garding acquisition for defense space programs that
10 are raised by the organizations specified under sub-
11 paragraph (A).

12 (c) DEFENSE SPACE PROGRAM DEFINED.—In this
13 section, the term “defense space program” means any
14 major defense acquisition program (as that term is defined
15 in section 2430 of title 10, United States Code) for the
16 acquisition of—

17 (1) space-based assets, space launch assets, or
18 user equipment for such assets; or

19 (2) earth-based or spaced-based assets dedi-
20 cated primarily to space surveillance or space con-
21 trol.

22 **SEC. 134. LEASING OF TANKER AIRCRAFT.**

23 The Secretary of the Air Force shall not enter into
24 any lease for tanker aircraft until the Secretary submits
25 the report required by section 8159(c)(6) of the Depart-

1 ment of Defense Appropriations Act, 2002 (division A of
2 Public Law 107–117; 115 Stat. 2284) and obtains author-
3 ization and appropriation of funds necessary to enter into
4 a lease for such aircraft consistent with his publicly stated
5 commitments to the Congress to do so.

6 **SEC. 135. COMPASS CALL PROGRAM.**

7 Of the amount authorized to be appropriated by sec-
8 tion 103(1), \$12,700,000 shall be available for the Com-
9 pass Call program within classified projects and not within
10 the Defense Airborne Reconnaissance Program.

11 **SEC. 136. SENSE OF CONGRESS REGARDING ASSURED AC-
12 CESS TO SPACE.**

13 (a) FINDINGS.—Congress makes the following find-
14 ings:

15 (1) Assured access to space is a vital national
16 security interest of the United States.

17 (2) The Evolved Expendable Launch Vehicle
18 program of the Department of Defense is a critical
19 element of the Department’s plans for assuring
20 United States access to space.

21 (3) Significant contractions in the commercial
22 space launch marketplace have eroded the overall vi-
23 ability of the United States space launch industrial
24 base and could hamper the ability of the Depart-

1 ment of Defense to provide assured access to space
2 in the future.

3 (4) The continuing viability of the United
4 States space launch industrial base is a critical ele-
5 ment of any strategy to ensure the long-term ability
6 of the United States to assure access to space.

7 (5) The Under Secretary of the Air Force, as
8 acquisition executive for space programs in the De-
9 partment of Defense, has been authorized to develop
10 a strategy to address United States space launch
11 and assured access to space requirements.

12 (b) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that the Under Secretary of the Air Force should—

14 (1) evaluate all options for sustaining the
15 United States space launch industrial base;

16 (2) develop an integrated, long-range, and ade-
17 quately funded plan for assuring United States ac-
18 cess to space; and

19 (3) submit to Congress a report on the plan at
20 the earliest opportunity practicable.

21 **SEC. 137. MOBILE EMERGENCY BROADBAND SYSTEM.**

22 (a) AMOUNT FOR PROGRAM.—Of the total amount
23 authorized to be appropriated by section 103(4),
24 \$1,000,000 may be available for the procurement of tech-

1 nical communications-electronics equipment for the Mobile
2 Emergency Broadband System.

3 (b) OFFSETTING REDUCTION.—Of the total amount
4 authorized to be appropriated by section 103(4), the
5 amount available under such section for the Navy for
6 other procurement for gun fire control equipment, SPQ–
7 9B solid state transmitter, is hereby reduced by
8 \$1,000,000.

9 **TITLE II—RESEARCH, DEVELOP-**
10 **MENT, TEST, AND EVALUA-**
11 **TION**

12 **Subtitle A—Authorization of**
13 **Appropriations**

14 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

15 Funds are hereby authorized to be appropriated for
16 fiscal year 2003 for the use of the Department of Defense
17 for research, development, test, and evaluation as follows:

18 (1) For the Army, \$7,297,033,000.

19 (2) For the Navy, \$12,927,135,000.

20 (3) For the Air Force, \$18,608,684,000.

21 (4) For Defense-wide activities,
22 \$17,543,927,000, of which \$361,554,000 is author-
23 ized for the Director of Operational Test and Eval-
24 uation.

1 **SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.**

2 (a) AMOUNT FOR PROJECTS.—Of the total amount
3 authorized to be appropriated by section 201,
4 \$10,164,358,000 shall be available for science and tech-
5 nology projects.

6 (b) SCIENCE AND TECHNOLOGY DEFINED.—In this
7 section, the term “science and technology project” means
8 work funded in program elements for defense research, de-
9 velopment, test, and evaluation under Department of De-
10 fense budget activities 1, 2, or 3.

11 **SEC. 203. DEFENSE HEALTH PROGRAMS.**

12 Funds are hereby authorized to be appropriated for
13 fiscal year 2003 for the Department of Defense for re-
14 search, development, test, and evaluation for carrying out
15 health care programs, projects, and activities of the De-
16 partment of Defense in the total amount of \$67,214,000.

17 **Subtitle B—Program Require-**
18 **ments, Restrictions, and Limita-**
19 **tions**

20 **SEC. 211. BASIC SEISMIC RESEARCH PROGRAM FOR SUP-**
21 **PORT OF NATIONAL REQUIREMENTS FOR**
22 **MONITORING NUCLEAR EXPLOSIONS.**

23 (a) MANAGEMENT OF PROGRAM.—(1) The Secretary
24 of the Air Force shall manage the Department of Defense
25 program of basic seismic research in support of national
26 requirements for monitoring nuclear explosions. The Sec-

1 retary shall manage the program in the manner necessary
2 to support Air Force mission requirements relating to the
3 national requirements.

4 (2) The Secretary shall act through the Director of
5 the Air Force Research Laboratory in carrying out para-
6 graph (1).

7 (c) AMOUNT FOR PROGRAM.—Of the amount author-
8 ized to be appropriated by section 201(4), \$20,000,000
9 shall be available for the program referred to in subsection
10 (a).

11 **SEC. 212. ADVANCED SEAL DELIVERY SYSTEM.**

12 To the extent provided in appropriations Acts, the
13 Secretary of Defense may use for research, development,
14 test, and evaluation for the Advanced SEAL Delivery Sys-
15 tem any funds that were authorized to be appropriated
16 to the Department of Defense for fiscal year 2002 for the
17 procurement of that system, were appropriated pursuant
18 to such authorization of appropriations, and are no longer
19 needed for that purpose.

20 **SEC. 213. ARMY EXPERIMENTATION PROGRAM REGARDING**
21 **DESIGN OF THE OBJECTIVE FORCE.**

22 (a) REQUIREMENT FOR REPORT.—Not later than
23 March 30, 2003, the Secretary of the Army shall submit
24 to Congress a report on the experimentation program re-
25 garding design of the objective force that is required by

1 subsection (g) of section 113 of the Floyd D. Spence Na-
2 tional Defense Authorization Act for Fiscal Year 2001,
3 as added by section 113 of the National Defense Author-
4 ization Act for Fiscal Year 2002 (Public Law 107–107;
5 115 Stat. 1029).

6 (b) BUDGET DISPLAY.—Amounts provided for the
7 experimentation program in the budget for fiscal year
8 2004 that is submitted to Congress under section 1105(a)
9 of title 31, United States Code, shall be displayed as a
10 distinct program element in that budget and in the sup-
11 porting documentation submitted to Congress by the Sec-
12 retary of Defense.

13 **SEC. 214. REALLOCATION OF AMOUNT AVAILABLE FOR IN-**
14 **DIRECT FIRE PROGRAMS.**

15 (a) REDUCTION OF AMOUNT FOR CRUSADER.—Of
16 the amount authorized to be appropriated by section
17 201(1) for the Army for research, development, test, and
18 evaluation, the amount available for continued research
19 and development of the Crusader artillery system is hereby
20 reduced by \$475,600,000.

21 (b) INCREASE OF AMOUNT FOR FUTURE COMBAT
22 SYSTEMS.—Of the amount authorized to be appropriated
23 by section 201(1) for the Army for research, development,
24 test, and evaluation, the amount available for research and
25 development for the Objective Force indirect fire systems

1 is hereby increased by \$475,600,000. The amount of the
2 increase shall be available only for meeting the needs of
3 the Army for indirect fire capabilities, and may not be
4 used under the authority of this section until 30 days after
5 the date on which the Secretary of Defense submits to
6 the congressional defense committees the report required
7 by subsection (d), together with a notification of the Sec-
8 retary's plan to use such funds to meet the needs of the
9 Army for indirect fire capabilities.

10 (c) USE OF FUNDS.—Subject to subsection (b), the
11 Secretary of Defense may use the amount available under
12 such subsection for any program for meeting the needs
13 of the Army for indirect fire capabilities.

14 (d) REPORTING REQUIREMENT.—(1) Not later than
15 30 days after the date of the enactment of this Act, the
16 Chief of Staff of the Army shall complete a review of the
17 full range of Army programs that could provide improved
18 indirect fire for the Army over the next 20 years and shall
19 submit to the Secretary of Defense a report containing
20 the recommendation of the Chief of Staff on which alter-
21 native for improving indirect fire for the Army is the best
22 alternative for that purpose. The report shall also include
23 information on each of the following funding matters:

24 (A) The manner in which the amount available
25 under subsection (b) should be best invested to sup-

1 port the improvement of indirect fire capabilities for
2 the Army.

3 (B) The manner in which the amount provided
4 for indirect fire programs of the Army in the future-
5 years defense program submitted to Congress with
6 respect to the budget for fiscal year 2003 under sec-
7 tion 221 of title 10, United States Code, should be
8 best invested to support improved indirect fire for
9 the Army.

10 (C) The manner in which the amounts de-
11 scribed in subparagraphs (A) and (B) should be best
12 invested to support the improvement of indirect fire
13 capabilities for the Army in the event of a termi-
14 nation of the Crusader artillery system program.

15 (D) The portion of the amount available under
16 subsection (b) that should be reserved for paying
17 costs associated with a termination of the Crusader
18 artillery system program in the event of such a ter-
19 mination.

20 (2) The Secretary of Defense shall submit the report,
21 together with any comments and recommendations that
22 the Secretary considers appropriate, to the congressional
23 defense committees.

24 (e) ANNUAL UPDATES.—(1) The Secretary shall sub-
25 mit to the congressional defense committees, at the same

1 time that the President submits the budget for a fiscal
2 year referred to in paragraph (4) to Congress under sec-
3 tion 1105(a) of title 31, United States Code, a report on
4 the investments proposed to be made in indirect fire pro-
5 grams for the Army.

6 (2) If the Crusader artillery system program has been
7 terminated by the time the annual report is submitted in
8 conjunction with the budget for a fiscal year, the report
9 shall—

10 (A) identify the amount proposed for expendi-
11 ture for the Crusader artillery system program for
12 that fiscal year in the future-years defense program
13 that was submitted to Congress in 2002 under sec-
14 tion 221 of title 10, United States Code; and

15 (B) specify—

16 (i) the manner in which the amount pro-
17 vided in that budget would be expended for im-
18 proved indirect fire capabilities for the Army;
19 and

20 (ii) the extent to which the expenditures in
21 that manner would improve indirect fire capa-
22 bilities for the Army.

23 (3) The requirement to submit an annual report
24 under paragraph (1) shall apply with respect to budgets
25 for fiscal years 2004, 2005, 2006, 2007, and 2008.

1 **SEC. 215. LASER WELDING AND CUTTING DEMONSTRATION.**

2 (a) AMOUNT FOR PROGRAM.—Of the total amount
3 authorized to be appropriated by section 201(2) for re-
4 search, development, test, and evaluation for the Navy,
5 \$6,000,000 shall be available for the laser welding and
6 cutting demonstration in force protection applied research
7 (PE 0602123N).

8 (b) OFFSETTING REDUCTION.—Of the total amount
9 authorized to be appropriated by section 201(2) for re-
10 search, development, test, and evaluation for the Navy, the
11 amount available for laser welding and cutting demonstra-
12 tion in surface ship and submarine HM&E advanced tech-
13 nology (PE 0603508N) is hereby reduced by \$6,000,000.

14 **SEC. 216. ANALYSIS OF EMERGING THREATS.**

15 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
16 TIONS.—The amount authorized to be appropriated by
17 section 201(2) for research, development, test, and evalua-
18 tion for the Navy is hereby increased by \$2,000,000 with
19 the amount of the increase to be allocated to Marine Corps
20 Advanced Technology Demonstration (ATD) (PE
21 0603640M).

22 (b) AVAILABILITY.—(1) Of the amount authorized to
23 be appropriated by section 201(2) for research, develop-
24 ment, test, and evaluation for the Navy, as increased by
25 subsection (a), \$2,000,000 may be available for analysis
26 of emerging threats.

1 (2) The amount available under paragraph (1) for
2 analysis of emerging threats is in addition to any other
3 amounts available under this Act for analysis of emerging
4 threats.

5 (c) OFFSET.—The amount authorized to be appro-
6 priated by section 201(1) for research, development, test,
7 and evaluation for the Army is hereby reduced by
8 \$2,000,000, with the amount of the reduction allocated
9 as follows:

10 (1) \$1,000,000 may be allocated to Weapons
11 and Munitions Technology (PE 0602624A) and
12 available for countermobility systems.

13 (2) \$1,000,000 may be allocated to Warfighter
14 Advanced Technology (PE 0603001A) and available
15 for Objective Force Warrior technologies.

16 **SEC. 217. PROHIBITION ON TRANSFER OF MEDICAL FREE**
17 **ELECTRON LASER PROGRAM.**

18 Notwithstanding any other provision of law, the Med-
19 ical Free Electron Laser Program (PE 0602227D8Z) may
20 not be transferred from the Department of Defense to the
21 National Institutes of Health, or to any other department
22 or agency of the Federal Government.

23 **SEC. 218. DEMONSTRATION OF RENEWABLE ENERGY USE.**

24 Of the amount authorized to be appropriated by sec-
25 tion 201(2), \$2,500,000 shall be available for the dem-

1 onstration of renewable energy use program within the
2 program element for the Navy energy program and not
3 within the program element for facilities improvement.

4 **SEC. 219A. RADAR POWER TECHNOLOGY FOR THE ARMY.**

5 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
6 TIONS.—The amount authorized to be appropriated by
7 section 201(1) for the Department of Defense for re-
8 search, development, test, and evaluation for the Army is
9 hereby increased by \$4,500,000, with the amount of the
10 increase to be allocated to Army missile defense systems
11 integration (DEM/VAL) (PE 0603308A).

12 (b) AVAILABILITY FOR RADAR POWER TECH-
13 NOLOGY.—(1) Of the amount authorized to be appro-
14 priated by section 201(1) for the Department of Defense
15 for research, development, test, and evaluation for the
16 Army, as increased by subsection (a), \$4,500,000 shall be
17 available for radar power technology.

18 (2) The amount available under paragraph (1) for
19 radar power technology is in addition to any other
20 amounts available under this Act for such technology.

21 (c) OFFSET.—The amount authorized to be appro-
22 priated by section 201(2) for research, development, test,
23 and evaluation for the Navy is hereby reduced by
24 \$4,500,000, with the amount of the reduction to be allo-

1 cated to common picture advanced technology (PE
2 0603235N).

3 **SEC. 219B. CRITICAL INFRASTRUCTURE PROTECTION.**

4 (a) AMOUNT FOR PROGRAM.—Of the amount author-
5 ized to be appropriated in section 201(4), \$4,500,000 may
6 be available for critical infrastructure protection (PE
7 35190D8Z).

8 (b) OFFSET.—Of the amount authorized to be appro-
9 priated by section 201(2), the amount for power projection
10 advanced technology (PE 63114N) is hereby reduced by
11 \$4,500,000.

12 **SEC. 219C. THEATER AEROSPACE COMMAND AND CONTROL**
13 **SIMULATION FACILITY UPGRADES.**

14 (a) AVAILABILITY OF FUNDS.—(1) The amount au-
15 thorized to be appropriated by section 201(3) for the Air
16 Force for wargaming and simulation centers (PE
17 0207605F) is increased by \$2,500,000. The total amount
18 of the increase may be available for Theater Aerospace
19 Command and Control Simulation Facility (TACCSF) up-
20 grades.

21 (2) The amount available under paragraph (1) for
22 Theater Aerospace Command and Control Simulation Fa-
23 cility upgrades is in addition to any other amounts avail-
24 able under this Act for such upgrades.

1 (b) OFFSET.—The amount authorized to be appro-
2 priated by section 201(2) for the Navy for Mine and Expe-
3 ditionary Warfare Applied Research (PE 0602782N) is
4 reduced by \$2,500,000.

5 **SEC. 219D. DDG OPTIMIZED MANNING INITIATIVE.**

6 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
7 TIONS.—The amount authorized to be appropriated by
8 section 201(2) for research, development, test, and evalua-
9 tion for the Navy is hereby increased by \$2,500,000, with
10 the amount of the increase to be allocated to surface com-
11 batant combat system engineering (PE 0604307N).

12 (b) AVAILABILITY.—(1) Of the amount authorized to
13 be appropriated by section 201(2) for research, develop-
14 ment, test, and evaluation for the Navy, as increased by
15 subsection (a), \$2,500,000 may be available for the DDG
16 optimized manning initiative.

17 (2) The amount available under paragraph (1) for the
18 initiative referred to in that paragraph is in addition to
19 any other amounts available under this Act for that initia-
20 tive.

21 (c) OFFSET.—The amount authorized to be appro-
22 priated by section 201(1) for research, development, test,
23 and evaluation for artillery systems DEM/VAL (PE
24 0603854A), by \$2,500,000.

1 **SEC. 219E. AGROTERRORIST ATTACKS.**

2 (a) AVAILABILITY.—(1) Of the amount authorized to
3 be appropriated by section 201(4) for research, develop-
4 ment, test, and evaluation, defense-wide, the amount avail-
5 able for basic research for the Chemical and Biological De-
6 fense Program (PE 0601384BP) is hereby increased by
7 \$1,000,000, with the amount of such increase to be avail-
8 able for research, analysis, and assessment of efforts to
9 counter potential agroterrorist attacks.

10 (2) The amount available under paragraph (1) for re-
11 search, analysis, and assessment described in that para-
12 graph is in addition to any other amounts available in this
13 Act for such research, analysis, and assessment.

14 (b) OFFSET.—Of the amount authorized to be appro-
15 priated by section 201(4) for research, development, test,
16 and evaluation, Defense-wide, the amount available for bi-
17 ological terrorism and agroterrorism risk assessment and
18 prediction in the program element relating to the Chemical
19 and Biological Defense Program (PE 0603384BP) is
20 hereby reduced by \$1,000,000.

21 **SEC. 219F. VERY HIGH SPEED SUPPORT VESSEL FOR THE**
22 **ARMY.**

23 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
24 TIONS.—The amount authorized to be appropriated by
25 section 201(1) for research, development, test, and evalua-
26 tion for the Army is hereby increased by \$5,500,000, with

1 the amount of the increase to be allocated to logistics and
2 engineering equipment—advanced development (PE
3 0603804A).

4 (b) AVAILABILITY.—(1) Of the amount authorized to
5 be appropriated by section 201(1) for research, develop-
6 ment, test, and evaluation for the Army, as increased by
7 subsection (a), \$5,500,000 may be available for develop-
8 ment of a prototype composite hull design to meet the the-
9 ater support vessel requirement.

10 (2) The amount available under paragraph (1) for de-
11 velopment of the hull design referred to in that paragraph
12 is in addition to any other amounts available under this
13 Act for development of that hull design.

14 (c) OFFSET.—The amount authorized to be appro-
15 priated by section 201(2) for research, development, test,
16 and evaluation for the Navy is hereby decreased by
17 \$5,500,000, with the amount of the decrease to be allo-
18 cated to submarine tactical warfare system (PE
19 0604562N) and amounts available under that program
20 element for upgrades of combat control software to com-
21 mercial architecture.

22 **SEC. 219G. FULL-SCALE HIGH-SPEED PERMANENT MAGNET**
23 **GENERATOR.**

24 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
25 TIONS.—The amount authorized to be appropriated by

1 section 201(2) for research, development, test, and evalua-
2 tion for the Navy is hereby increased by \$1,000,000, with
3 the amount of the increase to be allocated to Force Protec-
4 tion Advanced Technology (PE 0603123N).

5 (b) AVAILABILITY.—(1) Of the amount authorized to
6 be appropriated by section 201(2) for research, develop-
7 ment, test, and evaluation for the Navy, as increased by
8 subsection (a), \$1,000,000 may be available for develop-
9 ment and demonstration of a full-scale high-speed perma-
10 nent magnet generator.

11 (2) The amount available under paragraph (1) for de-
12 velopment and demonstration of the generator described
13 in that paragraph is in addition to any other amounts
14 available in this Act for development and demonstration
15 of that generator.

16 (c) OFFSET.—The amount authorized to be appro-
17 priated by section 201(1) for research, development, test,
18 and evaluation for the Army is hereby reduced by
19 \$1,000,000, with the amount of the reduction to be allo-
20 cated to Artillery Systems—Dem/Val (PE 0603854A).

21 **SEC. 219H. AVIATION-SHIPBOARD INFORMATION TECH-**
22 **NOLOGY INITIATIVE.**

23 Of the amount authorized to be appropriated by sec-
24 tion 201(2) for shipboard aviation systems, up to

1 \$8,200,000 may be used for the aviation-shipboard infor-
2 mation technology initiative.

3 **SEC. 219I. AEROSPACE RELAY MIRROR SYSTEM (ARMS)**
4 **DEMONSTRATION.**

5 Of the amount authorized to be appropriated by sec-
6 tion 201(3) for the Department of Defense for research,
7 development, test, and evaluation for the Air Force,
8 \$6,000,000 may be available for the Aerospace Relay Mir-
9 ror System (ARMS) Demonstration.

10 **SEC. 219J. LITTORAL SHIP PROGRAM.**

11 (a) AMOUNT FOR PROGRAM.—Of the amount author-
12 ized to be appropriated by section 201(2) for research and
13 development, test and evaluation, Navy, \$4,000,000 may
14 be available for requirements development of a littoral ship
15 in Ship Concept Advanced Design (PE 0603563N).

16 (b) OFFSETTING REDUCTION.—Of the total amount
17 authorized to be appropriated by section 201(2) for re-
18 search and development, test and evaluation, Navy, the
19 amount available for FORCENET in Tactical Command
20 System (PE 0604231N), is hereby reduced by an addi-
21 tional \$4,000,000.

1 **Subtitle C—Missile Defense**
2 **Programs**

3 **SEC. 221. ANNUAL OPERATIONAL ASSESSMENTS AND RE-**
4 **VIEWS OF BALLISTIC MISSILE DEFENSE PRO-**
5 **GRAM.**

6 (a) ANNUAL OPERATIONAL ASSESSMENT.—(1)(A)
7 During the first quarter of each fiscal year, the Director
8 of Operational Test and Evaluation shall conduct an oper-
9 ational assessment of the missile defense programs listed
10 in paragraph (3).

11 (B) The annual assessment shall include—

12 (i) a detailed, quantitative evaluation of the po-
13 tential operational effectiveness, reliability, and suit-
14 ability of the system or systems under each program
15 as the program exists during the fiscal year of the
16 assessment;

17 (ii) an evaluation of the adequacy of testing
18 through the end of the previous fiscal year to meas-
19 ure and predict the effectiveness of the systems; and

20 (iii) a determination of the threats, or type of
21 threats, against which the systems would be ex-
22 pected to be effective and those against which the
23 systems would not be expected to be effective.

24 (C) The first assessment under this paragraph shall
25 be conducted during fiscal year 2003.

1 (2) Not later than January 15 of each year, the Di-
2 rector of Operational Test and Evaluation shall submit to
3 the Secretary of Defense and the congressional defense
4 committees a report on the assessment conducted during
5 the preceding quarter-year. The report shall include the
6 evaluation of the potential of the system or systems to-
7 gether with a discussion of the basis for the evaluation.

8 (3) The requirement for an annual operational as-
9 sessment under paragraph (1) shall apply to programs
10 under the United States Missile Defense Agency as fol-
11 lows:

12 (A) The Ground-based Midcourse Defense pro-
13 gram.

14 (B) The Sea-based Midcourse Defense program.

15 (C) The Theater High Altitude Area Defense
16 (THAAD) program.

17 (D) The Air-based Boost program (formerly
18 known as the Airborne Laser Defense program).

19 (b) ANNUAL REQUIREMENTS REVIEWS.—(1) During
20 the first quarter of each fiscal year, the Joint Require-
21 ments Oversight Council established under section 181 of
22 title 10, United States Code, shall review the cost, sched-
23 ule, and performance criteria for the missile defense pro-
24 grams under the United States Missile Defense Agency
25 and assess the validity of the criteria in relation to military

1 requirements. The first review shall be carried out in fiscal
2 year 2003.

3 (2) Not later than January 15 of each year, the
4 Chairman of the Joint Requirements Oversight Council
5 shall submit to the Secretary of Defense and the congress-
6 sional defense committees a report on the results of the
7 review carried out under paragraph (1) during the pre-
8 ceding quarter-year.

9 **SEC. 222. REPORT ON MIDCOURSE DEFENSE PROGRAM.**

10 (a) REQUIREMENT FOR REPORT.—Not later than
11 January 15, 2003, the Secretary of Defense shall submit
12 to the congressional defense committees a report on the
13 Midcourse Defense program of the United States Missile
14 Defense Agency. The report shall include the following in-
15 formation:

16 (1) The development schedule, together with an
17 estimate of the annual costs through the completion
18 of development.

19 (2) The planned procurement schedule, together
20 with the Secretary's best estimates of the annual
21 costs of, and number of units to be procured under,
22 the program through the completion of the procure-
23 ment.

24 (3) The current program acquisition unit cost
25 and the history of acquisition unit costs from the

1 date the program (including its antecedent program)
2 was first included in a Selected Acquisition Report
3 under section 2432 of title 10, United States Code.

4 (4) The current procurement unit cost, and the
5 history of procurement unit costs from the date the
6 program (including any antecedent program) was
7 first included in a Selected Acquisition Report under
8 such section 2432.

9 (5) The reasons for any changes in program ac-
10 quisition cost, program acquisition unit cost, pro-
11 curement cost, or procurement unit cost, and the
12 reasons for any changes in program schedule.

13 (6) The major contracts under the program and
14 the reasons for any changes in cost or schedule
15 variances under the contracts.

16 (7) The Test and Evaluation Master Plan de-
17 veloped for the program in accordance with the re-
18 quirements and guidance of Department of Defense
19 regulation 5000.2-R.

20 (b) SEGREGATION OF GROUND-BASED AND SEA-
21 BASED EFFORTS.—The report under subsection (a) shall
22 separately display the schedules, cost estimates, cost his-
23 tories, contracts, and test plans for—

24 (1) the National Missile Defense/Ground-based
25 Midcourse Defense program; and

1 (2) the Navy TheaterWide/Sea-based Midcourse
2 Defense program.

3 **SEC. 223. REPORT ON AIR-BASED BOOST PROGRAM.**

4 Not later than January 15, 2003, the Secretary of
5 Defense shall submit to the congressional defense commit-
6 tees a report on the Air-based Boost program (formerly
7 known as the Airborne Laser program). The report shall
8 contain the following information:

9 (1) The development schedule together with the
10 estimated annual costs of the program through the
11 completion of development.

12 (2) The planned procurement schedule, together
13 with the Secretary's best estimates of the annual
14 costs of, and number of units to be procured under,
15 the program through the completion of the procure-
16 ment.

17 (3) The current program acquisition unit cost,
18 and the history of program acquisition unit costs
19 from the date the program (including any ante-
20 cedent program) was first included in a Selected Ac-
21 quisition Report under section 2432 of title 10,
22 United States Code.

23 (4) The current procurement unit cost, and the
24 history of procurement unit costs from the date the
25 program (including any antecedent program) was

1 first included in a Selected Acquisition Report under
2 such section 2432.

3 (5) The reasons for any changes in program ac-
4 quisition cost, program acquisition unit cost, pro-
5 curement cost, or procurement unit cost, and the
6 reasons for any changes in program schedule.

7 (6) The major contracts under the program and
8 the reasons for any changes in cost or schedule
9 variances under the contracts.

10 (7) The Test and Evaluation Master Plan de-
11 veloped for the program in accordance with the re-
12 quirements and guidance of Department of Defense
13 regulation 5000.2-R.

14 **SEC. 224. REPORT ON THEATER HIGH ALTITUDE AREA DE-**
15 **FENSE PROGRAM.**

16 (a) REQUIREMENT FOR REPORT.—Not later than
17 January 15, 2003, the Secretary of Defense shall submit
18 to the congressional defense committees a report on the
19 Theater High Altitude Area Defense program. The report
20 shall contain the following information:

21 (1) The development schedule together with the
22 estimated annual costs of the program through the
23 completion of development.

24 (2) The planned procurement schedule, together
25 with the Secretary's best estimates of the annual

1 costs of, and number of units to be procured under,
2 the program through the completion of the procure-
3 ment.

4 (3) The current program acquisition unit cost
5 and the history of program acquisition unit costs
6 from the date the program (including any ante-
7 cedent program) was first included in a Selected Ac-
8 quisition Report under section 2432 of title 10,
9 United States Code.

10 (4) The current procurement unit cost, and the
11 history of procurement unit costs from the date the
12 program (including any antecedent program) was
13 first included in a Selected Acquisition Report under
14 such section 2432.

15 (5) The reasons for any changes in program ac-
16 quisition cost, program acquisition unit cost, pro-
17 curement cost, or procurement unit cost, and the
18 reasons for any changes in program schedule.

19 (6) The major contracts under the program and
20 the reasons for any changes in cost or schedule
21 variances under the contracts.

22 (7) The Test and Evaluation Master Plan de-
23 veloped for the program in accordance with the re-
24 quirements and guidance of Department of Defense
25 regulation 5000.2-R.

1 (b) FUNDING LIMITATION.—Not more than 50 per-
2 cent of the amount authorized to be appropriated by this
3 Act for the United States Missile Defense Agency for the
4 Theater High Altitude Area Defense program may be ex-
5 pended until the submission of the report required under
6 subsection (a).

7 **SEC. 225. REFERENCES TO NEW NAME FOR BALLISTIC MIS-**
8 **SILE DEFENSE ORGANIZATION.**

9 (a) CONFORMING AMENDMENTS.—The following pro-
10 visions of law are amended by striking “Ballistic Missile
11 Defense Organization” each place it appears and inserting
12 “United States Missile Defense Agency”:

13 (1) Sections 223 and 224 of title 10, United
14 States Code.

15 (2) Sections 232, 233, and 235 of the National
16 Defense Authorization Act for Fiscal Year 2002
17 (Public Law 107–107).

18 (b) OTHER REFERENCES.—Any reference to the Bal-
19 listic Missile Defense Organization in any other provision
20 of law or in any regulation, map, document, record, or
21 other paper of the United States shall be considered to
22 be a reference to the United States Missile Defense Agen-
23 cy.

1 **SEC. 226. LIMITATION ON USE OF FUNDS FOR NUCLEAR**
2 **ARMED INTERCEPTORS.**

3 None of the funds authorized to be appropriated by
4 this or any other Act may be used for research, develop-
5 ment, test, evaluation, procurement, or deployment of nu-
6 clear armed interceptors of a missile defense system.

7 **SEC. 227. REPORTS ON FLIGHT TESTING OF GROUND-**
8 **BASED MIDCOURSE NATIONAL MISSILE DE-**
9 **FENSE SYSTEM.**

10 (a) **REQUIREMENT.**—The Director of the United
11 States Missile Defense Agency shall submit to the congres-
12 sional defense committees a report on each flight test of
13 the Ground-based Midcourse national missile defense sys-
14 tem. The report shall be submitted not later than 120 days
15 after the date of the test.

16 (b) **CONTENT.**—A report on a flight test under sub-
17 section (a) shall include the following matters:

18 (1) A thorough discussion of the content and
19 objectives of the test.

20 (2) For each test objective, a statement regard-
21 ing whether the objective was achieved.

22 (3) For any test objective not achieved—

23 (A) a thorough discussion describing the
24 reasons for not achieving the objective; and

25 (B) a discussion of any plans for future
26 tests to achieve the objective.

1 (c) **FORMAT.**—The reports required under subsection
2 (a) shall be submitted in classified and unclassified form.

3 **Subtitle D—Improved Management**
4 **of Department of Defense Test**
5 **and Evaluation Facilities**

6 **SEC. 231. DEPARTMENT OF DEFENSE TEST AND EVALUA-**
7 **TION RESOURCE ENTERPRISE.**

8 (a) **ESTABLISHMENT.**—Section 139 of title 10,
9 United States Code, is amended by adding at the end the
10 following new subsection:

11 “(k)(1) There is a Test and Evaluation Resource En-
12 terprise within the Department of Defense. The head of
13 the Test and Evaluation Resource Enterprise shall report
14 to the Director of Operational Test and Evaluation.

15 “(2)(A) The head of the Test and Evaluation Re-
16 source Enterprise shall manage all funds available to the
17 Department of Defense for the support of investment in,
18 operation and maintenance of, development of, and man-
19 agement of the test and evaluation facilities and resources
20 of the Major Range and Test Facility Base. All such funds
21 shall be transferred to and placed under the control of the
22 head of the Department of Defense Test and Evaluation
23 Resource Enterprise.

24 “(B) Subparagraph (A) shall not be construed to au-
25 thorize the head of the Test and Evaluation Enterprise,

1 nor to impair the authority of the Secretary of a military
2 department, to manage the funds available to that military
3 department for the support of investment in, operation
4 and maintenance of, development of, and management of
5 the training facilities and resources of the Major Range
6 and Test Facility Base.

7 “(3) The head of the Test and Evaluation Resource
8 Enterprise shall—

9 “(A) ensure that the planning for and execution
10 of the testing of a system within the Major Range
11 and Test Facility Base is performed by the activity
12 of a military department that is responsible for the
13 testing;

14 “(B) ensure that the military department oper-
15 ating a facility or resource within the Major Range
16 and Test Facility Base charges an organization
17 using the facility or resource for testing only the in-
18 cremental cost of the operation of the facility or re-
19 source that is attributable to the testing;

20 “(C) ensure that the military department oper-
21 ating a facility or resource within the Major Range
22 and Test Facility Base comprehensively and consist-
23 ently applies sound enterprise management practices
24 in the management of the facility or resource;

1 “(D) make investments that are prudent for en-
2 suring that Department of Defense test and evalua-
3 tion facilities and resources are adequate to meet the
4 current and future testing requirements of Depart-
5 ment of Defense programs;

6 “(E) ensure that there is in place a simplified
7 financial management and accounting system for
8 Department of Defense test and evaluation facilities
9 and resources and that the system is uniformly ap-
10 plied to the operation of such facilities and resources
11 throughout the Department; and

12 “(F) ensure that unnecessary costs of owning
13 and operating Department of Defense test and eval-
14 uation resources are not incurred.

15 “(4) In this section, the term ‘Major Range and Test
16 Facility Base’ means the test and evaluation facilities and
17 resources that are designated by the Director of Oper-
18 ational Test and Evaluation as facilities and resources
19 comprising the Major Range and Test Facility Base.”.

20 (b) EFFECTIVE DATE AND TRANSITION REQUIRE-
21 MENTS.—(1) The amendment made by paragraph (1)
22 shall take effect one year after the date of the enactment
23 of this Act.

24 (2)(A) The Secretary of Defense shall develop a tran-
25 sition plan to ensure that the head of the Test and Evalua-

1 tion Resource Enterprise is prepared to assume the re-
2 sponsibilities under subsection (k) of section 139 of title
3 10, United States Code (as added by subsection (a)), on
4 the effective date provided in paragraph (1).

5 (B) Until the Test and Evaluation Resource Enter-
6 prise has been established, all investments of \$500,000 or
7 more in the Major Range and Test Facility Base of the
8 Department of Defense shall be subject to the approval
9 of the Director of Operational Test and Evaluation.

10 (C) In this paragraph, the term “Major Range and
11 Test Facility Base” has the meaning given that term in
12 section 139(k)(4) of title 10, United States Code, as added
13 by subsection (a).

14 **SEC. 232. TRANSFER OF TESTING FUNDS FROM PROGRAM**
15 **ACCOUNTS TO INFRASTRUCTURE ACCOUNTS.**

16 (a) **TRANSFER OF FUNDS.**—Notwithstanding any
17 other provision of this Act, amounts authorized to be ap-
18 propriated by this title for demonstration and validation,
19 engineering and manufacturing development, and oper-
20 ational systems development shall be transferred to the
21 major test and evaluation investment programs of the
22 military departments and to the Central Test and Evalua-
23 tion Investment Program of the Department of Defense,
24 as follows:

1 (1) For transfer to the major test and evalua-
2 tion investment program of the Army, the amount
3 equal to 0.625 percent of the total amount author-
4 ized to be appropriated by this title for the Army for
5 demonstration and validation, engineering and man-
6 ufacturing development, and operational systems de-
7 velopment.

8 (2) For transfer to the major test and evalua-
9 tion investment program of the Navy, the amount
10 equal to 0.625 percent of the total amount author-
11 ized to be appropriated by this title for the Navy for
12 demonstration and validation, engineering and man-
13 ufacturing development, and operational systems de-
14 velopment.

15 (3) For transfer to the major test and evalua-
16 tion investment program of the Air Force, the
17 amount equal to 0.625 percent of the total amount
18 authorized to be appropriated by this title for the
19 Air Force for demonstration and validation, engi-
20 neering and manufacturing development, and oper-
21 ational systems development.

22 (4) For transfer to the Central Test and Eval-
23 uation Investment Program of the Department of
24 Defense, the amount equal to 0.625 percent of the
25 total amount authorized to be appropriated by this

1 title for Defense-wide demonstration and validation,
2 engineering and manufacturing development, and
3 operational systems development.

4 (b) INSTITUTIONAL FUNDING OF TEST AND EVALUA-
5 TION FACILITIES.—(1)(A) Chapter 433 of title 10, United
6 States Code, is amended by inserting after the table of
7 sections at the beginning of such chapter the following new
8 section:

9 **“§ 4531. Test and evaluation: use of facilities**

10 “(a) CHARGES FOR USE.—The Secretary of the
11 Army may charge an entity for using a facility or resource
12 of the Army within the Major Range and Test Facility
13 Base for testing. The amount charged may not exceed the
14 incremental cost to the Army of the use of the facility or
15 resource by that user for the testing.

16 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
17 institutional and overhead costs of a facility or resource
18 of the Army that is within the Major Range and Test Fa-
19 cility Base shall be paid out of the major test and evalua-
20 tion investment accounts of the Army, the Central Test
21 and Evaluation Investment Program of the Department
22 of Defense, and other appropriate appropriations made di-
23 rectly to the Army.

24 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
25 FINED.—In this section:

1 “(1) The term ‘Major Range and Test Facility
2 Base’ has the meaning given the term in section
3 139(k)(4) of this title.

4 “(2) The term ‘institutional and overhead
5 costs’, with respect to a facility or resource within
6 the Major Range Test and Facility Base—

7 “(A) means the costs of maintaining, oper-
8 ating, upgrading, and modernizing the facility
9 or resource; and

10 “(B) does not include an incremental cost
11 of operating the facility or resource that is at-
12 tributable to the use of the facility or resource
13 for testing under a particular program.”.

14 (B) The table of section at the beginning of such
15 chapter is amended by inserting before the item relating
16 to section 7522 the following new item:

 “4531. Test and evaluation: use of facilities.”.

17 (2)(A) Chapter 645 of title 10, United States Code,
18 is amended by inserting after the table of sections at the
19 beginning of such chapter the following new section:

20 **“§ 7521. Test and evaluation: use of facilities**

21 “(a) CHARGES FOR USE.—The Secretary of the Navy
22 may charge an entity for using a facility or resource of
23 the Navy within the Major Range and Test Facility Base
24 for testing. The amount charged may not exceed the incre-

1 mental cost to the Navy of the use of the facility or re-
2 source by that user for the testing.

3 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
4 institutional and overhead costs of a facility or resource
5 of the Navy that is within the Major Range and Test Fa-
6 cility Base shall be paid out of the major test and evalua-
7 tion investment accounts of the Navy, the Central Test
8 and Evaluation Investment Program of the Department
9 of Defense, and other appropriate appropriations made di-
10 rectly to the Navy.

11 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
12 FINED.—In this section:

13 “(1) The term ‘Major Range and Test Facility
14 Base’ has the meaning given the term in section
15 139(k)(4) of this title.

16 “(2) The term ‘institutional and overhead
17 costs’, with respect to a facility or resource within
18 the Major Range Test and Facility Base—

19 “(A) means the costs of maintaining, oper-
20 ating, upgrading, and modernizing the facility
21 or resource; and

22 “(B) does not include an incremental cost
23 of operating the facility or resource that is at-
24 tributable to the use of the facility or resource
25 for testing under a particular program.”.

1 (B) The table of section at the beginning of such
2 chapter is amended by inserting before the item relating
3 to section 7522 the following new item:

“7521. Test and evaluation: use of facilities.”.

4 (3)(A) Chapter 933 of title 10, United States Code,
5 is amended by inserting after the table of sections at the
6 beginning of such chapter the following new section:

7 **“§ 9531. Test and evaluation: use of facilities**

8 “(a) CHARGES FOR USE.—The Secretary of the Air
9 Force may charge an entity for using a facility or resource
10 of the Air Force within the Major Range and Test Facility
11 Base for testing. The amount charged may not exceed the
12 incremental cost to the Air Force of the use of the facility
13 or resource by that user for the testing.

14 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
15 institutional and overhead costs of a facility or resource
16 of the Air Force that is within the Major Range and Test
17 Facility Base shall be paid out of the major test and eval-
18 uation investment accounts of the Air Force, the Central
19 Test and Evaluation Investment Program of the Depart-
20 ment of Defense, and other appropriate appropriations
21 made directly to the Air Force.

22 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
23 FINED.—In this section:

1 “(1) The term ‘Major Range and Test Facility
2 Base’ has the meaning given the term in section
3 139(k)(4) of this title.

4 “(2) The term ‘institutional and overhead
5 costs’, with respect to a facility or resource within
6 the Major Range Test and Facility Base—

7 “(A) means the costs of maintaining, oper-
8 ating, upgrading, and modernizing the facility
9 or resource; and

10 “(B) does not include an incremental cost
11 of operating the facility or resource that is at-
12 tributable to the use of the facility or resource
13 for testing under a particular program.”.

14 (B) The table of section at the beginning of such
15 chapter is amended by inserting before the item relating
16 to section 9532 the following new item:

 “9531. Test and evaluation: use of facilities.”.

17 (4) Not later than 30 days after the date of the enact-
18 ment of this Act, the Under Secretary of Defense (Comp-
19 troller) shall review the funding policies of each military
20 department to ensure that the Secretary of the military
21 department has in place the policies necessary to comply
22 with the Secretary’s responsibilities under section 4531,
23 7521, or 9531 of title 10, United States Code (as added
24 by this subsection), as the case may be. The Under Sec-

1 retary shall consult with the Director of Operational Test
2 and Evaluation in carrying out the review.

3 **SEC. 233. INCREASED INVESTMENT IN TEST AND EVALUA-**
4 **TION FACILITIES.**

5 (a) AMOUNT.—Of the amount authorized to be ap-
6 propriated under section 201(4), \$251,276,000 shall be
7 available for the Central Test and Evaluation Investment
8 Program of the Department of Defense.

9 (b) ADDITIONAL AVAILABLE FUNDING.—In addition
10 to the amount made available under subsection (a),
11 amounts transferred pursuant to section 232(a)(4) shall
12 be available for the Central Test and Evaluation Invest-
13 ment Program of the Department of Defense.

14 **SEC. 234. UNIFORM FINANCIAL MANAGEMENT SYSTEM FOR**
15 **DEPARTMENT OF DEFENSE TEST AND EVAL-**
16 **UATION FACILITIES.**

17 (a) REQUIREMENT FOR SYSTEM.—Not later than two
18 years after the date of the enactment of this Act, the Sec-
19 retary of Defense shall implement a single financial man-
20 agement and accounting system for all test and evaluation
21 facilities of the Department of Defense.

22 (b) SYSTEM FEATURES.—The financial management
23 and accounting system shall be designed to achieve, at a
24 minimum, the following functional objectives:

1 (1) Enable managers within the Department of
2 Defense to compare the costs of conducting test and
3 evaluation activities in the various facilities of the
4 military departments.

5 (2) Enable the Secretary of Defense—

6 (A) to make prudent investment decisions;
7 and

8 (B) to reduce the extent to which unneces-
9 sary costs of owning and operating Department
10 of Defense test and evaluation facilities are in-
11 curred.

12 (3) Enable the Department of Defense to track
13 the total cost of test and evaluation activities.

14 (4) Comply with the financial management en-
15 terprise architecture developed by the Secretary of
16 Defense under section 1006.

17 **SEC. 235. TEST AND EVALUATION WORKFORCE IMPROVE-**
18 **MENTS.**

19 (a) REPORT ON CAPABILITIES.—Not later than
20 March 15, 2003, the Under Secretary of Defense for Ac-
21 quisition, Technology, and Logistics shall submit to Con-
22 gress a report on the capabilities of the test and evaluation
23 workforce of the Department of Defense. The Under Sec-
24 retary shall consult with the Under Secretary of Defense

1 for Personnel and Readiness and the Director of Oper-
2 ational Test and Evaluation in preparing the report.

3 (b) REQUIREMENT FOR PLAN.—(1) The report shall
4 contain a plan for taking the actions necessary to ensure
5 that the test and evaluation workforce of the Department
6 of Defense is of sufficient size and has the expertise nec-
7 essary to timely and accurately identify issues of military
8 suitability and effectiveness of Department of Defense sys-
9 tems through testing of the systems.

10 (2) The plan shall set forth objectives for the size,
11 composition, and qualifications of the workforce, and shall
12 specify the actions (including recruitment, retention, and
13 training) and milestones for achieving the objectives.

14 (c) ADDITIONAL MATTERS.—The report shall also in-
15 clude the following matters:

16 (1) An assessment of the changing size and de-
17 mographics of the test and evaluation workforce, in-
18 cluding the impact of anticipated retirements among
19 the most experienced personnel over the five-year pe-
20 riod beginning with 2003, together with a discussion
21 of the management actions necessary to address the
22 changes.

23 (2) An assessment of the anticipated workloads
24 and responsibilities of the test and evaluation work-
25 force over the ten-year period beginning with 2003,

1 together with the number and qualifications of mili-
2 tary and civilian personnel necessary to carry out
3 such workloads and responsibilities.

4 (3) The Secretary's specific plans for using the
5 demonstration authority provided in section 4308 of
6 the National Defense Authorization Act for Fiscal
7 Year 1996 (Public Law 104–106; 10 U.S.C. 1701
8 note) and other special personnel management au-
9 thorities of the Secretary to attract and retain quali-
10 fied personnel in the test and evaluation workforce.

11 (4) Any recommended legislation or additional
12 special authority that the Secretary considers appro-
13 priate for facilitating the recruitment and retention
14 of qualified personnel for the test and evaluation
15 workforce.

16 (5) Any other matters that are relevant to the
17 capabilities of the test and evaluation workforce.

18 **SEC. 236. COMPLIANCE WITH TESTING REQUIREMENTS.**

19 (a) ANNUAL OT&E REPORT.—Subsection (g) of sec-
20 tion 139 of title 10, United States Code, is amended by
21 inserting after the fourth sentence the following: “The re-
22 port for a fiscal year shall also include an assessment of
23 the waivers of and deviations from requirements in test
24 and evaluation master plans and other testing require-
25 ments that occurred during the fiscal year, any concerns

1 raised by the waivers or deviations, and the actions that
2 have been taken or are planned to be taken to address
3 the concerns.”.

4 (b) REORGANIZATION OF PROVISION.—Subsection
5 (g) of such section, as amended by subsection (a), is fur-
6 ther amended—

7 (1) by inserting “(1)” after “(g)”;

8 (2) by designating the second sentence as para-
9 graph (2);

10 (3) by designating the third sentence as para-
11 graph (3);

12 (4) by designating the matter consisting of the
13 fourth and fifth sentences as paragraph (4);

14 (5) by designating the sixth sentence as para-
15 graph (5); and

16 (6) by realigning paragraphs (2), (3), (4), and
17 (5), as so designated, two ems from the left margin.

18 **SEC. 237. REPORT ON IMPLEMENTATION OF DEFENSE**

19 **SCIENCE BOARD RECOMMENDATIONS.**

20 (a) REQUIREMENT.—Not later than March 1, 2003,
21 the Secretary of Defense shall submit to the congressional
22 defense committees a report on the extent of the imple-
23 mentation of the recommendations set forth in the Decem-
24 ber 2000 Report of the Defense Science Board Task Force
25 on Test and Evaluation Capabilities.

1 (b) CONTENT.—The report shall include the fol-
2 lowing:

3 (1) For each recommendation that is being im-
4 plemented or that the Secretary plans to
5 implement—

6 (A) a summary of all actions that have
7 been taken to implement the recommendation;
8 and

9 (B) a schedule, with specific milestones,
10 for completing the implementation of the rec-
11 ommendation.

12 (2) For each recommendation that the Sec-
13 retary does not plan to implement—

14 (A) the reasons for the decision not to im-
15 plement the recommendation; and

16 (B) a summary of any alternative actions
17 the Secretary plans to take to address the pur-
18 poses underlying the recommendation.

19 (3) A summary of any additional actions the
20 Secretary plans to take to address concerns raised in
21 the December 2000 Report of the Defense Science
22 Board Task Force on Test and Evaluation Capabili-
23 ties about the state of the test and evaluation infra-
24 structure of the Department of Defense.

1 **Subtitle E—Other Matters**

2 **SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPART-**
3 **MENT OF DEFENSE LABORATORIES.**

4 (a) **ADDITIONAL PILOT PROGRAM.**—(1) The Sec-
5 retary of Defense may carry out a pilot program to dem-
6 onstrate improved efficiency in the performance of re-
7 search, development, test, and evaluation functions of the
8 Department of Defense.

9 (2) Under the pilot program, the Secretary of De-
10 fense shall provide the director of one science and tech-
11 nology laboratory, and the director of one test and evalua-
12 tion laboratory, of each military department with author-
13 ity for the following:

14 (A) To use innovative methods of personnel
15 management appropriate for ensuring that the se-
16 lected laboratories can—

17 (i) employ and retain a workforce appro-
18 priately balanced between permanent and tem-
19 porary personnel and among workers with ap-
20 propriate levels of skills and experience; and

21 (ii) effectively shape workforces to ensure
22 that the workforces have the necessary sets of
23 skills and experience to fulfill their organiza-
24 tional missions.

1 (B) To develop or expand innovative methods of
2 entering into and expanding cooperative relation-
3 ships and arrangements with private sector organi-
4 zations, educational institutions (including primary
5 and secondary schools), and State and local govern-
6 ments to facilitate the training of a future scientific
7 and technical workforce that will contribute signifi-
8 cantly to the accomplishment of organizational mis-
9 sions.

10 (C) To develop or expand innovative methods of
11 establishing cooperative relationships and arrange-
12 ments with private sector organizations and edu-
13 cational institutions to promote the establishment of
14 the technological industrial base in areas critical for
15 Department of Defense technological requirements.

16 (D) To waive any restrictions not required by
17 law that apply to the demonstration and implemen-
18 tation of methods for achieving the objectives set
19 forth in subparagraphs (A), (B), and (C).

20 (3) The Secretary may carry out the pilot program
21 under this subsection at each selected laboratory for a pe-
22 riod of three years beginning not later than March 1,
23 2003.

24 (b) RELATIONSHIP TO FISCAL YEARS 1999 AND
25 2000 REVITALIZATION PILOT PROGRAMS.—The pilot pro-

1 gram under this section is in addition to, but may be car-
2 ried out in conjunction with, the fiscal years 1999 and
3 2000 revitalization pilot programs.

4 (c) REPORTS.—(1) Not later than January 1, 2003,
5 the Secretary shall submit to Congress a report on the
6 experience under the fiscal years 1999 and 2000 revital-
7 ization pilot programs in exercising the authorities pro-
8 vided for the administration of those programs. The report
9 shall include a description of—

10 (A) barriers to the exercise of the authorities
11 that have been encountered;

12 (B) the proposed solutions for overcoming the
13 barriers; and

14 (C) the progress made in overcoming the bar-
15 riers.

16 (2) Not later than September 1, 2003, the Secretary
17 of Defense shall submit to Congress a report on the imple-
18 mentation of the pilot program under subsection (a) and
19 the fiscal years 1999 and 2000 revitalization pilot pro-
20 grams. The report shall include, for each such pilot pro-
21 gram, the following:

22 (A) Each laboratory selected for the pilot pro-
23 gram.

1 (B) To the extent practicable, a description of
2 the innovative methods that are to be tested at each
3 laboratory.

4 (C) The criteria to be used for measuring the
5 success of each method to be tested.

6 (3) Not later than 90 days after the expiration of the
7 period for the participation of a laboratory in a pilot pro-
8 gram referred to in paragraph (2), the Secretary of De-
9 fense shall submit to Congress a final report on the par-
10 ticipation of that laboratory in the pilot program. The re-
11 port shall include the following:

12 (A) A description of the methods tested.

13 (B) The results of the testing.

14 (C) The lessons learned.

15 (D) Any proposal for legislation that the Sec-
16 retary recommends on the basis of the experience at
17 that laboratory under the pilot program.

18 (d) EXTENSION OF AUTHORITY FOR OTHER REVI-
19 TALIZATION PILOT PROGRAMS.—(1) Section 246(a)(4) of
20 the Strom Thurmond National Defense Authorization Act
21 for Fiscal Year 1999 (Public Law 105–261; 112 Stat.
22 1956; 10 U.S.C. 2358 note) is amended by striking “a
23 period of three years” and inserting “up to six years”.

24 (2) Section 245(a)(4) of the National Defense Au-
25 thorization Act for Fiscal Year 2000 (Public Law 106–

1 65; 113 Stat. 553; 10 U.S.C. 2358 note) is amended by
2 striking “a period of three years” and inserting “up to
3 five years”.

4 (e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1)
5 The Secretary of Defense may authorize one or more lab-
6 oratories and test centers participating in the pilot pro-
7 gram under subsection (a) or in one of the fiscal years
8 1999 and 2000 revitalization pilot programs to enter into
9 a cooperative arrangement (in this subsection referred to
10 as a “public-private partnership”) with entities in the pri-
11 vate sector and institutions of higher education for the
12 performance of work.

13 (2) A competitive process shall be used for the selec-
14 tion of entities outside the Government to participate in
15 a public-private partnership.

16 (3)(A) Not more than one public-private partnership
17 may be established as a limited liability corporation.

18 (B) An entity participating in a limited liability cor-
19 poration as a party to a public-private partnership under
20 the pilot program may contribute funds to the corporation,
21 accept contribution of funds for the corporation, and pro-
22 vide materials, services, and use of facilities for research,
23 technology, and infrastructure of the corporation, if it is
24 determined under regulations prescribed by the Secretary
25 of Defense that doing so will improve the efficiency of the

1 performance of research, test, and evaluation functions of
2 the Department of Defense.

3 (f) EXCEPTED SERVICE UNDER PILOT PROGRAM.—

4 (1) To facilitate recruitment of experts in science and en-
5 gineering to improve the performance of research, test,
6 and evaluation functions of the Department of Defense,
7 the Secretary of Defense may—

8 (A) designate a total of not more than 30 sci-
9 entific, engineering, and technology positions at the
10 laboratories and test centers participating in the
11 pilot program under subsection (a) or in any of the
12 fiscal years 1999 and 2000 revitalization pilot pro-
13 grams as positions in the excepted service (as de-
14 fined in section 2103(a) of title 5, United States
15 Code);

16 (B) appoint individuals to such positions; and

17 (C) fix the compensation of such individuals.

18 (2) The maximum rate of basic pay for a position
19 in the excepted service pursuant to a designation made
20 under paragraph (1) may not exceed the maximum rate
21 of basic pay authorized for senior-level positions under
22 section 5376 of title 5, United States Code, notwith-
23 standing any provision of such title governing the rates
24 of pay or classification of employees in the executive
25 branch.

1 (g) FISCAL YEARS 1999 AND 2000 REVITALIZATION
 2 PILOT PROGRAMS DEFINED.—In this section, the term
 3 “fiscal years 1999 and 2000 revitalization pilot programs”
 4 means the pilot programs authorized by—

5 (1) section 246 of the Strom Thurmond Na-
 6 tional Defense Authorization Act for Fiscal Year
 7 1999 (Public Law 105–261; 112 Stat. 1955; 10
 8 U.S.C. 2358 note); and

9 (2) section 245 of the National Defense Author-
 10 ization Act for Fiscal Year 2000 (Public Law 106–
 11 65; 113 Stat. 552; 10 U.S.C. 2358 note).

12 **SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.**

13 (a) ESTABLISHMENT AND CONDUCT.—(1) Chapter
 14 139 of title 10, United States Code, is amended by insert-
 15 ing after section 2359 the following new section:

16 **“§ 2359a. Technology Transition Initiative**

17 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
 18 of Defense shall carry out a Technology Transition Initia-
 19 tive to facilitate the rapid transition of new technologies
 20 from science and technology programs of the Department
 21 of Defense into acquisition programs for the production
 22 of the technologies.

23 “(b) OBJECTIVES.—The objectives of the Initiative
 24 are as follows:

1 “(1) To accelerate the introduction of new tech-
2 nologies into Department of Defense acquisition pro-
3 grams appropriate for the technologies.

4 “(2) To successfully demonstrate new tech-
5 nologies in relevant environments.

6 “(3) To ensure that new technologies are suffi-
7 ciently mature for production.

8 “(c) MANAGEMENT.—(1) The Secretary of Defense
9 shall designate a senior official in the Office of the Sec-
10 retary of Defense to manage the Initiative.

11 “(2) In administering the Initiative, the Initiative
12 Manager shall—

13 “(A) report directly to the Under Secretary of
14 Defense for Acquisition, Technology, and Logistics;
15 and

16 “(B) obtain advice and other assistance from
17 the Technology Transition Council established under
18 subsection (e).

19 “(3) The Initiative Manager shall—

20 “(A) in consultation with the Technology Tran-
21 sition Council established under subsection (e), iden-
22 tify promising technologies that have been dem-
23 onstrated in science and technology programs of the
24 Department of Defense;

1 “(B) develop a list of those technologies that
2 have promising potential for transition into acquisi-
3 tion programs of the Department of Defense and
4 transmit the list to the acquisition executive of each
5 military department and to Congress;

6 “(C) identify potential sponsors in the Depart-
7 ment of Defense to undertake the transition of such
8 technologies into production;

9 “(D) work with the science and technology com-
10 munity and the acquisition community to develop
11 memoranda of agreement, joint funding agreements,
12 and other cooperative arrangements to provide for
13 the transition of the technologies into production;
14 and

15 “(E) provide funding support for selected
16 projects under subsection (d).

17 “(d) JOINTLY FUNDED PROJECTS.—(1) The acquisi-
18 tion executive of each military department shall select
19 technology projects of the military department to rec-
20 ommend for funding support under the Initiative and shall
21 submit a list of the recommended projects, ranked in order
22 of priority, to the Initiative Manager. The projects shall
23 be selected, in a competitive process, on the basis of the
24 highest potential benefits in areas of interest identified by
25 the Secretary of that military department.

1 “(2) The Initiative Manager, in consultation with the
2 Technology Transition Council established under sub-
3 section (e), shall select projects for funding support from
4 among the projects on the lists submitted under paragraph
5 (1). The Initiative Manager shall provide funds for each
6 selected project. The total amount provided for a project
7 shall be determined by agreement between the Initiative
8 Manager and the acquisition executive of the military de-
9 partment concerned, but shall not be less than the amount
10 equal to 50 percent of the total cost of the project.

11 “(3) The Initiative Manager shall not fund any one
12 project under this subsection for more than 3 years.

13 “(4) The acquisition executive of the military depart-
14 ment shall manage each project selected under paragraph
15 (2) that is undertaken by the military department. Memo-
16 randa of agreement, joint funding agreements, and other
17 cooperative arrangements between the science and tech-
18 nology community and the acquisition community shall be
19 used in carrying out the project if the acquisition executive
20 determines that it is appropriate to do so to achieve the
21 objectives of the project.

22 “(e) TECHNOLOGY TRANSITION COUNCIL.—(1)
23 There is a Technology Transition Council in the Depart-
24 ment of Defense. The Council is composed of the following
25 members:

1 “(A) The science and technology executives of
2 the military departments and Defense Agencies.

3 “(B) The acquisition executives of the military
4 departments.

5 “(C) The members of the Joint Requirements
6 Oversight Council.

7 “(2) The Technology Transition Council shall provide
8 advice and assistance to the Initiative Manager under this
9 section.

10 “(f) DEFINITIONS.—In this section:

11 “(1) The term ‘acquisition executive’, with re-
12 spect to a military department, means the official
13 designated as the senior procurement executive for
14 that military department under section 16(3) of the
15 Office of Federal Procurement Policy Act (41 U.S.C.
16 414(3)).

17 “(2) The term ‘Initiative’ means the Tech-
18 nology Transition Initiative carried out under this
19 section.

20 “(3) The term ‘Initiative Manager’ means the
21 official designated to manage the Initiative under
22 subsection (c).”.

23 (2) The table of sections at the beginning of such
24 chapter is amended by inserting after the item relating
25 to section 2395 the following new item:

“2359a. Technology Transition Initiative.”.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—Of the
2 amount authorized to be appropriated under section
3 201(4), \$50,000,000 shall be available for the Technology
4 Transition Initiative under section 2359a of title 10,
5 United States Code (as added by subsection (a)), and for
6 other technology transition activities of the Department
7 of Defense.

8 **SEC. 243. ENCOURAGEMENT OF SMALL BUSINESSES AND**
9 **NONTRADITIONAL DEFENSE CONTRACTORS**
10 **TO SUBMIT PROPOSALS POTENTIALLY BENE-**
11 **FICIAL FOR COMBATING TERRORISM.**

12 (a) ESTABLISHMENT OF OUTREACH PROGRAM.—
13 During the 3-year period beginning on the date of the en-
14 actment of this Act, the Secretary of Defense shall carry
15 out a program of outreach to small businesses and non-
16 traditional defense contractors for the purpose set forth
17 in subsection (b).

18 (b) PURPOSE.—The purpose of the outreach program
19 is to provide a process for reviewing and evaluating re-
20 search activities of, and new technologies being developed
21 by, small businesses and nontraditional defense contrac-
22 tors that have the potential for meeting a defense require-
23 ment or technology development goal of the Department
24 of Defense that relates to the mission of the Department
25 of Defense to combat terrorism.

1 (c) GOALS.—The goals of the outreach program are
2 as follows:

3 (1) To increase efforts within the Department
4 of Defense to survey and identify technologies being
5 developed outside the Department that have the po-
6 tential described in subsection (b).

7 (2) To provide the Under Secretary of Defense
8 for Acquisition, Technology, and Logistics with a
9 source of expert advice on new technologies for com-
10 bating terrorism.

11 (3) To increase efforts to educate nontradi-
12 tional defense contractors on Department of Defense
13 acquisition processes, including regulations, proce-
14 dures, funding opportunities, military needs and re-
15 quirements, and technology transfer so as to encour-
16 age such contractors to submit proposals regarding
17 research activities and technologies described in sub-
18 section (b).

19 (4) To increase efforts to provide timely re-
20 sponse by the Department of Defense to acquisition
21 proposals (including unsolicited proposals) submitted
22 to the Department by small businesses and by non-
23 traditional defense contractors regarding research
24 activities and technologies described in subsection

1 (b), including through the use of electronic trans-
2 actions to facilitate the processing of proposals.

3 (d) REVIEW PANEL.—(1) The Secretary shall ap-
4 point, under the outreach program, a panel for the review
5 and evaluation of proposals described in subsection (c)(4).

6 (2) The panel shall be composed of qualified per-
7 sonnel from the military departments, relevant Defense
8 Agencies, industry, academia, and other private sector or-
9 ganizations.

10 (3) The panel shall review and evaluate proposals
11 that, as determined by the panel, may present a unique
12 and valuable approach for meeting a defense requirement
13 or technology development goal related to combating ter-
14 rorism. In carrying out duties under this paragraph, the
15 panel may act through representatives designated by the
16 panel.

17 (4) The panel shall—

18 (A) within 60 days after receiving such a pro-
19 posal, transmit to the source of the proposal a notifi-
20 cation regarding whether the proposal has been se-
21 lected for review by the panel;

22 (B) to the maximum extent practicable, com-
23 plete the review of each selected proposal within 120
24 days after the proposal is selected for review by the
25 panel; and

1 (C) after completing the review, transmit an
2 evaluation of the proposal to the source of the pro-
3 posal.

4 (5) The Secretary shall ensure that the panel, in re-
5 viewing and evaluating proposals under this subsection,
6 has the authority to obtain assistance, to a reasonable ex-
7 tent, from the appropriate technical resources of the lab-
8 oratories, research, development, and engineering centers,
9 test and evaluation activities, and other elements of the
10 Department of Defense.

11 (6) If, after completing the review of a proposal, the
12 panel determines that the proposal represents a unique
13 and valuable approach to meeting a defense requirement
14 or technology development goal related to combating ter-
15 rorism, the panel shall submit that determination to the
16 Under Secretary of Defense for Acquisition, Technology,
17 and Logistics together with any recommendations that the
18 panel considers appropriate regarding the proposal.

19 (7) The Secretary of Defense shall ensure that there
20 is no conflict of interest on the part of a member of the
21 panel with respect to the review and evaluation of a pro-
22 posal by the panel.

23 (e) DEFINITIONS.—In this section:

24 (1) The term “nontraditional defense con-
25 tractor” means an entity that has not, for at least

1 one year prior to the date of the enactment of this
2 Act, entered into, or performed with respect to, any
3 contract described in paragraph (1) or (2) of section
4 845(e) of the National Defense Authorization Act
5 for Fiscal Year 1994 (10 U.S.C. 2371 note).

6 (2) The term “small business” means a busi-
7 ness concern that meets the applicable size stand-
8 ards prescribed pursuant to section 3(a) of the
9 Small Business Act (15 U.S.C. 632(a)).

10 **SEC. 244. VEHICLE FUEL CELL PROGRAM.**

11 (a) PROGRAM.—The Secretary of Defense shall carry
12 out a vehicle fuel cell technology development program in
13 cooperation with the Secretary of Energy, the heads of
14 other Federal agencies appropriate for participation in the
15 program, and industry.

16 (b) GOALS AND OBJECTIVES.—The goals and objec-
17 tives of the program shall be as follows:

18 (1) To identify and support technological ad-
19 vances that are necessary for the development of fuel
20 cell technology for use in vehicles of types to be used
21 by the Department of Defense.

22 (2) To ensure that critical technology advances
23 are shared among the various fuel cell technology
24 programs within the Federal Government.

1 (3) To ensure maximum leverage of Federal
2 Government funding for fuel cell technology develop-
3 ment.

4 (c) CONTENT OF PROGRAM.—The program shall
5 include—

6 (1) development of vehicle propulsion tech-
7 nologies and fuel cell auxiliary power units, together
8 with pilot demonstrations of such technologies, as
9 appropriate; and

10 (2) development of technologies necessary to ad-
11 dress critical issues such as hydrogen storage and
12 the need for a hydrogen fuel infrastructure.

13 (d) COOPERATION WITH INDUSTRY.—(1) The Sec-
14 retary shall include the automobile and truck manufac-
15 turing industry and its systems and component suppliers
16 in the cooperative involvement of industry in the program.

17 (2) The Secretary of Defense shall consider whether,
18 in order to facilitate the cooperation of industry in the
19 program, the Secretary and one or more companies in in-
20 dustry should enter into a cooperative agreement that es-
21 tablishes an entity to carry out activities required under
22 subsection (c). An entity established by any such agree-
23 ment shall be known as a defense industry fuel cell part-
24 nership.

1 (3) The Secretary of Defense shall provide for indus-
2 try to bear, in cash or in kind, at least one-half of the
3 total cost of carrying out the program.

4 (e) AMOUNT FOR PROGRAM.—Of the amount author-
5 ized to be appropriated by section 201(4), \$10,000,000
6 shall be available for the program required by this section.

7 **SEC. 245. DEFENSE NANOTECHNOLOGY RESEARCH AND DE-**
8 **VELOPMENT PROGRAM.**

9 (a) ESTABLISHMENT.—The Secretary of Defense
10 shall carry out a defense nanotechnology research and de-
11 velopment program.

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

14 (1) To ensure United States global superiority
15 in nanotechnology necessary for meeting national se-
16 curity requirements.

17 (2) To coordinate all nanoscale research and
18 development within the Department of Defense, and
19 to provide for interagency cooperation and collabora-
20 tion on nanoscale research and development between
21 the Department of Defense and other departments
22 and agencies of the United States that are involved
23 in nanoscale research and development.

24 (3) To develop and manage a portfolio of fun-
25 damental and applied nanoscience and engineering

1 research initiatives that is stable, consistent, and
2 balanced across scientific disciplines.

3 (4) To accelerate the transition and deployment
4 of technologies and concepts derived from nanoscale
5 research and development into the Armed Forces,
6 and to establish policies, procedures, and standards
7 for measuring the success of such efforts.

8 (5) To collect, synthesize, and disseminate crit-
9 ical information on nanoscale research and develop-
10 ment.

11 (c) ADMINISTRATION.—In carrying out the program,
12 the Secretary shall act through the Director of Defense
13 Research and Engineering, who shall supervise the plan-
14 ning, management, and coordination of the program. The
15 Director, in consultation with the Secretaries of the mili-
16 tary departments and the heads of participating Defense
17 Agencies and other departments and agencies of the
18 United States, shall—

19 (1) prescribe a set of long-term challenges and
20 a set of specific technical goals for the program;

21 (2) develop a coordinated and integrated re-
22 search and investment plan for meeting the long-
23 term challenges and achieving the specific technical
24 goals; and

1 (3) develop memoranda of agreement, joint
2 funding agreements, and other cooperative arrange-
3 ments necessary for meeting the long-term chal-
4 lenges and achieving the specific technical goals.

5 (d) ANNUAL REPORT.—Not later than March 1 of
6 each of 2004, 2005, 2006, and 2007, the Director of De-
7 fense Research and Engineering shall submit to the con-
8 gressional defense committees a report on the program.
9 The report shall contain the following matters:

10 (1) A review of—

11 (A) the long-term challenges and specific
12 goals of the program; and

13 (B) the progress made toward meeting the
14 challenges and achieving the goals.

15 (2) An assessment of current and proposed
16 funding levels, including the adequacy of such fund-
17 ing levels to support program activities.

18 (3) A review of the coordination of activities
19 within the Department of Defense and with other
20 departments and agencies.

21 (4) An assessment of the extent to which effec-
22 tive technology transition paths have been estab-
23 lished as a result of activities under the program.

1 (5) Recommendations for additional program
2 activities to meet emerging national security require-
3 ments.

4 **SEC. 246. ACTIVITIES AND ASSESSMENT OF THE DEFENSE**
5 **EXPERIMENTAL PROGRAM TO STIMULATE**
6 **COMPETITIVE RESEARCH.**

7 (a) AUTHORIZED ACTIVITIES.—Subsection (e) of sec-
8 tion 257 of the National Defense Authorization Act for
9 Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 2358
10 note), is amended—

11 (1) in paragraph (1), by striking “research
12 grants” and inserting “grants for research and in-
13 strumentation to support such research”; and

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

16 “(3) Any other activities that are determined
17 necessary to further the achievement of the objec-
18 tives of the program.”.

19 (b) COORDINATION.—Subsection (e) of such section
20 is amended by adding at the end the following:

21 “(4) The Secretary shall contract with the National
22 Research Council to assess the effectiveness of the Defense
23 Experimental Program to Stimulate Competitive Research
24 in achieving the program objectives set forth in subsection

1 (b). The assessment provided to the Secretary shall in-
2 clude the following:

3 “(A) An assessment of the eligibility require-
4 ments of the program and the relationship of such
5 requirements to the overall research base in the
6 States, the stability of research initiatives in the
7 States, and the achievement of the program objec-
8 tives, together with any recommendations for modi-
9 fication of the eligibility requirements.

10 “(B) An assessment of the program structure
11 and the effects of that structure on the development
12 of a variety of research activities in the States and
13 the personnel available to carry out such activities,
14 together with any recommendations for modification
15 of program structure, funding levels, and funding
16 strategy.

17 “(C) An assessment of the past and ongoing ac-
18 tivities of the State planning committees in sup-
19 porting the achievement of the program objectives.

20 “(D) An assessment of the effects of the var-
21 ious eligibility requirements of the various Federal
22 programs to stimulate competitive research on the
23 ability of States to develop niche research areas of
24 expertise, exploit opportunities for developing inter-

1 disciplinary research initiatives, and achieve program
2 objectives.”.

3 **SEC. 247. FOUR-YEAR EXTENSION OF AUTHORITY OF**
4 **DARPA TO AWARD PRIZES FOR ADVANCED**
5 **TECHNOLOGY ACHIEVEMENTS.**

6 (a) EXTENSION.—Section 2374a(f) of title 10,
7 United States Code, is amended by striking “September
8 30, 2003” and inserting “September 30, 2007”.

9 (b) REPORT ON ADMINISTRATION OF PROGRAM.—(1)
10 Not later than December 31, 2002, the Director of the
11 Defense Advanced Research Projects Agency shall submit
12 to the congressional defense committees a report on the
13 proposal of the Director for the administration of the pro-
14 gram to award prizes for advanced technology achieve-
15 ments under section 2374a of title 10, United States
16 Code.

17 (2) The report shall include the following:

18 (A) A description of the proposed goals of the
19 competition under the program, including the tech-
20 nology areas to be promoted by the competition and
21 the relationship of such area to military missions of
22 the Department of Defense.

23 (B) The proposed rules of the competition
24 under the program and a description of the proposed
25 management of the competition.

1 (C) A description of the manner in which funds
2 for cash prizes under the program will be allocated
3 within the accounts of the Agency if a prize is
4 awarded and claimed.

5 (D) A statement of the reasons why the com-
6 petition is a preferable means of promoting basic,
7 advanced, and applied research, technology develop-
8 ment, or prototype projects than other means of pro-
9 motion of such activities, including contracts, grants,
10 cooperative agreements, and other transactions.

11 **TITLE III—OPERATION AND** 12 **MAINTENANCE**

13 **Subtitle A—Authorization of** 14 **Appropriations**

15 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

16 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
17 are hereby authorized to be appropriated for fiscal year
18 2003 for the use of the Armed Forces and other activities
19 and agencies of the Department of Defense for expenses,
20 not otherwise provided for, for operation and maintenance,
21 in amounts as follows:

22 (1) For the Army, \$24,180,742,000.

23 (2) For the Navy, \$29,368,961,000.

24 (3) For the Marine Corps, \$3,558,732,000.

25 (4) For the Air Force, \$27,445,764,000.

- 1 (5) For Defense-wide activities,
2 \$14,492,266,000.
- 3 (6) For the Army Reserve, \$1,962,610,000.
- 4 (7) For the Naval Reserve, \$1,233,759,000.
- 5 (8) For the Marine Corps Reserve,
6 \$190,532,000.
- 7 (9) For the Air Force Reserve, \$2,165,004,000.
- 8 (10) For the Army National Guard,
9 \$4,506,267,000.
- 10 (11) For the Air National Guard,
11 \$4,114,910,000.
- 12 (12) For the Defense Inspector General,
13 \$155,165,000.
- 14 (13) For the United States Court of Appeals
15 for the Armed Forces, \$9,614,000.
- 16 (14) For Environmental Restoration, Army,
17 \$395,900,000.
- 18 (15) For Environmental Restoration, Navy,
19 \$256,948,000.
- 20 (16) For Environmental Restoration, Air Force,
21 \$389,773,000.
- 22 (17) For Environmental Restoration, Defense-
23 wide, \$23,498,000.
- 24 (18) For Environmental Restoration, Formerly
25 Used Defense Sites, \$252,102,000.

1 (19) For Overseas Humanitarian, Disaster, and
2 Civic Aid programs, \$58,400,000.

3 (20) For Drug Interdiction and Counter-drug
4 Activities, Defense-wide, \$873,907,000.

5 (21) For the Kaho'olawe Island Conveyance,
6 Remediation, and Environmental Restoration Trust
7 Fund, \$25,000,000.

8 (22) For Defense Health Program,
9 \$14,202,441,000.

10 (23) For Cooperative Threat Reduction pro-
11 grams, \$416,700,000.

12 (24) For Overseas Contingency Operations
13 Transfer Fund, \$50,000,000.

14 (25) For Support for International Sporting
15 Competitions, Defense, \$19,000,000.

16 (b) ADJUSTMENT.—The total amount authorized to
17 be appropriated pursuant to subsection (a) is reduced
18 by—

19 (1) \$159,790,000, which represents savings re-
20 sulting from reduced travel; and

21 (2) \$615,200,000, which represents savings re-
22 sulting from foreign currency fluctuations.

23 **SEC. 302. WORKING CAPITAL FUNDS.**

24 Funds are hereby authorized to be appropriated for
25 fiscal year 2003 for the use of the Armed Forces and other

1 activities and agencies of the Department of Defense for
2 providing capital for working capital and revolving funds
3 in amounts as follows:

4 (1) For the Defense Working Capital Funds,
5 \$387,156,000.

6 (2) For the National Defense Sealift Fund,
7 \$934,129,000.

8 (3) For the Defense Commissary Agency Work-
9 ing Capital Fund, \$969,200,000.

10 (4) For the Pentagon Reservation Maintenance
11 Revolving Fund, \$328,000,000.

12 **SEC. 303. ARMED FORCES RETIREMENT HOME.**

13 There is hereby authorized to be appropriated for fis-
14 cal year 2003 from the Armed Forces Retirement Home
15 Trust Fund the sum of \$69,921,000 for the operation of
16 the Armed Forces Retirement Home, including the Armed
17 Forces Retirement Home—Washington and the Armed
18 Forces Retirement Home—Gulfport.

19 **SEC. 304. RANGE ENHANCEMENT INITIATIVE FUND.**

20 (a) AVAILABILITY OF FUNDS.—Of the amount au-
21 thorized to be appropriated by section 301(a)(5) for oper-
22 ation and maintenance for defense-wide activities,
23 \$20,000,000 shall be available for the Range Enhance-
24 ment Initiative Fund for the purpose specified in sub-
25 section (b).

1 (b) PURPOSE.—Subject to subsection (c), amounts
2 authorized to be appropriated for the Range Enhancement
3 Initiative Fund shall be available to the Secretary of De-
4 fense and the Secretaries of the military departments to
5 purchase restrictive easements, including easements that
6 implement agreements entered into under section 2697 of
7 title 10, United States Code, as added by section 2811
8 of this Act.

9 (c) TRANSFER OF AMOUNTS.—(1) Amounts in the
10 Range Enhancement Initiative Fund shall, subject to ap-
11 plicable limitations in appropriations Acts, be made avail-
12 able to the Secretary of a military department under sub-
13 section (b) by transfer from the Fund to the applicable
14 operation and maintenance account of the military depart-
15 ment, including the operation and maintenance account
16 for the active component, or for a reserve component, of
17 the military department.

18 (2) Authority to transfer amounts under paragraph
19 (1) is in addition to any other authority to transfer funds
20 under this Act.

21 **SEC. 305. NAVY PILOT HUMAN RESOURCES CALL CENTER,**
22 **CUTLER, MAINE.**

23 Of the amount authorized to be appropriated by sec-
24 tion 301(a)(2) for operation and maintenance for the

1 Navy, \$1,500,000 may be available for the Navy Pilot
2 Human Resources Call Center, Cutler, Maine.

3 **SEC. 306. NATIONAL ARMY MUSEUM, FORT BELVOIR, VIR-**
4 **GINIA.**

5 (a) **ACTIVATION EFFORTS.**—The Secretary of the
6 Army may carry out efforts to facilitate the commence-
7 ment of development for the National Army Museum at
8 Fort Belvoir, Virginia.

9 (b) **FUNDING.**—(1) The amount authorized to be ap-
10 propriated by section 301(a)(1) for operation and mainte-
11 nance for the Army is hereby increased by \$100,000.

12 (2) Of the amount authorized to be appropriated by
13 section 301(a)(1) for operation and maintenance for the
14 Army, as increased by paragraph (1), \$100,000 shall be
15 available to carry out the efforts authorized by subsection
16 (a).

17 (c) **OFFSET.**—The amount authorized to be appro-
18 priated by section 201(1) for research, development, test,
19 and evaluation for the Army is hereby reduced by
20 \$100,000.

21 **SEC. 307. DISPOSAL OF OBSOLETE VESSELS OF THE NA-**
22 **TIONAL DEFENSE RESERVE FLEET.**

23 Of the amount authorized to be appropriated by sec-
24 tion 301(a)(2) for operation and maintenance for the
25 Navy, \$20,000,000 may be available, without fiscal year

1 limitation if so provided in appropriations Acts, for ex-
2 penses related to the disposal of obsolete vessels in the
3 Maritime Administration National Defense Reserve Fleet.

4 **Subtitle B—Environmental**
5 **Provisions**

6 **SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERATIVE**
7 **AGREEMENTS FOR ENVIRONMENTAL PUR-**
8 **POSES.**

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

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

13 (2) by inserting after paragraph (1) the fol-
14 lowing new paragraph (2):

15 “(2) **CROSS-FISCAL YEAR AGREEMENTS.**—An
16 agreement with an agency under paragraph (1) may
17 be for a period that begins in one fiscal year and
18 ends in another fiscal year if (without regard to any
19 option to extend the period of the agreement) the
20 period of the agreement does not exceed two years.”.

1 **SEC. 312. MODIFICATION OF AUTHORITY TO CARRY OUT**
2 **CONSTRUCTION PROJECTS FOR ENVIRON-**
3 **MENTAL RESPONSES.**

4 (a) RESTATEMENT AND MODIFICATION OF AUTHOR-
5 ITY.—(1) Chapter 160 of title 10, United States Code,
6 is amended by adding at the end the following new section:

7 **“§ 2711. Environmental restoration projects for envi-**
8 **ronmental responses**

9 “(a) The Secretary of Defense or the Secretary of
10 a military department may carry out an environmental
11 restoration project if that Secretary determines that the
12 project is necessary to carry out a response under this
13 chapter or CERCLA.

14 “(b) Any construction, development, conversion, or
15 extension of a structure or installation of equipment that
16 is included in an environmental restoration project may
17 not be considered military construction (as that term is
18 defined in section 2801(a) of this title).

19 “(c) Funds authorized for deposit in an account es-
20 tablished by section 2703(a) of this title shall be the only
21 source of funds to conduct an environmental restoration
22 project under this section.

23 “(d) In this section, the term ‘environmental restora-
24 tion project’ includes construction, development, conver-
25 sion, or extension of a structure or installation of equip-
26 ment in direct support of a response.”.

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

“2711. Environmental restoration projects for environmental responses.”.

4 (b) **REPEAL OF SUPERSEDED PROVISION.**—(1) Sec-
5 tion 2810 of title 10, United States Code, is repealed.

6 (2) The table of sections at the beginning of chapter
7 169 of that title is amended by striking the item relating
8 to section 2810.

9 **SEC. 313. INCREASED PROCUREMENT OF ENVIRON-**
10 **MENTALLY PREFERABLE PRODUCTS.**

11 (a) **PROCUREMENT GOALS.**—(1) The Secretary of
12 Defense shall establish goals for the increased procure-
13 ment by the Department of Defense of procurement items
14 that are environmentally preferable or are made with re-
15 covered materials.

16 (2) The goals established under paragraph (1) shall
17 be consistent with the requirements of section 6002 of the
18 Solid Waste Disposal Act (42 U.S.C. 6962).

19 (3) In establishing goals under paragraph (1), the
20 Secretary shall review the Comprehensive Procurement
21 Guidelines and Guidance on Acquisition of Environ-
22 mentally Preferable Products and Services developed pur-
23 suant to Executive Order 13101 and products identified
24 as environmentally preferable in the Federal Logistics In-
25 formation System.

1 (4) In establishing goals under paragraph (1), the
2 Secretary shall establish a procurement goal for each cat-
3 egory of procurement items that is environmentally pref-
4 erable or is made with recovered materials.

5 (5) The goals established under paragraph (1) shall
6 apply to Department purchases in each category of pro-
7 curement items designated by the Secretary for purposes
8 of paragraph (4), but shall not apply to—

9 (A) products or services purchased by Depart-
10 ment contractors and subcontractors, even if such
11 products or services are incorporated into procure-
12 ment items purchased by the Department; or

13 (B) credit card purchases or other local pur-
14 chases that are made outside the requisitioning proc-
15 ess of the Department.

16 (b) ASSESSMENT OF TRAINING AND EDUCATION.—
17 The Secretary shall assess the need to establish a pro-
18 gram, or enhance existing programs, for training and edu-
19 cating Department of Defense procurement officials and
20 contractors to ensure that they are aware of Department
21 requirements, preferences, and goals for the procurement
22 of items that are environmentally preferable or are made
23 with recovered materials.

24 (c) TRACKING SYSTEM.—The Secretary shall develop
25 a tracking system to identify the extent to which the De-

1 department of Defense is procuring items that are environ-
2 mentally preferable or are made with recovered materials.
3 The tracking system shall separately track procurement
4 of each category of procurement items for which a goal
5 has been established under subsection (a)(4).

6 (d) INITIAL REPORT.—Not later than 120 days after
7 the date of the enactment of this Act, the Secretary shall
8 submit to the congressional defense committees a report
9 that sets forth—

10 (1) the initial goals the Secretary plans to es-
11 tablish under subsection (a); and

12 (2) the findings of the Secretary as a result of
13 the assessment under subsection (b), together with
14 any recommendations of the Secretary as a result of
15 the assessment.

16 (e) IMPLEMENTATION.—Not later than 180 days
17 after the date of the enactment of this Act, the Secretary
18 shall—

19 (1) establish an initial set of goals in accord-
20 ance subsection (a);

21 (2) begin the implementation of any rec-
22 ommendations of the Secretary under subsection
23 (d)(2) as a result of the assessment under subsection
24 (b); and

1 (3) implement the tracking system required by
2 subsection (c).

3 (f) ANNUAL REPORT.—Not later than March 1 of
4 each year from 2004 through 2007, the Secretary shall
5 submit to Congress a report on the progress made in the
6 implementation of this section. Each report shall—

7 (1) identify each category of procurement items
8 for which a goal has been established under sub-
9 section (a) as of the end of such year; and

10 (2) provide information from the tracking sys-
11 tem required by subsection (b) that indicates the ex-
12 tent to which the Department has met the goal for
13 the category of procurement items as of the end of
14 such year.

15 (g) DEFINITIONS.—In this section:

16 (1) ENVIRONMENTALLY PREFERABLE.—The
17 term “environmentally preferable”, in the case of a
18 procurement item, means that the item has a lesser
19 or reduced effect on human health and the environ-
20 ment when compared with competing procurement
21 items that serve the same purpose. The comparison
22 may be based upon consideration of raw materials
23 acquisition, production, manufacturing, packaging,
24 distribution, reuse, operation, maintenance, or dis-

1 posal of the procurement item, or other appropriate
2 matters.

3 (2) **PROCUREMENT ITEM.**—The term “procure-
4 ment item” has the meaning given that term in sec-
5 tion 1004(16) of the Solid Waste Disposal Act (40
6 U.S.C. 6903(16)).

7 (3) **RECOVERED MATERIALS.**—The term “re-
8 covered materials” means waste materials and by-
9 products that have been recovered or diverted from
10 solid waste, but does not include materials and by-
11 products generated from, and commonly used within,
12 an original manufacturing process.

13 **SEC. 314. CLEANUP OF UNEXPLODED ORDNANCE ON**
14 **KAHO’OLAWÉ ISLAND, HAWAII.**

15 (a) **LEVEL OF CLEANUP REQUIRED.**—The Secretary
16 of the Navy shall continue activities for the clearance and
17 removal of unexploded ordnance on the Island of
18 Kaho’olawe, Hawaii, and related remediation activities,
19 until the later of the following dates:

20 (1) The date on which the Kaho’olawe Island
21 access control period expires.

22 (2) The date on which the Secretary achieves
23 each of the following objectives:

1 (A) The inspection and assessment of all of
2 Kaho’olawe Island in accordance with current
3 procedures.

4 (B) The clearance of 75 percent of
5 Kaho’olawe Island to the degree specified in the
6 Tier One standards in the memorandum of un-
7 derstanding.

8 (C) The clearance of 25 percent of
9 Kaho’olawe Island to the degree specified in the
10 Tier Two standards in the memorandum of un-
11 derstanding.

12 (b) DEFINITIONS.—In this section:

13 (1) The term “Kaho’olawe Island access control
14 period” means the period for which the Secretary of
15 the Navy is authorized to retain the control of access
16 to the Island of Kaho’olawe, Hawaii, under title X
17 of the Department of Defense Appropriations Act,
18 1994 (Public Law 103–139; 107 Stat. 1480).

19 (2) The term “memorandum of understanding”
20 means the Memorandum of Understanding Between
21 the United States Department of the Navy and the
22 State of Hawaii Concerning the Island of
23 Kaho’olawe, Hawaii.

1 **Subtitle C—Defense Dependents’**
2 **Education**

3 **SEC. 331. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
4 **THAT BENEFIT DEPENDENTS OF MEMBERS**
5 **OF THE ARMED FORCES AND DEPARTMENT**
6 **OF DEFENSE CIVILIAN EMPLOYEES.**

7 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
8 PROGRAM FOR FISCAL YEAR 2003.—Of the amount au-
9 thorized to be appropriated pursuant to section 301(a)(5)
10 for operation and maintenance for Defense-wide activities,
11 \$30,000,000 shall be available only for the purpose of pro-
12 viding educational agencies assistance to local educational
13 agencies.

14 (b) NOTIFICATION.—Not later than June 30, 2003,
15 the Secretary of Defense shall notify each local edu-
16 cational agency that is eligible for assistance or a payment
17 under subsection (a) for fiscal year 2003 of—

18 (1) that agency’s eligibility for the assistance or
19 payment; and

20 (2) the amount of the assistance or payment for
21 which that agency is eligible.

22 (c) DISBURSEMENT OF FUNDS.—The Secretary of
23 Defense shall disburse funds made available under sub-
24 section (a) not later than 30 days after the date on which

1 notification to the eligible local educational agencies is
2 provided pursuant to subsection (b).

3 (d) DEFINITIONS.—In this section:

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

9 (2) The term “local educational agency” has
10 the meaning given that term in section 8013(9) of
11 the Elementary and Secondary Education Act of
12 1965 (20 U.S.C. 7713(9)).

13 **SEC. 332. IMPACT AID FOR CHILDREN WITH SEVERE DIS-**
14 **ABILITIES.**

15 Of the amount authorized to be appropriated pursu-
16 ant to section 301(a)(5) for operation and maintenance
17 for Defense-wide activities, \$5,000,000 shall be available
18 for payments under section 363 of the Floyd D. Spence
19 National Defense Authorization Act for Fiscal Year 2001
20 (as enacted into law by Public Law 106–398; 114 Stat.
21 1654A–77; 20 U.S.C. 7703a).

1 **SEC. 333. OPTIONS FOR FUNDING DEPENDENT SUMMER**
2 **SCHOOL PROGRAMS.**

3 Section 1402(d)(2) of the Defense Dependents' Edu-
4 cation Act of 1978 (20 U.S.C. 921(d)(2)) is amended to
5 read as follows:

6 “(2) The Secretary shall provide any summer school
7 program under this subsection on the same financial basis
8 as programs offered during the regular school year, except
9 that the Secretary may charge reasonable fees for all or
10 portions of such summer school programs to the extent
11 that the Secretary determines appropriate.”.

12 **SEC. 334. COMPTROLLER GENERAL STUDY OF ADEQUACY**
13 **OF COMPENSATION PROVIDED FOR TEACH-**
14 **ERS IN THE DEPARTMENT OF DEFENSE**
15 **OVERSEAS DEPENDENTS' SCHOOLS.**

16 (a) **ADDITIONAL CONSIDERATION FOR STUDY.**—Sub-
17 section (b) of section 354 of the National Defense Author-
18 ization Act for Fiscal Year 2002 (Public Law 107–107;
19 115 Stat. 1064) is amended by inserting after paragraph
20 (2) the following new paragraph:

21 “(3) Whether the process for setting teacher
22 compensation is efficient and cost effective.”.

23 (b) **EXTENSION OF TIME FOR REPORTING.**—Sub-
24 section (c) of such section is amended by striking “May
25 1, 2002” and inserting “December 12, 2002”.

1 **Subtitle D—Other Matters**

2 **SEC. 341. USE OF HUMANITARIAN AND CIVIC ASSISTANCE**
 3 **FUNDS FOR RESERVE COMPONENT MEMBERS**
 4 **OF SPECIAL OPERATIONS COMMAND EN-**
 5 **GAGED IN ACTIVITIES RELATING TO CLEAR-**
 6 **ANCE OF LANDMINES.**

7 Section 401(c) of title 10, United States Code, is
 8 amended by adding at the end the following new para-
 9 graph (5):

10 “(5) Up to 10 percent of the amount available for
 11 a fiscal year for activities described in subsection (e)(5)
 12 may be expended for the pay and allowances of reserve
 13 component members of the Special Operations Command
 14 performing duty in connection with training and activities
 15 related to the clearing of landmines for humanitarian pur-
 16 poses.”.

17 **SEC. 342. CALCULATION OF FIVE-YEAR PERIOD OF LIMITA-**
 18 **TION FOR NAVY-MARINE CORPS INTRANET**
 19 **CONTRACT.**

20 (a) COMMENCEMENT OF PERIOD.—The five-year pe-
 21 riod of limitation that is applicable to the multiyear Navy-
 22 Marine Corps Intranet contract under section 2306c of
 23 title 10, United States Code, shall be deemed to have
 24 begun on the date on which the Under Secretary of De-
 25 fense for Acquisition, Technology, and Logistics and the

1 Chief Information Officer of the Department of Defense
 2 approved the ordering of additional workstations under
 3 such contract in accordance with subsection (c) of section
 4 814 of the Floyd D. Spence National Defense Authoriza-
 5 tion Act for Fiscal Year 2001, as added by section 362(a)
 6 of the National Defense Authorization Act for Fiscal Year
 7 2002 (Public Law 107–107; 115 Stat. 1065).

8 (b) DEFINITION.—In this section, the term “Navy-
 9 Marine Corps Intranet contract” has the meaning given
 10 such term in section 814(i)(1) of the Floyd D. Spence Na-
 11 tional Defense Authorization Act for Fiscal Year 2001 (as
 12 amended by section 362(c) of Public Law 107–107 (115
 13 Stat. 1067)).

14 **SEC. 343. REIMBURSEMENT FOR RESERVE COMPONENT IN-**
 15 **TELLIGENCE SUPPORT.**

16 (a) SOURCE OF FUNDS.—Chapter 1003 of title 10,
 17 United States Code, is amended by adding at the end the
 18 following new section:

19 **“§ 10115. Reimbursement for reserve component in-**
 20 **telligence support**

21 “(a) AUTHORITY.—Funds appropriated or otherwise
 22 made available to a military department, Defense Agency,
 23 or combatant command for operation and maintenance
 24 shall be available for the pay, allowances, and other costs
 25 that would be charged to appropriations for a reserve com-

1 ponent for the performance of duties by members of that
 2 reserve component in providing intelligence or counter-
 3 intelligence support to—

4 “(1) such military department, Defense Agency,
 5 or combatant command; or

6 “(2) a joint intelligence activity, including any
 7 such activity for which funds are authorized to be
 8 appropriated within the National Foreign Intel-
 9 ligence Program, the Joint Military Intelligence Pro-
 10 gram, or the Tactical Intelligence and Related Ac-
 11 tivities aggregate (or any successor to such program
 12 or aggregate).

13 “(b) CONSTRUCTION OF PROVISION.—Nothing in
 14 this section shall be construed to authorize deviation from
 15 established reserve component personnel or training proce-
 16 dures.”.

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

“10115. Reimbursement for reserve component intelligence support.”.

20 **SEC. 344. REBATE AGREEMENTS UNDER THE SPECIAL SUP-**
 21 **PLEMENTAL FOOD PROGRAM.**

22 (a) APPLICABILITY TO NAVY EXCHANGE MAR-
 23 KETS.—Paragraph (1)(A) of section 1060a(e) of title 10,
 24 United States Code, is amended by inserting “or Navy Ex-
 25 change Markets” after “commissary stores”.

1 (b) INCREASED MAXIMUM PERIOD OF AGREE-
2 MENT.—Paragraph (3) of such section 1060a(e) is amend-
3 ed by striking “subsection may not exceed one year” in
4 the first sentence and inserting “subsection, including any
5 period of extension of the contract by modification of the
6 contract, exercise of an option, or other cause, may not
7 exceed three years”.

8 **SEC. 345. LOGISTICS SUPPORT AND SERVICES FOR WEAP-**
9 **ON SYSTEMS CONTRACTORS.**

10 (a) AUTHORITY.—The Secretary of Defense may
11 make available, in accordance with this section and the
12 regulations prescribed under subsection (e), logistics sup-
13 port and logistics services to a contractor in support of
14 the performance by the contractor of a contract for the
15 construction, modification, or maintenance of a weapon
16 system that is entered into by an official of the Depart-
17 ment of Defense.

18 (b) SUPPORT CONTRACTS.—Any logistics support
19 and logistics services that is to be provided under this sec-
20 tion to a contractor in support of the performance of a
21 contract shall be provided under a separate contract that
22 is entered into by the Director of the Defense Logistics
23 Agency with that contractor.

24 (c) SCOPE OF SUPPORT AND SERVICES.—The logis-
25 ties support and logistics services that may be provided

1 under this section in support of the performance of a con-
2 tract described in subsection (a) are the distribution, dis-
3 posal, and cataloging of materiel and repair parts nec-
4 essary for the performance of that contract.

5 (d) LIMITATIONS.—(1) The number of contracts de-
6 scribed in subsection (a) for which the Secretary makes
7 logistics support and logistics services available under the
8 authority of this section may not exceed five contracts.
9 The total amount of the estimated costs of all such con-
10 tracts for which logistics support and logistics services are
11 made available under this section may not exceed
12 \$100,000,000.

13 (2) No contract entered into by the Director of the
14 Defense Logistics Agency under subsection (b) may be for
15 a period in excess of five years, including periods for which
16 the contract is extended under options to extend the con-
17 tract.

18 (e) REGULATIONS.—Before exercising the authority
19 under this section, the Secretary of Defense shall prescribe
20 in regulations such requirements, conditions, and restric-
21 tions as the Secretary determines appropriate to ensure
22 that logistics support and logistics services are provided
23 under this section only when it is in the best interests of
24 the United States to do so. The regulations shall include,
25 at a minimum, the following:

1 (1) A requirement for the authority under this
2 section to be used only for providing logistics sup-
3 port and logistics services in support of the perform-
4 ance of a contract that is entered into using com-
5 petitive procedures (as defined in section 4 of the
6 Office of Federal Procurement Policy Act (41 U.S.C.
7 403)).

8 (2) A requirement for the solicitation of offers
9 for a contract described in subsection (a), for which
10 logistics support and logistics services are to be
11 made available under this section, to include—

12 (A) a statement that the logistics support
13 and logistics services are to be made available
14 under the authority of this section to any con-
15 tractor awarded the contract, but only on a
16 basis that does not require acceptance of the
17 support and services; and

18 (B) a description of the range of the logis-
19 tics support and logistics services that are to be
20 made available to the contractor.

21 (3) A requirement for the rates charged a con-
22 tractor for logistics support and logistics services
23 provided to a contractor under this section to reflect
24 the full cost to the United States of the resources
25 used in providing the support and services, including

1 the costs of resources used, but not paid for, by the
2 Department of Defense.

3 (4) A requirement to credit to the General
4 Fund of the Treasury amounts received by the De-
5 partment of Defense from a contractor for the cost
6 of logistics support and logistics services provided to
7 the contractor by the Department of Defense under
8 this section but not paid for out of funds available
9 to the Department of Defense.

10 (5) With respect to a contract described in sub-
11 section (a) that is being performed for a department
12 or agency outside the Department of Defense, a pro-
13 hibition, in accordance with applicable contracting
14 procedures, on the imposition of any charge on that
15 department or agency for any effort of Department
16 of Defense personnel or the contractor to correct de-
17 ficiencies in the performance of such contract.

18 (6) A prohibition on the imposition of any
19 charge on a contractor for any effort of the con-
20 tractor to correct a deficiency in the performance of
21 logistics support and logistics services provided to
22 the contractor under this section.

23 (f) RELATIONSHIP TO TREATY OBLIGATIONS.—The
24 Secretary shall ensure that the exercise of authority under
25 this section does not conflict with any obligation of the

1 United States under any treaty or other international
2 agreement.

3 (g) TERMINATION OF AUTHORITY.—(1) The author-
4 ity provided in this section shall expire on September 30,
5 2007, subject to paragraph (2).

6 (2) The expiration of the authority under this section
7 does not terminate—

8 (A) any contract that was entered into by the
9 Director of the Defense Logistics Agency under sub-
10 section (b) before the expiration of the authority or
11 any obligation to provide logistics support and logis-
12 tics services under that contract; or

13 (B) any authority—

14 (i) to enter into a contract described in
15 subsection (a) for which a solicitation of offers
16 was issued in accordance with the regulations
17 prescribed pursuant to subsection (e)(2) before
18 the date of the expiration of the authority; or

19 (ii) to provide logistics support and logis-
20 tics services to the contractor with respect to
21 that contract in accordance with this section.

22 **SEC. 346. CONTINUATION OF ARSENAL SUPPORT PROGRAM**
23 **INITIATIVE.**

24 (a) EXTENSION THROUGH FISCAL YEAR 2004.—
25 Subsection (a) of section 343 of the Floyd D. Spence Na-

1 tional Defense Authorization Act for Fiscal Year 2001 (as
2 enacted into law by Public Law 106–398; 114 Stat.
3 1654A–65) is amended by striking “and 2002” and in-
4 serting “through 2004”.

5 (b) REPORTING REQUIREMENTS.—Subsection (g) of
6 such section is amended—

7 (1) in paragraph (1), by striking “2002” and
8 inserting “2004”; and

9 (2) in paragraph (2), by striking the first sen-
10 tence and inserting the following new sentence: “Not
11 later than July 1, 2003, the Secretary of the Army
12 shall submit to the congressional defense committees
13 a report on the results of the demonstration pro-
14 gram since its implementation, including the Sec-
15 retary’s views regarding the benefits of the program
16 for Army manufacturing arsenals and the Depart-
17 ment of the Army and the success of the program
18 in achieving the purposes specified in subsection
19 (b).”.

1 **SEC. 347. TWO-YEAR EXTENSION OF AUTHORITY OF THE**
2 **SECRETARY OF DEFENSE TO ENGAGE IN**
3 **COMMERCIAL ACTIVITIES AS SECURITY FOR**
4 **INTELLIGENCE COLLECTION ACTIVITIES**
5 **ABROAD.**

6 Section 431(a) of title 10, United States Code, is
7 amended by striking “December 31, 2002” in the second
8 sentence and inserting “December 31, 2004”.

9 **SEC. 348. INSTALLATION AND CONNECTION POLICY AND**
10 **PROCEDURES REGARDING DEFENSE SWITCH**
11 **NETWORK.**

12 (a) **ESTABLISHMENT OF POLICY AND PROCE-**
13 **DURES.**—Not later than 180 days after the date of the
14 enactment of this Act, the Secretary of Defense shall es-
15 tablish clear and uniform policy and procedures, applicable
16 to the military departments and Defense Agencies, regard-
17 ing the installation and connection of telecom switches to
18 the Defense Switch Network.

19 (b) **ELEMENTS OF POLICY AND PROCEDURES.**—The
20 policy and procedures shall address at a minimum the fol-
21 lowing:

22 (1) Clear interoperability and compatibility re-
23 quirements for procuring, certifying, installing, and
24 connecting telecom switches to the Defense Switch
25 Network.

1 (2) Current, complete, and enforceable testing,
2 validation, and certification procedures needed to en-
3 sure the interoperability and compatibility require-
4 ments are satisfied.

5 (c) EXCEPTIONS.—(1) The Secretary of Defense may
6 specify certain circumstances in which—

7 (A) the requirements for testing, validation, and
8 certification of telecom switches may be waived; or

9 (B) interim authority for the installation and
10 connection of telecom switches to the Defense Switch
11 Network may be granted.

12 (2) Only the Assistant Secretary of Defense for Com-
13 mand, Control, Communications, and Intelligence, after
14 consultation with the Chairman of the Joint Chiefs of
15 Staff, may approve a waiver or grant of interim authority
16 under paragraph (1).

17 (d) INVENTORY OF DEFENSE SWITCH NETWORK.—
18 The Secretary of Defense shall prepare and maintain an
19 inventory of all telecom switches that, as of the date on
20 which the Secretary issues the policy and procedures—

21 (1) are installed or connected to the Defense
22 Switch Network; but

23 (2) have not been tested, validated, and cer-
24 tified by the Defense Information Systems Agency
25 (Joint Interoperability Test Center).

1 (e) INTEROPERABILITY RISKS.—(1) The Secretary of
2 Defense shall, on an ongoing basis—

3 (A) identify and assess the interoperability risks
4 that are associated with the installation or connec-
5 tion of uncertified switches to the Defense Switch
6 Network and the maintenance of such switches on
7 the Defense Switch Network; and

8 (B) develop and implement a plan to eliminate
9 or mitigate such risks as identified.

10 (2) The Secretary shall initiate action under para-
11 graph (1) upon completing the initial inventory of telecom
12 switches required by subsection (d).

13 (f) TELECOM SWITCH DEFINED.—In this section, the
14 term “telecom switch” means hardware or software de-
15 signed to send and receive voice, data, or video signals
16 across a network that provides customer voice, data, or
17 video equipment access to the Defense Switch Network or
18 public switched telecommunications networks.

19 **SEC. 349. ENGINEERING STUDY AND ENVIRONMENTAL**
20 **ANALYSIS OF ROAD MODIFICATIONS IN VI-**
21 **CINITY OF FORT BELVOIR, VIRGINIA.**

22 (a) STUDY AND ANALYSIS.—(1) The Secretary of the
23 Army shall conduct a preliminary engineering study and
24 environmental analysis to evaluate the feasibility of estab-
25 lishing a connector road between Richmond Highway

1 (United States Route 1) and Telegraph Road in order to
2 provide an alternative to Beulah Road (State Route 613)
3 and Woodlawn Road (State Route 618) at Fort Belvoir,
4 Virginia, which were closed as a force protection measure.

5 (2) It is the sense of Congress that the study and
6 analysis should consider as one alternative the extension
7 of Old Mill Road between Richmond Highway and Tele-
8 graph Road.

9 (b) CONSULTATION.—The study required by sub-
10 section (a) shall be conducted in consultation with the De-
11 partment of Transportation of the Commonwealth of Vir-
12 ginia and Fairfax County, Virginia.

13 (c) REPORT.—The Secretary shall submit to Con-
14 gress a summary report on the study and analysis re-
15 quired by subsection (a). The summary report shall be
16 submitted together with the budget justification materials
17 in support of the budget of the President for fiscal year
18 2006 that is submitted to Congress under section 1105(a)
19 of title 31, United States Code.

20 (d) FUNDING.—Of the amount authorized to be ap-
21 propriated by section 301(a)(1) for the Army for operation
22 and maintenance, \$5,000,000 may be available for the
23 study and analysis required by subsection (a).

1 **SEC. 350. EXTENSION OF WORK SAFETY DEMONSTRATION**
2 **PROGRAM.**

3 Section 1112 of the Floyd D. Spence National De-
4 fense Authorization Act for Fiscal Year 2001 (as enacted
5 into law by Public Law 106–398; 114 Stat. 1654A–313)
6 is amended—

7 (1) in subsection (d), by striking “September
8 30, 2002” and inserting “September 30, 2003”; and

9 (2) in subsection (e)(2), by striking “December
10 1, 2002” and inserting “December 1, 2003”.

11 **SEC. 351. LIFT SUPPORT FOR MINE WARFARE SHIPS AND**
12 **OTHER VESSELS.**

13 (a) AMOUNT.—Of the amount authorized to be ap-
14 propriated by section 302(2), \$10,000,000 shall be avail-
15 able for implementing the recommendations resulting from
16 the Navy’s Non-Self Deployable Watercraft (NDSW)
17 Study and the Joint Chiefs of Staff Focused Logistics
18 Study, which are to determine the requirements of the
19 Navy for providing lift support for mine warfare ships and
20 other vessels.

21 (b) OFFSETTING REDUCTION.—Of the amount au-
22 thorized to be appropriated by section 302(2), the amount
23 provided for the procurement of mine countermeasures
24 ships cradles is hereby reduced by \$10,000,000.

1 **SEC. 352. NAVY DATA CONVERSION ACTIVITIES.**

2 (a) **AMOUNT FOR ACTIVITIES.**—The amount author-
3 ized to be appropriated by section 301(a)(2) is hereby in-
4 creased by \$1,500,000. The total amount of such increase
5 may be available for the Navy Data Conversion and Man-
6 agement Laboratory to support data conversion activities
7 for the Navy.

8 (b) **OFFSET.**—The amount authorized to be appro-
9 priated by section 301(a)(1) is hereby reduced by
10 \$1,500,000 to reflect a reduction in the utilities privatiza-
11 tion efforts previously planned by the Army.

12 **TITLE IV—MILITARY**
13 **PERSONNEL AUTHORIZATIONS**
14 **Subtitle A—Active Forces**

15 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

16 The Armed Forces are authorized strengths for active
17 duty personnel as of September 30, 2003, as follows:

- 18 (1) The Army, 485,000.
19 (2) The Navy, 379,200.
20 (3) The Marine Corps, 175,000.
21 (4) The Air Force, 362,500.

1 **SEC. 402. AUTHORITY TO INCREASE STRENGTH AND GRADE**
2 **LIMITATIONS TO ACCOUNT FOR RESERVE**
3 **COMPONENT MEMBERS ON ACTIVE DUTY IN**
4 **SUPPORT OF A CONTINGENCY OPERATION.**

5 (a) **ACTIVE DUTY STRENGTH.**—Section 115(c)(1) of
6 title 10, United States Code, is amended to read as fol-
7 lows:

8 “(1) increase the end strength authorized pur-
9 suant to subsection (a)(1)(A) for a fiscal year for
10 any of the armed forces by—

11 “(A) a number equal to not more than 2
12 percent of that end strength;

13 “(B) a number equal to the number of
14 members of the reserve components of that
15 armed force on active duty under section
16 12301(d) of this title in support of a contin-
17 gency operation in that fiscal year; or

18 “(C) a number not greater than the sum
19 of the numbers authorized by subparagraphs
20 (A) and (B).”.

21 (b) **AUTHORIZED DAILY AVERAGE FOR MEMBERS IN**
22 **PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.**—Section
23 517 of such title is amended by adding at the end the
24 following new paragraph:

25 “(d) The Secretary of Defense may increase the au-
26 thorized daily average number of enlisted members on ac-

1 tive duty in an armed force in pay grades E–8 and E–
2 9 in a fiscal year under subsection (a) by the number of
3 enlisted members of reserve components of that armed
4 force in pay grades E–8 and E–9, respectively, that are
5 on active duty in that fiscal year under section 12301(d)
6 of this title in support of a contingency operation.”.

7 (c) AUTHORIZED STRENGTHS FOR COMMISSIONED
8 OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON AC-
9 TIVE DUTY.—Section 523 of such title is amended—

10 (1) in subsection (a), by striking “subsection
11 (c)” in paragraphs (1) and (2) and inserting “sub-
12 sections (c) and (e)”;

13 (2) by adding at the end the following new sub-
14 section:

15 “(e) The Secretary of Defense may increase the au-
16 thorized total number of commissioned officers serving on
17 active duty in the Army, Navy, Air Force, or Marine Corps
18 in a grade referred to in subsection (c) at the end of any
19 fiscal year under that subsection by the number of com-
20 missioned officers of reserve components of the Army,
21 Navy, Air Force, or Marine Corps, respectively, that are
22 then serving on active duty in that grade under section
23 12301(d) of this title in support of a contingency oper-
24 ation.”.

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

4 (1) by redesignating paragraphs (1), (2), (3),
5 and (4) as subparagraphs (A), (B), (C), and (D), re-
6 spectively;

7 (2) by striking “LIMITATIONS.—The” and in-
8 serting “LIMITATIONS.—(1) Except as provided in
9 paragraph (2), the”; and

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

12 “(2) The Secretary of Defense may increase the num-
13 ber of general and flag officers authorized to be on active
14 duty in the Army, Navy, Air Force, or Marine Corps under
15 paragraph (1) by the number of reserve general or flag
16 officers of reserve components of the Army, Navy, Air
17 Force, or Marine Corps, respectively, that are on active
18 duty under section 12301(d) of this title in support of a
19 contingency operation.”.

20 **SEC. 403. INCREASED ALLOWANCE FOR NUMBER OF MA-**
21 **RINE CORPS GENERAL OFFICERS ON ACTIVE**
22 **DUTY IN GRADES ABOVE MAJOR GENERAL.**

23 Section 525(b)(2)(B) of title 10, United States Code,
24 is amended by striking “16.2 percent” and inserting “17.5
25 percent”.

1 **SEC. 404. INCREASE IN AUTHORIZED STRENGTHS FOR MA-**
 2 **RINE CORPS OFFICERS ON ACTIVE DUTY IN**
 3 **THE GRADE OF COLONEL.**

4 The table in section 523(a)(1) of title 10, United
 5 States Code, is amended by striking the figures under the
 6 heading “Colonel” in the portion of the table relating to
 7 the Marine Corps and inserting the following:

“571
 632
 653
 673
 694
 715
 735”.

8 **Subtitle B—Reserve Forces**

9 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

10 (a) IN GENERAL.—The Armed Forces are authorized
 11 strengths for Selected Reserve personnel of the reserve
 12 components as of September 30, 2003, as follows:

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

15 (2) The Army Reserve, 205,000.

16 (3) The Naval Reserve, 87,800.

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

18 (5) The Air National Guard of the United
 19 States, 106,600.

20 (6) The Air Force Reserve, 75,600.

21 (7) The Coast Guard Reserve, 9,000.

1 (b) ADJUSTMENTS.—The end strengths prescribed by
2 subsection (a) for the Selected Reserve of any reserve com-
3 ponent shall be proportionately reduced by—

4 (1) the total authorized strength of units orga-
5 nized to serve as units of the Selected Reserve of
6 such component which are on active duty (other
7 than for training) at the end of the fiscal year; and

8 (2) the total number of individual members not
9 in units organized to serve as units of the Selected
10 Reserve of such component who are on active duty
11 (other than for training or for unsatisfactory partici-
12 pation in training) without their consent at the end
13 of the fiscal year.

14 Whenever such units or such individual members are re-
15 leased from active duty during any fiscal year, the end
16 strength prescribed for such fiscal year for the Selected
17 Reserve of such reserve component shall be proportion-
18 ately increased by the total authorized strengths of such
19 units and by the total number of such individual members.

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

22 Within the end strengths prescribed in section
23 411(a), the reserve components of the Armed Forces are
24 authorized, as of September 30, 2003, the following num-
25 ber of Reserves to be serving on full-time active duty or

1 full-time duty, in the case of members of the National
2 Guard, for the purpose of organizing, administering, re-
3 cruiting, instructing, or training the reserve components:

4 (1) The Army National Guard of the United
5 States, 24,492.

6 (2) The Army Reserve, 13,888.

7 (3) The Naval Reserve, 14,572.

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

9 (5) The Air National Guard of the United
10 States, 11,727.

11 (6) The Air Force Reserve, 1,498.

12 **SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS**

13 **(DUAL STATUS).**

14 The minimum number of military technicians (dual
15 status) as of the last day of fiscal year 2003 for the re-
16 serve components of the Army and the Air Force (notwith-
17 standing section 129 of title 10, United States Code) shall
18 be the following:

19 (1) For the Army Reserve, 6,599.

20 (2) For the Army National Guard of the United
21 States, 24,102.

22 (3) For the Air Force Reserve, 9,911.

23 (4) For the Air National Guard of the United
24 States, 22,495.

1 **SEC. 414. FISCAL YEAR 2003 LIMITATIONS ON NON-DUAL**
2 **STATUS TECHNICIANS.**

3 (a) **LIMITATIONS.**—(1) Within the limitation pro-
4 vided in section 10217(c)(2) of title 10, United States
5 Code, the number of non-dual status technicians employed
6 by the National Guard as of September 30, 2003, may
7 not exceed the following:

8 (A) For the Army National Guard of the
9 United States, 1,600.

10 (B) For the Air National Guard of the United
11 States, 350.

12 (2) The number of non-dual status technicians em-
13 ployed by the Army Reserve as of September 30, 2003,
14 may not exceed 995.

15 (3) The Air Force Reserve may not employ any per-
16 son as a non-dual status technician during fiscal year
17 2003.

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

1 **Subtitle C—Authorization of**
2 **Appropriations**

3 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**
4 **TARY PERSONNEL.**

5 There is hereby authorized to be appropriated to the
6 Department of Defense for military personnel for fiscal
7 year 2003 a total of \$94,352,208,000. The authorization
8 in the preceding sentence supersedes any other authoriza-
9 tion of appropriations (definite or indefinite) for such pur-
10 pose for fiscal year 2003.

11 **TITLE V—MILITARY PERSONNEL**
12 **POLICY**

13 **Subtitle A—Officer Personnel**
14 **Policy**

15 **SEC. 501. EXTENSION OF CERTAIN REQUIREMENTS AND EX-**
16 **CLUSIONS APPLICABLE TO SERVICE OF GEN-**
17 **ERAL AND FLAG OFFICERS ON ACTIVE DUTY**
18 **IN CERTAIN JOINT DUTY ASSIGNMENTS.**

19 (a) RECOMMENDATIONS FOR ASSIGNMENT TO SEN-
20 IOR JOINT OFFICER POSITIONS.—Section 604(c) of title
21 10, United States Code, is amended by striking “Sep-
22 tember 30, 2003” and inserting “December 31, 2003”.

23 (b) INAPPLICABILITY OF GRADE DISTRIBUTION RE-
24 QUIREMENTS.—Section 525(b)(5)(C) of such title is

1 amended by striking “September 30, 2003” and inserting
2 “December 31, 2003”.

3 (c) EXCLUSION FROM STRENGTH LIMITATION.—Sec-
4 tion 526(b)(3) of such title is amended by striking “Octo-
5 ber 1, 2002” and inserting “December 31, 2003”.

6 **SEC. 502. EXTENSION OF AUTHORITY TO WAIVE REQUIRE-**
7 **MENT FOR SIGNIFICANT JOINT DUTY EXPERI-**
8 **ENCE FOR APPOINTMENT AS A CHIEF OF A**
9 **RESERVE COMPONENT OR A NATIONAL**
10 **GUARD DIRECTOR.**

11 (a) CHIEF OF ARMY RESERVE.—Section 3038(b)(4)
12 of title 10, United States Code, is amended by striking
13 “October 1, 2003” and inserting “December 31, 2003”.

14 (b) CHIEF OF NAVAL RESERVE.—Section 5143(b)(4)
15 of such title is amended by striking “October 1, 2003”
16 and inserting “December 31, 2003”.

17 (c) COMMANDER, MARINE FORCES RESERVE.—Sec-
18 tion 5144(b)(4) of such title is amended by striking “Octo-
19 ber 1, 2003” and inserting “December 31, 2003”.

20 (d) CHIEF OF AIR FORCE RESERVE.—Section
21 8038(b)(4) of such title 10, United States Code, is amend-
22 ed by striking “October 1, 2003” and inserting “Decem-
23 ber 31, 2003”.

1 (e) DIRECTORS OF THE NATIONAL GUARD.—Section
2 10506(a)(3)(D) of such title is amended by striking “Oc-
3 tober 1, 2003” and inserting “December 31, 2003”.

4 **SEC. 503. REPEAL OF LIMITATION ON AUTHORITY TO**
5 **GRANT CERTAIN OFFICERS A WAIVER OF RE-**
6 **QUIRED SEQUENCE FOR JOINT PROFES-**
7 **SIONAL MILITARY EDUCATION AND JOINT**
8 **DUTY ASSIGNMENT.**

9 Section 661(c)(3)(D) of title 10, United States Code,
10 is amended by striking “In the case of officers in grades
11 below brigadier general” and all that follows through “se-
12 lected for the joint specialty during that fiscal year.”.

13 **SEC. 504. EXTENSION OF TEMPORARY AUTHORITY FOR RE-**
14 **CALL OF RETIRED AVIATORS.**

15 Section 501(e) of the National Defense Authorization
16 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
17 589) is amended by striking “September 30, 2002” and
18 inserting “September 30, 2008”.

19 **SEC. 505. INCREASED GRADE FOR HEADS OF NURSE**
20 **CORPS.**

21 (a) ARMY.—Section 3069(b) of title 10, United
22 States Code, is amended by striking “brigadier general”
23 in the second sentence and inserting “major general”.

24 (b) NAVY.—The first sentence of section 5150(c) of
25 such title is amended—

1 (1) by inserting “rear admiral (upper half) in
2 the case of an officer in the Nurse Corps or” after
3 “for promotion to the grade of”; and

4 (2) by inserting “in the case of an officer in the
5 Medical Service Corps” after “rear admiral (lower
6 half)”.

7 (c) AIR FORCE.—Section 8069(b) of such title is
8 amended by striking “brigadier general” in the second
9 sentence and inserting “major general”.

10 **SEC. 506. REINSTATEMENT OF AUTHORITY TO REDUCE**
11 **SERVICE REQUIREMENT FOR RETIREMENT**
12 **IN GRADES ABOVE O-4.**

13 (a) OFFICERS ON ACTIVE DUTY.—Subsection
14 (a)(2)(A) of section 1370 of title 10, United States Code,
15 is amended—

16 (1) by striking “may authorize” and all that
17 follows and inserting “may, in the case of retire-
18 ments effective during the period beginning on Sep-
19 tember 1, 2002, and ending on December 31, 2004,
20 authorize—”; and

21 (2) by adding at the end the following:

22 “(1) the Deputy Under Secretary of Defense
23 for Personnel and Readiness to reduce such 3-year
24 period of required service to a period not less than

1 two years for retirements in grades above colonel or,
2 in the case of the Navy, captain; and

3 “(2) the Secretary of a military department or
4 the Assistant Secretary of a military department
5 having responsibility for manpower and reserve af-
6 fairs to reduce such 3-year period to a period of re-
7 quired service not less than two years for retire-
8 ments in grades of lieutenant colonel and colonel or,
9 in the case of the Navy, commander and captain.”.

10 (b) RESERVE OFFICERS.—Subsection (d)(5) of such
11 section is amended—

12 (1) in the first sentence—

13 (A) by striking “may authorize” and all
14 that follows and inserting “may, in the case of
15 retirements effective during the period begin-
16 ning on September 1, 2002, and ending on De-
17 cember 31, 2004, authorize—”; and

18 (B) by adding at the end the following:

19 “(A) the Deputy Under Secretary of Defense
20 for Personnel and Readiness to reduce such 3-year
21 period of required service to a period not less than
22 two years for retirements in grades above colonel or,
23 in the case of the Navy, captain; and

24 “(B) the Secretary of a military department or
25 the Assistant Secretary of a military department

1 having responsibility for manpower and reserve af-
2 fairs to reduce such 3-year period of required service
3 to a period not less than two years for retirements
4 in grades of lieutenant colonel and colonel or, in the
5 case of the Navy, commander and captain.”;

6 (2) by designating the second sentence as para-
7 graph (6) and realigning such paragraph, as so re-
8 designated 2 ems from the left margin; and

9 (3) in paragraph (6), as so redesignated, by
10 striking “this paragraph” and inserting “paragraph
11 (5)”.

12 (c) ADVANCE NOTICE TO THE PRESIDENT AND CON-
13 GRESS.—Such section is further amended by adding at the
14 end the following new subsection:

15 “(e) ADVANCE NOTICE TO CONGRESS.—(1) The Sec-
16 retary of Defense shall notify the Committees on Armed
17 Services of the Senate and House of Representatives of—

18 “(A) an exercise of authority under paragraph
19 (2)(A) of subsection (a) to reduce the 3-year min-
20 imum period of required service on active duty in a
21 grade in the case of an officer to whom such para-
22 graph applies before the officer is retired in such
23 grade under such subsection without having satisfied
24 that 3-year service requirement; and

1 “(B) an exercise of authority under paragraph
 2 (5) of subsection (d) to reduce the 3-year minimum
 3 period of service in grade required under paragraph
 4 (3)(A) of such subsection in the case of an officer
 5 to whom such paragraph applies before the officer is
 6 credited with satisfactory service in such grade
 7 under subsection (d) without having satisfied that 3-
 8 year service requirement.

9 “(2) The requirement for a notification under para-
 10 graph (1) is satisfied in the case of an officer to whom
 11 subsection (c) applies if the notification is included in the
 12 certification submitted with respect to such officer under
 13 paragraph (1) of such subsection.

14 “(3) The notification requirement under paragraph
 15 (1) does not apply to an officer being retired in the grade
 16 of lieutenant colonel or colonel or, in the case of the Navy,
 17 commander or captain.”.

18 **Subtitle B—Reserve Component** 19 **Personnel Policy**

20 **SEC. 511. TIME FOR COMMENCEMENT OF INITIAL PERIOD** 21 **OF ACTIVE DUTY FOR TRAINING UPON EN-** 22 **LISTMENT IN RESERVE COMPONENT.**

23 Section 12103(d) of title 10, United States Code, is
 24 amended by striking “270 days” in the second sentence
 25 and inserting “one year”.

1 **SEC. 512. AUTHORITY FOR LIMITED EXTENSION OF MED-**
2 **ICAL DEFERMENT OF MANDATORY RETIRE-**
3 **MENT OR SEPARATION OF RESERVE COMPO-**
4 **NENT OFFICER.**

5 (a) **AUTHORITY.**—Chapter 1407 of title 10, United
6 States Code, is amended by adding at the end the fol-
7 lowing new section:

8 **“§ 14519. Deferment of retirement or separation for**
9 **medical reasons**

10 “(a) **AUTHORITY.**—If, in the case of an officer re-
11 quired to be retired or separated under this chapter or
12 chapter 1409 of this title, the Secretary concerned deter-
13 mines that the evaluation of the physical condition of the
14 officer and determination of the officer’s entitlement to
15 retirement or separation for physical disability require
16 hospitalization or medical observation and that such hos-
17 pitalization or medical observation cannot be completed
18 with confidence in a manner consistent with the officer’s
19 well being before the date on which the officer would oth-
20 erwise be required to retire or be separated, the Secretary
21 may defer the retirement or separation of the officer.

22 “(b) **PERIOD OF DEFERMENT.**—A deferral of retire-
23 ment or separation under subsection (a) may not extend
24 for more than 30 days after the completion of the evalua-
25 tion requiring hospitalization or medical observation.”.

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

“14519. Deferment of retirement or separation for medical reasons.”.

4 **SEC. 513. REPEAL OF PROHIBITION ON USE OF AIR FORCE**
 5 **RESERVE AGR PERSONNEL FOR AIR FORCE**
 6 **BASE SECURITY FUNCTIONS.**

7 (a) REPEAL.—Section 12551 of title 10, United
 8 States Code, is repealed.

9 (b) CLERICAL AMENDMENT.—The table of sections
 10 at the beginning of chapter 1215 of such title is amended
 11 by striking the item relating to section 12551.

12 **Subtitle C—Education and**
 13 **Training**

14 **SEC. 521. INCREASE IN AUTHORIZED STRENGTHS FOR THE**
 15 **SERVICE ACADEMIES.**

16 (a) UNITED STATES MILITARY ACADEMY.—Section
 17 4342 of title 10, United States Code, is amended—

18 (1) in subsection (a), by striking “4,000” in the
 19 first sentence and inserting “4,400”; and

20 (2) in subsection (i), by striking “variance in
 21 that limitation” and inserting “variance above that
 22 limitation”.

23 (b) UNITED STATES NAVAL ACADEMY.—Section
 24 6954 of title 10, United States Code, is amended—

1 (1) in subsection (a), by striking “4,000” in the
2 first sentence and inserting “4,400”; and

3 (2) in subsection (g), by striking “variance in
4 that limitation” and inserting “variance above that
5 limitation”.

6 (c) UNITED STATES AIR FORCE ACADEMY.—Section
7 9342 of title 10, United States Code, is amended—

8 (1) in subsection (a), by striking “4,000” in the
9 first sentence and inserting “4,400”; and

10 (2) in subsection (i), by striking “variance in
11 that limitation” and inserting “variance above that
12 limitation”.

13 **Subtitle D—Decorations, Awards,** 14 **and Commendations**

15 **SEC. 531. WAIVER OF TIME LIMITATIONS FOR AWARD OF** 16 **CERTAIN DECORATIONS TO CERTAIN PER-** 17 **SONS.**

18 (a) WAIVER.—Any limitation established by law or
19 policy for the time within which a recommendation for the
20 award of a military decoration or award must be sub-
21 mitted shall not apply to awards of decorations described
22 in this section, the award of each such decoration having
23 been determined by the Secretary concerned to be war-
24 ranted in accordance with section 1130 of title 10, United
25 States Code.

1 (b) DISTINGUISHED-SERVICE CROSS OF THE
2 ARMY.—Subsection (a) applies to the award of the Distin-
3 guished-Service Cross of the Army as follows:

4 (1) To Henry Johnson of Albany, New York,
5 for extraordinary heroism in France during the pe-
6 riod of May 13 to 15, 1918, while serving as a mem-
7 ber of the Army.

8 (2) To Hilliard Carter of Jackson, Mississippi,
9 for extraordinary heroism in actions near Troung
10 Loung, Republic of Vietnam, on September 28,
11 1966, while serving as a member of the Army.

12 (3) To Albert C. Welch of Highland Ranch,
13 Colorado, for extraordinary heroism in actions in
14 Ong Thanh, Binh Long Province, Republic of Viet-
15 nam, on October 17, 1967, while serving as a mem-
16 ber of the Army.

17 (c) DISTINGUISHED FLYING CROSS OF THE NAVY.—
18 Subsection (a) applies to the award of the Distinguished
19 Flying Cross of the Navy as follows:

20 (1) To Eduardo Coppola of Falls Church,
21 Virginia, for extraordinary achievement while par-
22 ticipating in aerial flight during World War II, while
23 serving as a member of the Navy.

24 (2) To James Hoisington, Jr., of Stillman Val-
25 ley, Illinois, for extraordinary achievement while par-

1 participating in aerial flight during World War II, while
2 serving as a member of the Navy.

3 (3) To William M. Melvin of Lawrenceburg,
4 Tennessee, for extraordinary achievement while par-
5 ticipating in aerial flight during World War II, while
6 serving as a member of the Navy.

7 (4) To Vincent Urbank of Tom River, New Jer-
8 sey, for extraordinary achievement while partici-
9 pating in aerial flight during World War II, while
10 serving as a member of the Navy.

11 **SEC. 532. KOREA DEFENSE SERVICE MEDAL.**

12 (a) FINDINGS.—Congress makes the following find-
13 ings:

14 (1) More than 40,000 members of the United
15 States Armed Forces have served on the Korean Pe-
16 ninsula each year since the signing of the cease-fire
17 agreement in July 1953 ending the Korean War.

18 (2) An estimated 1,200 members of the United
19 States Armed Forces died as a direct result of their
20 service in Korea since the cease-fire agreement in
21 July 1953.

22 (b) ARMY.—(1) Chapter 357 of title 10, United
23 States Code, is amended by adding at the end the fol-
24 lowing new section:

1 **“§ 3755. Korea Defense Service Medal**

2 “(a) The Secretary of the Army shall issue a cam-
3 paign medal, to be known as the Korea Defense Service
4 Medal, to each person who while a member of the Army
5 served in the Republic of Korea or the waters adjacent
6 thereto during the KDSM eligibility period and met the
7 service requirements for the award of that medal pre-
8 scribed under subsection (c).

9 “(b) In this section, the term ‘KDSM eligibility pe-
10 riod’ means the period beginning on July 28, 1954, and
11 ending on such date after the date of the enactment of
12 this section as may be determined by the Secretary of De-
13 fense to be appropriate for terminating eligibility for the
14 Korea Defense Service Medal.

15 “(c) The Secretary of the Army shall prescribe service
16 requirements for eligibility for the Korea Defense Service
17 Medal. Those requirements shall not be more stringent
18 than the service requirements for award of the Armed
19 Forces Expeditionary Medal for instances in which the
20 award of that medal is authorized.”.

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

“3755. Korea Defense Service Medal.”.

1 (c) NAVY AND MARINE CORPS.—(1) Chapter 567 of
2 title 10, United States Code, is amended by adding at the
3 end the following new section:

4 **“§ 6257. Korea Defense Service Medal**

5 “(a) The Secretary of the Navy shall issue a cam-
6 paign medal, to be known as the Korea Defense Service
7 Medal, to each person who while a member of the Navy
8 or Marine Corps served in the Republic of Korea or the
9 waters adjacent thereto during the KDSM eligibility pe-
10 riod and met the service requirements for the award of
11 that medal prescribed under subsection (c).

12 “(b) In this section, the term ‘KDSM eligibility pe-
13 riod’ means the period beginning on July 28, 1954, and
14 ending on such date after the date of the enactment of
15 this section as may be determined by the Secretary of De-
16 fense to be appropriate for terminating eligibility for the
17 Korea Defense Service Medal.

18 “(c) The Secretary of the Navy shall prescribe service
19 requirements for eligibility for the Korea Defense Service
20 Medal. Those requirements shall not be more stringent
21 than the service requirements for award of the Armed
22 Forces Expeditionary Medal for instances in which the
23 award of that medal is authorized.”.

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

“6257. Korea Defense Service Medal.”.

4 (d) AIR FORCE.—(1) Chapter 857 of title 10, United
5 States Code, is amended by adding at the end the fol-
6 lowing new section:

7 **“§ 8755. Korea Defense Service Medal**

8 “(a) The Secretary of the Air Force shall issue a
9 campaign medal, to be known as the Korea Defense Serv-
10 ice Medal, to each person who while a member of the Air
11 Force served in the Republic of Korea or the waters adja-
12 cent thereto during the KDSM eligibility period and met
13 the service requirements for the award of that medal pre-
14 scribed under subsection (c).

15 “(b) In this section, the term ‘KDSM eligibility pe-
16 riod’ means the period beginning on July 28, 1954, and
17 ending on such date after the date of the enactment of
18 this section as may be determined by the Secretary of De-
19 fense to be appropriate for terminating eligibility for the
20 Korea Defense Service Medal.

21 “(c) The Secretary of the Air Force shall prescribe
22 service requirements for eligibility for the Korea Defense
23 Service Medal. Those requirements shall not be more
24 stringent than the service requirements for award of the

1 Armed Forces Expeditionary Medal for instances in which
2 the award of that medal is authorized.”.

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

“8755. Korea Defense Service Medal.”.

6 (e) AWARD FOR SERVICE BEFORE DATE OF ENACT-
7 MENT.—The Secretary of the military department con-
8 cerned shall take appropriate steps to provide in a timely
9 manner for the issuance of the Korea Defense Service
10 Medal, upon application therefor, to persons whose eligi-
11 bility for that medal is by reason of service in the Republic
12 of Korea or the waters adjacent thereto before the date
13 of the enactment of this Act.

14 **Subtitle E—National Call to**
15 **Service**

16 **SEC. 541. ENLISTMENT INCENTIVES FOR PURSUIT OF**
17 **SKILLS TO FACILITATE NATIONAL SERVICE.**

18 (a) AUTHORITY.—(1) Chapter 5 of title 37, United
19 States Code, is amended by adding at the end the fol-
20 lowing new section:

21 **“§ 326. Enlistment incentives for pursuit of skills to**
22 **facilitate national service**

23 “(a) INCENTIVES AUTHORIZED.—The Secretary of
24 Defense may carry out a program in accordance with the
25 provisions of this section under which program a National

1 Call to Service participant described in subsection (b) shall
2 be entitled to an incentive specified in subsection (d).

3 “(b) NATIONAL CALL TO SERVICE PARTICIPANT.—

4 In this section, the term ‘National Call to Service partici-
5 pant’ means a person who first enlists in the armed forces
6 pursuant to a written agreement (prescribed by the Sec-
7 retary of the military department concerned) under which
8 agreement the person shall—

9 “(1) upon completion of initial entry training
10 (as prescribed by the Secretary of Defense), serve on
11 active duty in the armed forces in a military occupa-
12 tional specialty designated by the Secretary of De-
13 fense under subsection (c) for a period of 15
14 months; and

15 “(2) upon completion of such service on active
16 duty, and without a break in service, serve the min-
17 imum period of obligated service specified in the
18 agreement under this section—

19 “(A) on active duty in the armed forces;

20 “(B) in the Selected Reserve;

21 “(C) in the Individual Ready Reserve;

22 “(D) in the Peace Corps, Americorps, or
23 another national service program jointly des-
24 ignated by the Secretary of Defense and the

1 head of such program for purposes of this sec-
2 tion; or

3 “(E) in any combination of service referred
4 to in subparagraphs (A) through (D) that is ap-
5 proved by the Secretary of the military depart-
6 ment concerned pursuant to regulations pre-
7 scribed by the Secretary of Defense.

8 “(c) DESIGNATED MILITARY OCCUPATIONAL SPE-
9 CIALTIES.—The Secretary of Defense shall designate mili-
10 tary occupational specialties for purposes of subsection
11 (b)(1). Such military occupational specialties shall be mili-
12 tary occupational specialties that will facilitate, as deter-
13 mined by the Secretary, pursuit of national service by Na-
14 tional Call to Service participants during and after their
15 completion of duty or service under an agreement under
16 subsection (b).

17 “(d) INCENTIVES.—The incentives specified in this
18 subsection are as follows:

19 “(1) Payment of a bonus in the amount of
20 \$5,000.

21 “(2) Payment of outstanding principal and in-
22 terest on qualifying student loans of the National
23 Call to Service participant in an amount not to ex-
24 ceed \$18,000.

1 “(3) Entitlement to an allowance for edu-
2 cational assistance at the monthly rate equal to the
3 monthly rate payable for basic educational assist-
4 ance allowances under section 3015(a)(1) of title 38
5 for a total of 12 months.

6 “(4) Entitlement to an allowance for edu-
7 cational assistance at the monthly rate equal to $\frac{2}{3}$
8 of the monthly rate payable for basic educational as-
9 sistance allowances under section 3015(b)(1) of title
10 38 for a total of 36 months.

11 “(e) ELECTION OF INCENTIVES.—A National Call to
12 Service participant shall elect in the agreement under sub-
13 section (b) which incentive under subsection (d) to receive.
14 An election under this subsection is irrevocable.

15 “(f) PAYMENT OF BONUS AMOUNTS.—(1) Payment
16 to a National Call to Service participant of the bonus
17 elected by the National Call to Service participant under
18 subsection (d)(1) shall be made in such time and manner
19 as the Secretary of Defense shall prescribe.

20 “(2)(A) Payment of outstanding principal and inter-
21 est on the qualifying student loans of a National Call to
22 Service participant, as elected under subsection (d)(2),
23 shall be made in such time and manner as the Secretary
24 of Defense shall prescribe.

1 “(B) Payment under this paragraph of the out-
2 standing principal and interest on the qualifying student
3 loans of a National Call to Service participant shall be
4 made to the holder of such student loans, as identified
5 by the National Call to Service participant to the Sec-
6 retary of the military department concerned for purposes
7 of such payment.

8 “(3) Payment of a bonus or incentive in accordance
9 with this subsection shall be made by the Secretary of the
10 military department concerned.

11 “(g) COORDINATION WITH MONTGOMERY GI BILL
12 BENEFITS.—(1) A National Call to Service participant
13 who elects an incentive under paragraph (3) or (4) of sub-
14 section (d) is not entitled to educational assistance under
15 chapter 1606 of title 10 or basic educational assistance
16 under subchapter II of chapter 30 of title 38.

17 “(2)(A) The Secretary of Defense shall, to the max-
18 imum extent practicable, administer the receipt by Na-
19 tional Call to Service participants of incentives under
20 paragraph (3) or (4) of subsection (d) as if such National
21 Call to Service participants were, in receiving such incen-
22 tives, receiving educational assistance for members of the
23 Selected Reserve under chapter 1606 of title 10.

24 “(B) The Secretary of Defense shall, in consultation
25 with the Secretary of Veterans Affairs, prescribe regula-

1 tions for purposes of subparagraph (A). Such regulations
2 shall, to the maximum extent practicable, take into ac-
3 count the administrative provisions of chapters 30 and 36
4 of title 38 that are specified in section 16136 of title 10.

5 “(3) Except as provided in paragraph (1), nothing
6 in this section shall prohibit a National Call to Service
7 participant who satisfies through service under subsection
8 (b) the eligibility requirements for educational assistance
9 under chapter 1606 of title 10 or basic educational assist-
10 ance under chapter 30 of title 38 from an entitlement to
11 such educational assistance under chapter 1606 of title 10
12 or basic educational assistance under chapter 30 of title
13 38, as the case may be.

14 “(h) REPAYMENT.—(1) If a National Call to Service
15 participant who has entered into an agreement under sub-
16 section (b) and received or benefited from an incentive
17 under subsection (d)(1) or (d)(2) fails to complete the
18 total period of service specified in such agreement, the Na-
19 tional Call to Service participant shall refund to the
20 United States the amount that bears the same ratio to
21 the amount of the incentive as the uncompleted part of
22 such service bears to the total period of such service.

23 “(2) Subject to paragraph (3), an obligation to reim-
24 burse the United States imposed under paragraph (1) is
25 for all purposes a debt owed to the United States.

1 “(3) The Secretary concerned may waive, in whole
2 or in part, a reimbursement required under paragraph (1)
3 if the Secretary concerned determines that recovery would
4 be against equity and good conscience or would be con-
5 trary to the best interests of the United States.

6 “(4) A discharge in bankruptcy under title 11 that
7 is entered into less than 5 years after the termination of
8 an agreement entered into under subsection (b) does not
9 discharge the person signing the agreement from a debt
10 arising under the agreement or under paragraph (1).

11 “(i) FUNDING.—Amounts for payment of incentives
12 under subsection (d), including payment of allowances for
13 educational assistance under that subsection, shall be de-
14 rived from amounts available to the Secretary of the mili-
15 tary department concerned for payment of pay, allow-
16 ances, and other expenses of the members of the armed
17 force concerned.

18 “(j) REGULATIONS.—The Secretary of Defense and
19 the Secretaries of the military departments shall prescribe
20 regulations for purposes of the program under this sec-
21 tion.

22 “(k) DEFINITIONS.—In this section:

23 “(1) The term ‘Americorps’ means the
24 Americorps program carried out under subtitle C of

1 title I of the National and Community Service Act
2 of 1990 (42 U.S.C. 12571 et seq.).

3 “(2) The term ‘qualifying student loan’ means
4 a loan, the proceeds of which were used to pay the
5 cost of attendance (as defined in section 472 of the
6 Higher Education Act of 1965 (20 U.S.C. 1087ll) at
7 an institution of higher education (as defined in sec-
8 tion 101 of the Higher Education Act of 1965 (20
9 U.S.C. 1001).

10 “(3) The term ‘Secretary of a military depart-
11 ment’ includes the Secretary of Transportation, with
12 respect to matters concerning the Coast Guard when
13 it is not operating as a service in the Navy.”.

14 (2) The table of sections at the beginning of that
15 chapter is amended by inserting after the item relating
16 to section 325 the following new item:

“326. Enlistment incentives for pursuit of skills to facilitate national service.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 subsection (a) shall take effect on October 1, 2002. No
19 individual entering into an enlistment before that date
20 may participate in the program under section 326 of title
21 37, United States Code, as added by that subsection.

1 **SEC. 542. MILITARY RECRUITER ACCESS TO INSTITUTIONS**
2 **OF HIGHER EDUCATION.**

3 (a) ACCESS TO INSTITUTIONS OF HIGHER EDU-
4 CATION.—Section 503 of title 10, United States Code, is
5 amended—

6 (1) by redesignating subsection (d) as sub-
7 section (e); and

8 (2) by inserting after subsection (c) the fol-
9 lowing new subsection (d):

10 “(d) ACCESS TO INSTITUTIONS OF HIGHER EDU-
11 CATION.—(1) Each institution of higher education receiv-
12 ing assistance under the Higher Education Act of 1965
13 (20 U.S.C. 1001 et seq.)—

14 “(A) shall provide to military recruiters the
15 same access to students at the institution as is pro-
16 vided generally to prospective employers of those
17 students; and

18 “(B) shall, upon a request made by military re-
19 cruiters for military recruiting purposes, provide ac-
20 cess to the names, addresses, and telephone listings
21 of students at the institution, notwithstanding sec-
22 tion 444(a)(5)(B) of the General Education Provi-
23 sions Act (20 U.S.C. 1232g(a)(5)(B)).

24 “(2) An institution of higher education may not re-
25 lease a student’s name, address, and telephone listing
26 under paragraph (1)(B) without the prior written consent

1 of the student or the parent of the student (in the case
 2 of a student under the age of 18) if the student, or a par-
 3 ent of the student, as appropriate, has submitted a request
 4 to the institution of higher education that the student’s
 5 information not be released for a purpose covered by that
 6 subparagraph without prior written consent. Each institu-
 7 tion of higher education shall notify students and parents
 8 of the rights provided under the preceding sentence.

9 “(3) In this subsection, the term ‘institution of higher
 10 education’ has the meaning given the term in section 101
 11 of the Higher Education Act of 1965 (20 U.S.C. 1001).”.

12 (b) NOTIFICATION.—The Secretary of Education
 13 shall provide to institutions of higher education notice of
 14 the provisions of subsection (d) of section 503 of title 10,
 15 United States Code, as amended by subsection (a) of this
 16 section. Such notice shall be provided not later than 120
 17 days after the date of the enactment of this Act, and shall
 18 be provided in consultation with the Secretary of Defense.

19 **Subtitle F—Other Matters**

20 **SEC. 551. BIENNIAL SURVEYS ON RACIAL, ETHNIC, AND** 21 **GENDER ISSUES.**

22 (a) DIVISION OF ANNUAL SURVEY INTO TWO BIEN-
 23 NIAL SURVEYS.—Section 481 of title 10, United States
 24 Code, is amended to read as follows:

1 **“§ 481. Racial, ethnic, and gender issues: biennial**
2 **surveys**

3 “(a) IN GENERAL.—The Secretary of Defense shall
4 carry out two separate biennial surveys in accordance with
5 this section to identify and assess racial, ethnic, and gen-
6 der issues and discrimination among members of the
7 armed forces serving on active duty and the extent (if any)
8 of activity among such members that may be seen as so-
9 called ‘hate group’ activity.

10 “(b) BIENNIAL SURVEY ON RACIAL AND ETHNIC
11 ISSUES.—One of the surveys conducted every two years
12 under this section shall solicit information on racial and
13 ethnic issues and the climate in the armed forces for form-
14 ing professional relationships among members of the
15 armed forces of the various racial and ethnic groups. The
16 information solicited shall include the following:

17 “(1) Indicators of positive and negative trends
18 for professional and personal relationships among
19 members of all racial and ethnic groups.

20 “(2) The effectiveness of Department of De-
21 fense policies designed to improve relationships
22 among all racial and ethnic groups.

23 “(3) The effectiveness of current processes for
24 complaints on and investigations into racial and eth-
25 nic discrimination.

1 “(c) BIENNIAL SURVEY ON GENDER ISSUES.—One
2 of the surveys conducted every two years under this sec-
3 tion shall solicit information on gender issues, including
4 issues relating to gender-based harassment and discrimi-
5 nation, and the climate in the armed forces for forming
6 professional relationships between male and female mem-
7 bers of the armed forces. The information solicited shall
8 include the following:

9 “(1) Indicators of positive and negative trends
10 for professional and personal relationships between
11 male and female members of the armed forces.

12 “(2) The effectiveness of Department of De-
13 fense policies designed to improve professional rela-
14 tionships between male and female members of the
15 armed forces.

16 “(3) The effectiveness of current processes for
17 complaints on and investigations into gender-based
18 discrimination.

19 “(d) SURVEYS TO ALTERNATE EVERY YEAR.—The
20 biennial survey under subsection (b) shall be conducted
21 in odd-numbered years. The biennial survey under sub-
22 section (c) shall be conducted in even-numbered years.

23 “(e) IMPLEMENTING ENTITY.—The Secretary shall
24 carry out the biennial surveys through entities in the De-
25 partment of Defense as follows:

1 “(1) The biennial review under subsection (b),
2 through the Armed Forces Survey on Racial and
3 Ethnic Issues.

4 “(2) The biennial review under subsection (c),
5 through the Armed Forces Survey on Gender Issues.

6 “(f) REPORTS TO CONGRESS.—Upon the completion
7 of a biennial survey under this section, the Secretary shall
8 submit to Congress a report containing the results of the
9 survey.

10 “(g) INAPPLICABILITY TO COAST GUARD.—The re-
11 quirements for surveys under this section do not apply to
12 the Coast Guard.”.

13 (b) CLERICAL AMENDMENT.—The item relating to
14 such section in the table of sections at the beginning of
15 chapter 23 of such title is amended to read as follows:

 “481. Racial, ethnic, and gender issues: biennial surveys.”.

16 **SEC. 552. LEAVE REQUIRED TO BE TAKEN PENDING RE-**
17 **VIEW OF A RECOMMENDATION FOR RE-**
18 **MOVAL BY A BOARD OF INQUIRY.**

19 (a) REQUIREMENT.—Section 1182(c) of title 10,
20 United States Code, is amended—

21 (1) by inserting “(1)” after “(c)”; and

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

24 “(2) Under regulations prescribed by the Secretary
25 concerned, an officer referred to in paragraph (1) may be

1 required to take leave pending the completion of the action
 2 under this chapter in the case of that officer. The officer
 3 may be required to begin such leave at any time following
 4 the officer's receipt of the report of the board of inquiry,
 5 including the board's recommendation for removal from
 6 active duty, and the expiration of any period allowed for
 7 submission by the officer of a rebuttal to that report. The
 8 leave may be continued until the date on which action by
 9 the Secretary concerned under this chapter is completed
 10 in the case of the officer or may be terminated at any
 11 earlier time."

12 (b) PAYMENT FOR MANDATORY EXCESS LEAVE
 13 UPON DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARA-
 14 TION RECOMMENDATIONS.—Chapter 40 of such title is
 15 amended by inserting after section 707 the following new
 16 section:

17 **“§ 707a. Payment upon disapproval of certain board**
 18 **of inquiry recommendations for excess**
 19 **leave required to be taken**

20 “(a) An officer—

21 “(1) who is required to take leave under section
 22 1182(e)(2) of this title, any period of which is
 23 charged as excess leave under section 706(a) of this
 24 title, and

1 “(2) whose recommendation for removal from
2 active duty in a report of a board of inquiry is not
3 approved by the Secretary concerned under section
4 1184 of this title,
5 shall be paid, as provided in subsection (b), for the period
6 of leave charged as excess leave.

7 “(b)(1) An officer entitled to be paid under this sec-
8 tion shall be deemed, for purposes of this section, to have
9 accrued pay and allowances for each day of leave required
10 to be taken under section 1182(c)(2) of this title that is
11 charged as excess leave (except any day of accrued leave
12 for which the officer has been paid under section
13 706(b)(1) of this title and which has been charged as ex-
14 cess leave).

15 “(2) The officer shall be paid the amount of pay and
16 allowances that is deemed to have accrued to the officer
17 under paragraph (1), reduced by the total amount of his
18 income from wages, salaries, tips, other personal service
19 income, unemployment compensation, and public assist-
20 ance benefits from any Government agency during the pe-
21 riod the officer is deemed to have accrued pay and allow-
22 ances. Except as provided in paragraph (3), such payment
23 shall be made within 60 days after the date on which the
24 Secretary concerned decides not to remove the officer from
25 active duty.

1 “(3) If an officer is entitled to be paid under this
2 section, but fails to provide sufficient information in a
3 timely manner regarding the officer’s income when such
4 information is requested under regulations prescribed
5 under subsection (c), the period of time prescribed in para-
6 graph (2) shall be extended until 30 days after the date
7 on which the member provides the information requested.

8 “(c) This section shall be administered under uniform
9 regulations prescribed by the Secretaries concerned. The
10 regulations may provide for the method of determining an
11 officer’s income during any period the officer is deemed
12 to have accrued pay and allowances, including a require-
13 ment that the officer provide income tax returns and other
14 documentation to verify the amount of the officer’s in-
15 come.”.

16 (c) CONFORMING AMENDMENTS.—(1) Section 706 of
17 such title is amended by inserting “or 1182(c)(2)” after
18 “section 876a” in subsections (a), (b), and (c).

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

21 **“§ 706. Administration of required leave”.**

22 (d) CLERICAL AMENDMENTS.—The table of sections
23 at the beginning of chapter 40 of title 10, United States
24 Code, is amended—

1 (1) by striking the item relating to section 706
2 and inserting the following:

“706. Administration of required leave.”;

3 and

4 (2) by inserting after the item relating to sec-
5 tion 707 the following new item:

“707a. Payment upon disapproval of certain board of inquiry recommendations
for excess leave required to be taken.”.

6 **SEC. 553. STIPEND FOR PARTICIPATION IN FUNERAL HON-**
7 **ORS DETAILS.**

8 Section 1491(d) of title 10, United States Code, is
9 amended—

10 (1) by striking paragraph (1) and inserting the
11 following:

12 “(A) For a participant in the funeral honors
13 detail who is a member or former member of the
14 armed forces in a retired status or is not a member
15 of the armed forces (other than a former member in
16 a retired status) and not an employee of the United
17 States, either—

18 “(i) transportation; or

19 “(ii) a daily stipend prescribed annually by
20 the Secretary of Defense at a single rate that
21 is designed to defray the costs for transpor-
22 tation and other expenses incurred by the par-

1 participant in connection with participation in the
2 funeral honors detail.”;

3 (2) by inserting “(1)” after “(d) SUPPORT.—”;

4 (3) by redesignating paragraph (2) as subpara-
5 graph (B);

6 (4) in subparagraph (B), as so redesignated, by
7 inserting “members of the armed forces in a retired
8 status and” after “training for”; and

9 (5) by adding at the end the following:

10 “(2) A stipend paid under paragraph (1)(A) to a
11 member or former member of the armed forces in a retired
12 status shall be in addition to any other compensation to
13 which the retired member may be entitled.”.

14 **SEC. 554. WEAR OF ABAYAS BY FEMALE MEMBERS OF THE**
15 **ARMED FORCES IN SAUDI ARABIA.**

16 (a) PROHIBITIONS RELATING TO WEAR OF
17 ABAYAS.—No member of the Armed Forces having au-
18 thority over a member of the Armed Forces and no officer
19 or employee of the United States having authority over
20 a member of the Armed Forces may—

21 (1) require or encourage that member to wear
22 the abaya garment or any part of the abaya garment
23 while the member is in the Kingdom of Saudi Arabia
24 pursuant to a permanent change of station or orders
25 for temporary duty; or

1 (2) take any adverse action, whether formal or
2 informal, against the member for choosing not to
3 wear the abaya garment or any part of the abaya
4 garment while the member is in the Kingdom of
5 Saudi Arabia pursuant to a permanent change of
6 station or orders for temporary duty.

7 (b) INSTRUCTION.—(1) The Secretary of Defense
8 shall provide each female member of the Armed Forces
9 ordered to a permanent change of station or temporary
10 duty in the Kingdom of Saudi Arabia with instructions
11 regarding the prohibitions in subsection (a) immediately
12 upon the arrival of the member at a United States military
13 installation within the Kingdom of Saudi Arabia. The in-
14 structions shall be presented orally and in writing. The
15 written instruction shall include the full text of this sec-
16 tion.

17 (2) In carrying out paragraph (1), the Secretary shall
18 act through the Commander in Chief, United States Cen-
19 tral Command and Joint Task Force Southwest Asia, and
20 the commanders of the Army, Navy, Air Force, and Ma-
21 rine Corps components of the United States Central Com-
22 mand and Joint Task Force Southwest Asia.

23 (c) PROHIBITION ON USE OF FUNDS FOR PROCURE-
24 MENT OF ABAYAS.—Funds appropriated or otherwise
25 made available to the Department of Defense may not be

1 used to procure abayas for regular or routine issuance to
2 members of the Armed Forces serving in the Kingdom of
3 Saudi Arabia or for any personnel of contractors accom-
4 panying the Armed Forces in the Kingdom of Saudi Ara-
5 bia in the performance of contracts entered into with such
6 contractors by the United States.

7 **TITLE VI—COMPENSATION AND**
8 **OTHER PERSONNEL BENEFITS**
9 **Subtitle A—Pay and Allowances**

10 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.**

11 (a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—The
12 adjustment to become effective during fiscal year 2003 re-
13 quired by section 1009 of title 37, United States Code,
14 in the rates of monthly basic pay authorized members of
15 the uniformed services shall not be made.

16 (b) **INCREASE IN BASIC PAY.**—Effective on January
17 1, 2003, the rates of monthly basic pay for members of
18 the uniformed services within each pay grade are as fol-
19 lows:

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 ...	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
O-7 ...	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
O-6 ...	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60
O-5 ...	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
O-4 ...	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
O-3 ³	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
O-2 ³	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
O-1 ³	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	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 ...	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
O-7 ...	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
O-6 ...	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
O-5 ...	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
O-4 ...	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
O-3 ³	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,077.70	\$12,137.10	\$12,389.40	\$12,829.20
O-9 ...	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O-8 ...	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O-7 ...	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O-6 ...	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O-5 ...	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O-4 ...	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O-3 ³	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-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.

²Subject 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 \$14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This 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	\$3,883.50	\$4,069.50
O-2E	0.00	0.00	0.00	3,410.70	3,481.20
O-1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	\$4,273.50	\$4,405.80	\$4,623.30	\$4,806.30	\$4,911.00
O-2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O-1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$5,054.40	\$5,054.40	\$5,054.40	\$5,054.40	\$5,054.40
O-2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O-1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

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 ..	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W-3 ..	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W-2 ..	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W-1 ..	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W-3 ..	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W-2 ..	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W-1 ..	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	\$5,169.30	\$5,346.60	\$5,524.50	\$5,703.30
W-4 ..	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W-3 ..	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W-2 ..	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W-1 ..	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

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 MEMBERS¹

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 ...	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E-6 ...	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E-5 ...	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E-4 ...	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E-3 ...	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,564.30	\$3,645.00	\$3,747.00	\$3,867.00
E-8 ...	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E-7 ...	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E-6 ...	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E-5 ...	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$3,987.30	\$4,180.80	\$4,344.30	\$4,506.30	\$4,757.40
E-8 ...	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E-7 ...	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E-6 ...	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E-5 ...	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

¹Notwithstanding 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.

²Subject 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, the rate of basic pay for this grade is \$5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In 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 \$1,064.70.

1 SEC. 602. RATE OF BASIC ALLOWANCE FOR SUBSISTENCE
2 FOR ENLISTED PERSONNEL OCCUPYING SIN-
3 GLE GOVERNMENT QUARTERS WITHOUT
4 ADEQUATE AVAILABILITY OF MEALS.

5 (a) AUTHORITY TO PAY INCREASED RATE.—Section
6 402(d) of title 37, United States Code, is amended to read
7 as follows:

1 “(d) SPECIAL RATE FOR ENLISTED MEMBERS OCCU-
2 PYING SINGLE QUARTERS WITHOUT ADEQUATE AVAIL-
3 ABILITY OF MEALS.—The Secretary of Defense, and the
4 Secretary of Transportation with respect to the Coast
5 Guard when it is not operating as a service in the Navy,
6 may pay an enlisted member the basic allowance for sub-
7 sistence under this section at a monthly rate that is twice
8 the amount in effect under subsection (b)(2) while—

9 “(1) the member is assigned to single Govern-
10 ment quarters which have no adequate food storage
11 or preparation facility in the quarters; and

12 “(2) there is no Government messing facility
13 serving those quarters that is capable of making
14 meals available to the occupants of the quarters.”.

15 (b) EFFECTIVE DATE.—Subsection (a) and the
16 amendment made by such subsection shall take effect on
17 October 1, 2002.

18 **SEC. 603. BASIC ALLOWANCE FOR HOUSING IN CASES OF**
19 **LOW-COST OR NO-COST MOVES.**

20 Section 403 of title 37, United States Code, is
21 amended—

22 (1) by transferring paragraph (7) of subsection

23 (b) to the end of the section; and

24 (2) in such paragraph—

1 (A) by striking “(7)” and all that follows
 2 through “circumstances of which make it nec-
 3 essary that the member be” and inserting “(o)
 4 TREATMENT OF LOW-COST AND NO-COST
 5 MOVES AS NOT BEING REASSIGNMENTS.—In
 6 the case of a member who is assigned to duty
 7 at a location or under circumstances that make
 8 it necessary for the member to be”; and

9 (B) by inserting “for the purposes of this
 10 section” after “may be treated”.

11 **SEC. 604. TEMPORARY AUTHORITY FOR HIGHER RATES OF**
 12 **PARTIAL BASIC ALLOWANCE FOR HOUSING**
 13 **FOR CERTAIN MEMBERS ASSIGNED TO HOUS-**
 14 **ING UNDER ALTERNATIVE AUTHORITY FOR**
 15 **ACQUISITION AND IMPROVEMENT OF MILI-**
 16 **TARY HOUSING.**

17 (a) **AUTHORITY.**—The Secretary of Defense may pre-
 18 scribe and, under section 403(n) of title 37, United States
 19 Code, pay for members of the Armed Forces (without de-
 20 pendants) in privatized housing higher rates of partial
 21 basic allowance for housing than those that are authorized
 22 under paragraph (2) of such section 403(n).

23 (b) **MEMBERS IN PRIVATIZED HOUSING.**—For the
 24 purposes of this section, a member of the Armed Forces
 25 (without dependents) is a member of the Armed Forces

1 (without dependents) in privatized housing while the mem-
2 ber is assigned to housing that is acquired or constructed
3 under the authority of subchapter IV of chapter 169 of
4 title 10, United States Code.

5 (c) TREATMENT OF HOUSING AS GOVERNMENT
6 QUARTERS.—For purposes of section 403 of title 37,
7 United States Code, a member of the Armed Forces (with-
8 out dependents) in privatized housing shall be treated as
9 residing in quarters of the United States or a housing fa-
10 cility under the jurisdiction of the Secretary of a military
11 department while a higher rate of partial allowance for
12 housing is paid for the member under this section.

13 (d) PAYMENT TO PRIVATE SOURCE.—The partial
14 basic allowance for housing paid for a member at a higher
15 rate under this section may be paid directly to the private
16 sector source of the housing to whom the member is obli-
17 gated to pay rent or other charge for residing in such
18 housing if the private sector source credits the amount so
19 paid against the amount owed by the member for the rent
20 or other charge.

21 (e) TERMINATION OF AUTHORITY.—Rates prescribed
22 under subsection (a) may not be paid under the authority
23 of this section in connection with contracts that are en-
24 tered into after December 31, 2007, for the construction

1 or acquisition of housing under the authority of sub-
2 chapter IV of chapter 169 of title 10, United States Code.

3 **Subtitle B—Bonuses and Special**
4 **and Incentive Pays**

5 **SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND**
6 **SPECIAL PAY AUTHORITIES FOR RESERVE**
7 **FORCES.**

8 (a) **SELECTED RESERVE REENLISTMENT BONUS.**—
9 Section 308b(f) of title 37, United States Code, is amend-
10 ed by striking “December 31, 2002” and inserting “De-
11 cember 31, 2003”.

12 (b) **SELECTED RESERVE ENLISTMENT BONUS.**—Sec-
13 tion 308c(e) of such title is amended by striking “Decem-
14 ber 31, 2002” and inserting “December 31, 2003”.

15 (c) **SPECIAL PAY FOR ENLISTED MEMBERS AS-**
16 **SIGNED TO CERTAIN HIGH PRIORITY UNITS.**—Section
17 308d(c) of such title is amended by striking “December
18 31, 2002” and inserting “December 31, 2003”.

19 (d) **SELECTED RESERVE AFFILIATION BONUS.**—Sec-
20 tion 308e(e) of such title is amended by striking “Decem-
21 ber 31, 2002” and inserting “December 31, 2003”.

22 (e) **READY RESERVE ENLISTMENT AND REENLIST-**
23 **MENT BONUS.**—Section 308h(g) of such title is amended
24 by striking “December 31, 2002” and inserting “Decem-
25 ber 31, 2003”.

1 (f) PRIOR SERVICE ENLISTMENT BONUS.—Section
2 308i(f) of such title is amended by striking “December
3 31, 2002” and inserting “December 31, 2003”.

4 **SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND**
5 **SPECIAL PAY AUTHORITIES FOR CERTAIN**
6 **HEALTH CARE PROFESSIONALS.**

7 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
8 GRAM.—Section 2130a(a)(1) of title 10, United States
9 Code, is amended by striking “December 31, 2002” and
10 inserting “December 31, 2003”.

11 (b) REPAYMENT OF EDUCATION LOANS FOR CER-
12 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
13 LECTED RESERVE.—Section 16302(d) of such title is
14 amended by striking “January 1, 2003” and inserting
15 “January 1, 2004”.

16 (c) ACCESSION BONUS FOR REGISTERED NURSES.—
17 Section 302d(a)(1) of title 37, United States Code, is
18 amended by striking “December 31, 2002” and inserting
19 “December 31, 2003”.

20 (d) INCENTIVE SPECIAL PAY FOR NURSE ANES-
21 THETISTS.—Section 302e(a)(1) of such title is amended
22 by striking “December 31, 2002” and inserting “Decem-
23 ber 31, 2003”.

24 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH
25 PROFESSIONALS IN CRITICALLY SHORT WARTIME SPE-

1 CIALTIES.—Section 302g(f) of such title is amended by
2 striking “December 31, 2002” and inserting “December
3 31, 2003”.

4 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
5 Section 302h(a)(1) of such title is amended by striking
6 “December 31, 2002” and inserting “December 31,
7 2003”.

8 **SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND**
9 **BONUS AUTHORITIES FOR NUCLEAR OFFI-**
10 **CERS.**

11 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
12 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
13 312(e) of title 37, United States Code, is amended by
14 striking “December 31, 2002” and inserting “December
15 31, 2003”.

16 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
17 312b(c) of such title is amended by striking “December
18 31, 2002” and inserting “December 31, 2003”.

19 (c) NUCLEAR CAREER ANNUAL INCENTIVE
20 BONUS.—Section 312c(d) of such title is amended by
21 striking “December 31, 2002” and inserting “December
22 31, 2003”.

1 **SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND**
2 **SPECIAL PAY AUTHORITIES.**

3 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
4 tion 301b(a) of title 37, United States Code, is amended
5 by striking “December 31, 2002” and inserting “Decem-
6 ber 31, 2003”.

7 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
8 BERS.—Section 308(g) of such title is amended by strik-
9 ing “December 31, 2002” and inserting “December 31,
10 2003”.

11 (c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—
12 Section 309(e) of such title is amended by striking “De-
13 cember 31, 2002” and inserting “December 31, 2003”.

14 (d) RETENTION BONUS FOR MEMBERS WITH CRIT-
15 ICAL MILITARY SKILLS.—Section 323(i) of such title is
16 amended by striking “December 31, 2002” and inserting
17 “December 31, 2003”.

18 (e) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
19 ICAL SKILLS.—Section 324(g) of such title is amended by
20 striking “December 31, 2002” and inserting “December
21 31, 2003”.

1 **SEC. 615. INCREASED MAXIMUM AMOUNT PAYABLE AS**
2 **MULTIYEAR RETENTION BONUS FOR MED-**
3 **ICAL OFFICERS OF THE ARMED FORCES.**

4 Section 301d(a)(2) of title 37, United States Code,
5 is amended by striking “\$14,000” and inserting
6 “\$25,000”.

7 **SEC. 616. INCREASED MAXIMUM AMOUNT PAYABLE AS IN-**
8 **CENTIVE SPECIAL PAY FOR MEDICAL OFFI-**
9 **CERS OF THE ARMED FORCES.**

10 Section 302(b)(1) of title 37, United States Code, is
11 amended—

12 (1) by striking “fiscal year 1992, and” in the
13 second sentence and inserting “fiscal year 1992,”;
14 and

15 (2) by inserting before the period at the end of
16 such sentence the following: “and before fiscal year
17 2003, and \$50,000 for any twelve-month period be-
18 ginning after fiscal year 2002”.

19 **SEC. 617. ASSIGNMENT INCENTIVE PAY.**

20 (a) **AUTHORITY.**—(1) Chapter 5 of title 37, United
21 States Code, is amended by inserting after section 305a
22 the following new section:

23 **“§ 305b. Special pay: assignment incentive pay**

24 “(a) **AUTHORITY.**—The Secretary concerned, with
25 the concurrence of the Secretary of Defense, may pay
26 monthly incentive pay under this section to a member of

1 a uniformed service for a period that the member performs
2 service, while entitled to basic pay, in an assignment that
3 is designated by the Secretary concerned.

4 “(b) MAXIMUM RATE.—The maximum monthly rate
5 of incentive pay payable to a member under this section
6 is \$1,500.

7 “(c) RELATIONSHIP TO OTHER PAY AND ALLOW-
8 ANCES.—Incentive pay paid to a member under this sec-
9 tion is in addition to any other pay and allowances to
10 which the member is entitled.

11 “(d) STATUS NOT AFFECTED BY TEMPORARY DUTY
12 OR LEAVE.—The service of a member in an assignment
13 referred to in subsection (a) shall not be considered dis-
14 continued during any period that the member is not per-
15 forming service in such assignment by reason of tem-
16 porary duty performed by the member pursuant to orders
17 or absence of the member for authorized leave.

18 “(e) TERMINATION OF AUTHORITY.—No assignment
19 incentive pay may be paid under this section for months
20 beginning more than three years after the date of the en-
21 actment of the National Defense Authorization Act for
22 Fiscal Year 2003.”.

23 (2) The table of sections at the beginning of such
24 chapter is amended by inserting after the item relating
25 to section 305a the following new item:

“305b. Special pay: assignment incentive pay.”.

1 (b) ANNUAL REPORT.—Not later than February 28
 2 of each of 2004 and 2005, the Secretary of Defense shall
 3 submit to the Committees on Armed Services of the Sen-
 4 ate and the House of Representatives a report on the ad-
 5 ministration of the authority under section 305b of title
 6 37, United States Code, as added by subsection (a). The
 7 report shall include an assessment of the utility of that
 8 authority.

9 **SEC. 618. INCREASED MAXIMUM AMOUNTS FOR PRIOR**
 10 **SERVICE ENLISTMENT BONUS.**

11 Section 308i(b)(1) of title 37, United States Code,
 12 is amended—

13 (1) in subparagraph (A), by striking “\$5,000”
 14 and inserting “\$8,000”;

15 (2) in subparagraph (B), by striking “\$2,500”
 16 and inserting “\$4,000”; and

17 (3) in subparagraph (C), by striking “\$2,000”
 18 and inserting “\$3,500”.

19 **Subtitle C—Travel and**
 20 **Transportation Allowances**

21 **SEC. 631. DEFERRAL OF TRAVEL IN CONNECTION WITH**
 22 **LEAVE BETWEEN CONSECUTIVE OVERSEAS**
 23 **TOURS.**

24 (a) DATE TO WHICH TRAVEL MAY BE DEFERRED.—
 25 Section 411b(a)(2) of title 37, United States Code, is

1 amended by striking “not more than one year” in the first
2 sentence and all that follows through “operation ends.”
3 in the second sentence and inserting the following: “the
4 date on which the member departs the duty station in ter-
5 mination of the consecutive tour of duty at that duty sta-
6 tion or reports to another duty station under the order
7 involved, as the case may be.”.

8 (b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1)
9 The amendment made by subsection (a) shall take effect
10 on October 1, 2002.

11 (2) Section 411b(a) of title 37, United States Code,
12 as in effect on September 30, 2002, shall continue to apply
13 with respect to travel described in subsection (a)(2) of
14 such title (as in effect on such date) that commences be-
15 fore October 1, 2002.

16 **SEC. 632. TRANSPORTATION OF MOTOR VEHICLES FOR**
17 **MEMBERS REPORTED MISSING.**

18 (a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—
19 Subsection (a) of section 554 of title 37, United States
20 Code, is amended by striking “one privately owned motor
21 vehicle” both places it appears and inserting “two pri-
22 vately owned motor vehicles”.

23 (b) PAYMENTS FOR LATE DELIVERY.—Subsection (i)
24 of such section is amended by adding at the end the fol-
25 lowing: “In a case in which two motor vehicles of a mem-

1 ber (or the dependent or dependents of a member) are
2 transported at the expense of the United States, no reim-
3 bursement is payable under this subsection unless both
4 motor vehicles do not arrive at the authorized destination
5 of the vehicles by the designated delivery date.”.

6 (c) APPLICABILITY.—The amendments made by sub-
7 section (a) shall apply with respect to members whose eli-
8 gibility for benefits under section 554 of title 37, United
9 States Code, commences on or after the date of the enact-
10 ment of this Act.

11 **SEC. 633. DESTINATIONS AUTHORIZED FOR GOVERNMENT**
12 **PAID TRANSPORTATION OF ENLISTED PER-**
13 **SONNEL FOR REST AND RECUPERATION**
14 **UPON EXTENDING DUTY AT DESIGNATED**
15 **OVERSEAS LOCATIONS.**

16 Section 705(b)(2) of title 10, United States Code, is
17 amended by inserting before the period at the end the fol-
18 lowing: “, or to an alternative destination at a cost not
19 to exceed the cost of the round-trip transportation from
20 the location of the extended tour of duty to such nearest
21 port and return”.

1 **SEC. 634. VEHICLE STORAGE IN LIEU OF TRANSPORTATION**
 2 **TO CERTAIN AREAS OF THE UNITED STATES**
 3 **OUTSIDE CONTINENTAL UNITED STATES.**

4 Section 2634(b) of title 10, United States Code, is
 5 amended:

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

8 (2) by inserting after paragraph (1) the fol-
 9 lowing new paragraph (2):

10 “(2) In lieu of transportation authorized by this sec-
 11 tion, if a member is ordered to make a change of perma-
 12 nent station to Alaska, Hawaii, Puerto Rico, the Northern
 13 Mariana Islands, Guam, or any territory or possession of
 14 the United States and laws, regulations, or other restric-
 15 tions preclude transportation of a motor vehicle described
 16 in subsection (a) to the new station, the member may elect
 17 to have the vehicle stored at the expense of the United
 18 States at a location approved by the Secretary con-
 19 cerned.”.

20 **Subtitle D—Retirement and**
 21 **Survivor Benefit Matters**

22 **SEC. 641. PAYMENT OF RETIRED PAY AND COMPENSATION**
 23 **TO DISABLED MILITARY RETIREES.**

24 (a) IN GENERAL.—Section 1414 of title 10, United
 25 States Code, is amended to read as follows:

1 **“§ 1414. Members eligible for retired pay who have**
2 **service-connected disabilities: payment of**
3 **retired pay and veterans’ disability com-**
4 **ensation**

5 “(a) PAYMENT OF BOTH RETIRED PAY AND COM-
6 PENSATION.—Except as provided in subsection (b), a
7 member or former member of the uniformed services who
8 is entitled to retired pay (other than as specified in sub-
9 section (c)) and who is also entitled to veterans’ disability
10 compensation is entitled to be paid both without regard
11 to sections 5304 and 5305 of title 38.

12 “(b) SPECIAL RULE FOR CHAPTER 61 CAREER RE-
13 TIREES.—The retired pay of a member retired under
14 chapter 61 of this title with 20 years or more of service
15 otherwise creditable under section 1405 of this title at the
16 time of the member’s retirement is subject to reduction
17 under sections 5304 and 5305 of title 38, but only to the
18 extent that the amount of the member’s retired pay under
19 chapter 61 of this title exceeds the amount of retired pay
20 to which the member would have been entitled under any
21 other provision of law based upon the member’s service
22 in the uniformed services if the member had not been re-
23 tired under chapter 61 of this title.

24 “(c) EXCEPTION.—Subsection (a) does not apply to
25 a member retired under chapter 61 of this title with less

1 than 20 years of service otherwise creditable under section
2 1405 of this title at the time of the member's retirement.

3 “(d) DEFINITIONS.—In this section:

4 “(1) The term ‘retired pay’ includes retainer
5 pay, emergency officers’ retirement pay, and naval
6 pension.

7 “(2) The term ‘veterans’ disability compensa-
8 tion’ has the meaning given the term ‘compensation’
9 in section 101(13) of title 38.”.

10 (b) REPEAL OF SPECIAL COMPENSATION PRO-
11 GRAM.—Section 1413 of such title is repealed.

12 (c) CONFORMING AMENDMENT.—Section 641(d) of
13 the National Defense Authorization Act for Fiscal Year
14 2002 (Public Law 107–107; 115 Stat. 1150; 10 U.S.C.
15 1414 note) is repealed.

16 (d) CLERICAL AMENDMENTS.—The table of sections
17 at the beginning of chapter 71 of title 10, United States
18 Code, is amended by striking the items relating to sections
19 1413 and 1414 and inserting the following new item:

“1414. Members eligible for retired pay who have service-connected disabilities:
payment of retired pay and veterans’ disability compensation.”.

20 (e) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on—

22 (1) the first day of the first month that begins
23 after the date of the enactment of this Act; or

1 (2) the first day of the fiscal year that begins
2 in the calendar year in which this Act is enacted, if
3 later than the date specified in paragraph (1).

4 (f) PROHIBITION ON RETROACTIVE BENEFITS.—No
5 benefits may be paid to any person by reason of section
6 1414 of title 10, United States Code, as amended by sub-
7 section (a), for any period before the effective date speci-
8 fied in subsection (e).

9 **SEC. 642. INCREASED RETIRED PAY FOR ENLISTED RE-**
10 **SERVES CREDITED WITH EXTRAORDINARY**
11 **HEROISM.**

12 (a) AUTHORITY.—Section 12739 of title 10, United
13 States Code, is amended—

14 (1) by redesignating subsections (b) and (c) as
15 subsections (c) and (d), respectively;

16 (2) by inserting after subsection (a) the fol-
17 lowing new subsection (b):

18 “(b) If an enlisted member retired under section
19 12731 of this title has been credited by the Secretary con-
20 cerned with extraordinary heroism in the line of duty, the
21 member’s retired pay shall be increased by 10 percent of
22 the amount determined under subsection (a). The Sec-
23 retary’s determination as to extraordinary heroism is con-
24 clusive for all purposes.”; and

1 (3) in subsection (c), as redesignated by para-
2 graph (1), by striking “amount computed under sub-
3 section (a),” and inserting “total amount of the
4 monthly retired pay computed under subsections (a)
5 and (b)”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 subsection (a) shall take effect on October 1, 2002, and
8 shall apply with respect to retired pay for months begin-
9 ning on or after that date.

10 **SEC. 643. EXPANDED SCOPE OF AUTHORITY TO WAIVE**
11 **TIME LIMITATIONS ON CLAIMS FOR MILI-**
12 **TARY PERSONNEL BENEFITS.**

13 (a) AUTHORITY.—Section 3702(e)(1) of title 31,
14 United States Code, is amended by striking “a claim for
15 pay, allowances, or payment for unused accrued leave
16 under title 37 or a claim for retired pay under title 10”
17 and inserting “a claim referred to in subsection
18 (a)(1)(A)”.

19 (b) APPLICABILITY.—The amendment made by sub-
20 section (a) shall apply with respect to claims presented
21 to the Secretary of Defense under section 3702 of title
22 31, United States Code, on or after the date of the enact-
23 ment of this Act.

1 **Subtitle E—Other Matters**

2 **SEC. 651. ADDITIONAL AUTHORITY TO PROVIDE ASSIST-**
3 **ANCE FOR FAMILIES OF MEMBERS OF THE**
4 **ARMED FORCES.**

5 (a) **AUTHORITY.**—(1) Subchapter I of chapter 88 of
6 title 10, United States Code, is amended by adding at the
7 end the following new section:

8 **“§ 1788. Additional family assistance**

9 “(a) **AUTHORITY.**—The Secretary of Defense may
10 provide for the families of members of the armed forces
11 serving on active duty, in addition to any other assistance
12 available for such families, any assistance that the Sec-
13 retary considers appropriate to ensure that the children
14 of such members obtain needed child care, education, and
15 other youth services.

16 “(b) **PRIMARY PURPOSE OF ASSISTANCE.**—The as-
17 sistance authorized by this section should be directed pri-
18 marily toward providing needed family support, including
19 child care, education, and other youth services, for chil-
20 dren of members of the Armed Forces who are deployed,
21 assigned to duty, or ordered to active duty in connection
22 with a contingency operation.”.

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

“1788. Additional family assistance.”.

4 (b) **EFFECTIVE DATE.**—Section 1788 of title 10,
 5 United States Code, as added by subsection (a), shall take
 6 effect on October 1, 2002.

7 **SEC. 652. TIME LIMITATION FOR USE OF MONTGOMERY GI**

8 **BILL ENTITLEMENT BY MEMBERS OF THE SE-**

9 **LECTED RESERVE.**

10 (a) **EXTENSION OF LIMITATION PERIOD.**—Section
 11 16133(a)(1) of title 10, United States Code, is amended
 12 by striking “10-year” and inserting “14-year”.

13 (b) **EFFECTIVE DATE AND APPLICABILITY.**—The
 14 amendment made by subsection (a) shall take effect on
 15 October 1, 2002, and shall apply with respect to periods
 16 of entitlement to educational assistance under chapter
 17 1606 of title 10, United States Code, that begin on or
 18 after October 1, 1992.

19 **SEC. 653. STATUS OF OBLIGATION TO REFUND EDU-**

20 **CATIONAL ASSISTANCE UPON FAILURE TO**

21 **PARTICIPATE SATISFACTORILY IN SELECTED**

22 **RESERVE.**

23 Section 16135 of title 10, United States Code, is
 24 amended by adding at the end the following new sub-
 25 section:

1 “(c)(1) An obligation to pay a refund to the United
2 States under subsection (a)(1)(B) in an amount deter-
3 mined under subsection (b) is, for all purposes, a debt
4 owed to the United States.

5 “(2) A discharge in bankruptcy under title 11 that
6 is entered for a person less than five years after the termi-
7 nation of the person’s enlistment or other service described
8 in subsection (a) does not discharge the person from a
9 debt arising under this section with respect to that enlist-
10 ment or other service.”.

11 **SEC. 654. PROHIBITION ON ACCEPTANCE OF HONORARIA**
12 **BY PERSONNEL AT CERTAIN DEPARTMENT**
13 **OF DEFENSE SCHOOLS.**

14 (a) **REPEAL OF EXEMPTION.**—Section 542 of the Na-
15 tional Defense Authorization Act for Fiscal Year 1993
16 (Public Law 102–484; 106 Stat. 2413; 10 U.S.C. prec.
17 2161 note) is repealed.

18 (b) **EFFECTIVE DATE AND APPLICABILITY.**—The
19 amendment made by subsection (a) shall take effect on
20 October 1, 2002, and shall apply with respect to appear-
21 ances made, speeches presented, and articles published on
22 or after that date.

1 **SEC. 655. RATE OF EDUCATIONAL ASSISTANCE UNDER**
2 **MONTGOMERY GI BILL OF DEPENDENTS**
3 **TRANSFERRED ENTITLEMENT BY MEMBERS**
4 **OF THE ARMED FORCES WITH CRITICAL**
5 **SKILLS.**

6 (a) CLARIFICATION.—Section 3020(h) of title 38,
7 United States Code, is amended—

8 (1) in paragraph (2)—

9 (A) by striking “paragraphs (4) and (5)”
10 and inserting “paragraphs (5) and (6)”; and

11 (B) by striking “and at the same rate”;

12 (2) by redesignating paragraphs (3) through
13 (6) as paragraphs (4) through (7), respectively; and

14 (3) by inserting after paragraph (2) the fol-
15 lowing new paragraph (3):

16 “(3)(A) Subject to subparagraph (B), the monthly
17 rate of educational assistance payable to a dependent to
18 whom entitlement is transferred under this section shall
19 be the monthly amount payable under sections 3015 and
20 3022 of this title to the individual making the transfer.

21 “(B) The monthly rate of assistance payable to a de-
22 pendent under subparagraph (A) shall be subject to the
23 provisions of section 3032 of this title, except that the pro-
24 visions of subsection (a)(1) of that section shall not apply
25 even if the individual making the transfer to the dependent
26 under this section is on active duty during all or any part

1 of enrollment period of the dependent in which such enti-
2 tlement is used.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall take effect as if included in the enact-
5 ment of the National Defense Authorization Act for Fiscal
6 Year 2002 (Public Law 107–107), to which such amend-
7 ments relate.

8 **SEC. 656. PAYMENT OF INTEREST ON STUDENT LOANS.**

9 (a) AUTHORITY.—(1) Chapter 109 of title 10, United
10 States Code, is amended by adding at the end the fol-
11 lowing new section:

12 **“§ 2174. Interest payment program: members on ac-**
13 **tive duty**

14 “(a) AUTHORITY.—(1) The Secretary concerned may
15 pay in accordance with this section the interest and any
16 special allowances that accrue on one or more student
17 loans of an eligible member of the armed forces.

18 “(2) The Secretary of a military department may ex-
19 ercise the authority under paragraph (1) only if approved
20 by the Secretary of Defense and subject to such require-
21 ments, conditions, and restrictions as the Secretary of De-
22 fense may prescribe.

23 “(b) ELIGIBLE PERSONNEL.—A member of the
24 armed forces is eligible for the benefit under subsection
25 (a) while the member—

1 “(1) is serving on active duty in fulfillment of
2 the member’s first enlistment in the armed forces or,
3 in the case of an officer, is serving on active duty
4 and has not completed more than three years of
5 service on active duty;

6 “(2) is the debtor on one or more unpaid loans
7 described in subsection (c); and

8 “(3) is not in default on any such loan.

9 “(c) STUDENT LOANS.—The authority to make pay-
10 ments under subsection (a) may be exercised with respect
11 to the following loans:

12 “(1) A loan made, insured, or guaranteed under
13 part B of title IV of the Higher Education Act of
14 1965 (20 U.S.C. 1071 et seq.).

15 “(2) A loan made under part D of such title
16 (20 U.S.C. 1087a et seq.).

17 “(3) A loan made under part E of such title
18 (20 U.S.C. 1087aa et seq.).

19 “(d) MAXIMUM BENEFIT.—The months for which in-
20 terest and any special allowance may be paid on behalf
21 of a member of the armed forces under this section are
22 any 36 consecutive months during which the member is
23 eligible under subsection (b).

1 “(e) FUNDS FOR PAYMENTS.—Appropriations avail-
2 able for the pay and allowances of military personnel shall
3 be available for payments under this section.

4 “(f) COORDINATION.—(1) The Secretary of Defense
5 and, with respect to the Coast Guard when it is not oper-
6 ating as a service in the Navy, the Secretary of Transpor-
7 tation shall consult with the Secretary of Education re-
8 garding the administration of the authority under this sec-
9 tion.

10 “(2) The Secretary concerned shall transfer to the
11 Secretary of Education the funds necessary—

12 “(A) to pay interest and special allowances on
13 student loans under this section (in accordance with
14 sections 428(o) and 464(j) of the Higher Education
15 Act of 1965 (20 U.S.C. 1078(o) and 1087dd(j));
16 and

17 “(B) to reimburse the Secretary of Education
18 for any reasonable administrative costs incurred by
19 the Secretary in coordinating the program under
20 this section with the administration of the student
21 loan programs under parts B, D, and E of title IV
22 of the Higher Education Act of 1965.

23 “(g) SPECIAL ALLOWANCE DEFINED.—In this sec-
24 tion, the term ‘special allowance’ means a special allow-

1 ance that is payable under section 438 of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1087–1).”.

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

“2174. Interest payment program: members on active duty.”.

6 (b) FEDERAL FAMILY EDUCATION LOANS AND DI-
7 RECT LOANS.—(1) Subsection (c)(3) of section 428 of the
8 Higher Education Act of 1965 (20 U.S.C. 1078) is
9 amended—

10 (A) in clause (i) of subparagraph (A)—

11 (i) by striking “or” at the end of subclause

12 (II);

13 (ii) by inserting “or” at the end of sub-
14 clause (III); and

15 (iii) by adding at the end the following new
16 subclause:

17 “(IV) is eligible for interest pay-
18 ments to be made on such loan for
19 service in the Armed Forces under
20 section 2174 of title 10, United States
21 Code, and, pursuant to that eligibility,
22 the interest is being paid on such loan
23 under subsection (o);”;

24 (B) in clause (ii)(II) of subparagraph (A), by
25 inserting “or (i)(IV)” after “clause (i)(II)”; and

1 (C) by striking subparagraph (C) and inserting
2 the following:

3 “(C) shall contain provisions that specify
4 that—

5 “(i) the form of forbearance granted
6 by the lender pursuant to this paragraph,
7 other than subparagraph (A)(i)(IV), shall
8 be temporary cessation of payments, unless
9 the borrower selects forbearance in the
10 form of an extension of time for making
11 payments, or smaller payments than were
12 previously scheduled; and

13 “(ii) the form of forbearance granted
14 by the lender pursuant to subparagraph
15 (A)(i)(IV) shall be the temporary cessation
16 of all payments on the loan other than
17 payments of interest on the loan, and pay-
18 ments of any special allowance payable
19 with respect to the loan under section 438
20 of this Act, that are made under sub-
21 section (o); and”.

22 (2) Section 428 of such Act is further amended by
23 adding at the end the following new subsection:

24 “(o) ARMED FORCES STUDENT LOAN INTEREST
25 PAYMENT PROGRAM.—

1 “(1) **AUTHORITY.**—Using funds received by
2 transfer to the Secretary under section 2174 of title
3 10, United States Code, for the payment of interest
4 and any special allowance on a loan to a member of
5 the Armed Forces that is made, insured, or guaran-
6 teed under this part, the Secretary shall pay the in-
7 terest and special allowance on such loan as due for
8 a period not in excess of 36 consecutive months. The
9 Secretary may not pay interest or any special allow-
10 ance on such a loan out of any funds other than
11 funds that have been so transferred.

12 “(2) **FORBEARANCE.**—During the period in
13 which the Secretary is making payments on a loan
14 under paragraph (1), the lender shall grant the bor-
15 rower forbearance in accordance with the guaranty
16 agreement under subsection (c)(3)(A)(i)(IV).

17 “(3) **SPECIAL ALLOWANCE DEFINED.**—For the
18 purposes of this subsection, the term ‘special allow-
19 ance’, means a special allowance that is payable with
20 respect to a loan under section 438 of this Act.”.

21 (c) **FEDERAL PERKINS LOANS.**—Section 464 of the
22 Higher Education Act of 1965 (20 U.S.C. 1087dd) is
23 amended—

24 (1) in subsection (e)—

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

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

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

7 “(3) the borrower is eligible for interest pay-
8 ments to be made on such loan for service in the
9 Armed Forces under section 2174 of title 10, United
10 States Code, and, pursuant to that eligibility, the in-
11 terest on such loan is being paid under subsection
12 (j), except that the form of a forbearance under this
13 paragraph shall be a temporary cessation of all pay-
14 ments on the loan other than payments of interest
15 on the loan that are made under subsection (j).”;
16 and

17 (2) by adding at the end the following new sub-
18 section:

19 “(j) ARMED FORCES STUDENT LOAN INTEREST
20 PAYMENT PROGRAM.—

21 “(1) AUTHORITY.—Using funds received by
22 transfer to the Secretary under section 2174 of title
23 10, United States Code, for the payment of interest
24 on a loan made under this part to a member of the
25 Armed Forces, the Secretary shall pay the interest

1 on the loan as due for a period not in excess of 36
2 consecutive months. The Secretary may not pay in-
3 terest on such a loan out of any funds other than
4 funds that have been so transferred.

5 “(2) FORBEARANCE.—During the period in
6 which the Secretary is making payments on a loan
7 under paragraph (1), the institution of higher edu-
8 cation shall grant the borrower forbearance in ac-
9 cordance with subsection (e)(3).”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply with respect to interest, and any
12 special allowance under section 438 of the Higher Edu-
13 cation Act of 1965, that accrue for months beginning on
14 or after October 1, 2003, on student loans described in
15 subsection (c) of section 2174 of title 10, United States
16 Code (as added by subsection (a)), that were made before,
17 on, or after such date to members of the Armed Forces
18 who are on active duty (as defined in section 101(d) of
19 title 10, United States Code) on or after that date.

1 **SEC. 657. MODIFICATION OF AMOUNT OF BACK PAY FOR**
2 **MEMBERS OF NAVY AND MARINE CORPS SE-**
3 **LECTED FOR PROMOTION WHILE INTERNED**
4 **AS PRISONERS OF WAR DURING WORLD WAR**
5 **II TO TAKE INTO ACCOUNT CHANGES IN CON-**
6 **SUMER PRICE INDEX.**

7 (a) MODIFICATION.—Section 667(c) of the Floyd D.
8 Spence National Defense Authorization Act for Fiscal
9 Year 2001 (as enacted into law by Public Law 106–398;
10 114 Stat. 1654A–170) is amended by adding at the end
11 the following new paragraph:

12 “(3) The amount determined for a person under
13 paragraph (1) shall be increased to reflect increases in
14 cost of living since the basic pay referred to in paragraph
15 (1)(B) was paid to or for that person, calculated on the
16 basis of the Consumer Price Index (all items—United
17 States city average) published monthly by the Bureau of
18 Labor Statistics.”.

19 (b) RECALCULATION OF PREVIOUS PAYMENTS.—In
20 the case of any payment of back pay made to or for a
21 person under section 667 of the Floyd D. Spence National
22 Defense Authorization Act for Fiscal Year 2001 before the
23 date of the enactment of this Act, the Secretary of the
24 Navy shall—

1 (1) recalculate the amount of back pay to which
 2 the person is entitled by reason of the amendment
 3 made by subsection (a); and

4 (2) if the amount of back pay, as so recal-
 5 culated, exceeds the amount of back pay so paid, pay
 6 the person, or the surviving spouse of the person, an
 7 amount equal to the excess.

8 **TITLE VII—HEALTH CARE**

9 **SEC. 701. ELIGIBILITY OF SURVIVING DEPENDENTS FOR** 10 **TRICARE DENTAL PROGRAM BENEFITS** 11 **AFTER DISCONTINUANCE OF FORMER EN-** 12 **ROLLMENT.**

13 Section 1076a(k)(2) of title 10, United States Code,
 14 is amended by striking “if the dependent is enrolled on
 15 the date of the death of the members in a dental benefits
 16 plan established under subsection (a)” and inserting “if,
 17 on the date of the death of the member, the dependent
 18 is enrolled in a dental benefits plan established under sub-
 19 section (a) or is not enrolled in such a plan by reason of
 20 a discontinuance of a former enrollment under subsection
 21 (f)”.

22 **SEC. 702. ADVANCE AUTHORIZATION FOR INPATIENT MEN-** 23 **TAL HEALTH SERVICES.**

24 Section 1079(i)(3) of title 10, United States Code,
 25 is amended—

1 (1) by inserting “(A)” after “(3)”;

2 (2) by striking “Except in the case of an emer-
3 gency,” and inserting “Except as provided in sub-
4 paragraphs (B) and (C),”; and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(B) Preadmission authorization for inpatient mental
8 health services is not required under subparagraph (A) in
9 the case of an emergency.

10 “(C) Preadmission authorization for inpatient mental
11 health services is not required under subparagraph (A) in
12 a case in which any benefits are payable for such services
13 under part A of title XVIII of the Social Security Act (42
14 U.S.C. 1395e et seq.). The Secretary shall require, how-
15 ever, advance authorization for the continued provision of
16 the inpatient mental health services after benefits cease
17 to be payable for such services under part A of such title
18 in such case.”.

19 **SEC. 703. CONTINUED TRICARE ELIGIBILITY OF DEPEND-**
20 **ENTS RESIDING AT REMOTE LOCATIONS**
21 **AFTER DEPARTURE OF SPONSORS FOR UN-**
22 **ACCOMPANIED ASSIGNMENTS.**

23 Section 1079(p) of title 10, United States Code, is
24 amended—

1 (1) in paragraph (1), by striking “dependents
2 referred to in subsection (a) of a member of the uni-
3 formed services referred to in section 1074(c)(3) of
4 this title who are residing with the member” and in-
5 serting “dependents described in paragraph (3)”;

6 (2) by redesignating paragraph (3) as para-
7 graph (4); and

8 (3) by inserting after paragraph (2), the fol-
9 lowing new paragraph (3):

10 “(3) This subsection applies with respect to a depend-
11 ent referred to in subsection (a) who—

12 “(A) is a dependent of a member of the uni-
13 formed services referred to in section 1074(c)(3) of
14 this title and is residing with the member; or

15 “(B) is a dependent of a member who, after
16 having served in a duty assignment described in sec-
17 tion 1074(c)(3) of this title, has relocated without
18 the dependent pursuant to orders for a permanent
19 change of duty station from a remote location de-
20 scribed in subparagraph (B)(ii) of such section
21 where the member and the dependent resided to-
22 gether while the member served in such assignment,
23 if the orders do not authorize dependents to accom-
24 pany the member to the new duty station at the ex-

1 pense of the United States and the dependent con-
2 tinues to reside at the same remote location.”.

3 **SEC. 704. APPROVAL OF MEDICARE PROVIDERS AS**
4 **TRICARE PROVIDERS.**

5 Section 1079 of title 10, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(q) A physician or other health care practitioner who
9 is eligible to receive reimbursement for services provided
10 under the Medicare Program under title XVIII of the So-
11 cial Security Act (42 U.S.C. 1395 et seq.) shall be consid-
12 ered approved to provide medical care under this section
13 and section 1086 of this title.”.

14 **SEC. 705. CLAIMS INFORMATION.**

15 (a) CORRESPONDENCE TO MEDICARE CLAIMS INFOR-
16 MATION REQUIREMENTS.—Section 1095c of title 10,
17 United States Code, is amended by adding at the end the
18 following new subsection:

19 “(d) CORRESPONDENCE TO MEDICARE CLAIMS IN-
20 FORMATION REQUIREMENTS.—The Secretary of Defense,
21 in consultation with the other administering Secretaries,
22 shall limit the requirements for information in support of
23 claims for payment for health care items and services pro-
24 vided under the TRICARE program so that the informa-
25 tion required under the program is substantially the same

1 as the information that would be required for claims for
2 reimbursement for those items and services under title
3 XVIII of the Social Security Act (42 U.S.C. 1395 et
4 seq.).”.

5 (b) **APPLICABILITY.**—The Secretary of Defense, in
6 consultation with the other administering Secretaries re-
7 ferred to in section 1072(3) of title 10, United States
8 Code, shall apply the limitations required under subsection
9 (d) of section 1095e of such title (as added by subsection
10 (a)) with respect to contracts entered into under the
11 TRICARE program on or after October 1, 2002.

12 **SEC. 706. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE**
13 **RETIREE HEALTH CARE FUND.**

14 (a) **SOURCE OF FUNDS FOR MONTHLY ACCRUAL**
15 **PAYMENTS INTO THE FUND.**—Section 1116(e) of title 10,
16 United States Code, is amended by striking “health care
17 programs” and inserting “pay of members”.

18 (b) **MANDATORY PARTICIPATION OF OTHER UNI-**
19 **FORMED SERVICES.**—Section 1111(e) of such title is
20 amended—

21 (1) in the first sentence, by striking “may enter
22 into an agreement with any other administering Sec-
23 retary” and inserting “shall enter into an agreement
24 with each other administering Secretary”; and

1 (2) in the second sentence, by striking “Any
2 such” and inserting “The”.

3 **SEC. 707. TECHNICAL CORRECTIONS RELATING TO TRANSI-**
4 **TIONAL HEALTH CARE FOR MEMBERS SEPA-**
5 **RATED FROM ACTIVE DUTY.**

6 (a) CONTINUED APPLICABILITY TO DEPENDENTS.—
7 Subsection (a)(1) of section 736 of the National Defense
8 Authorization Act for Fiscal Year 2002 (Public Law 107–
9 107; 115 Stat. 1172) is amended to read as follows:

10 “(1) in paragraph (1), by striking ‘paragraph
11 (2), a member’ and all that follows through ‘of the
12 member),’ and inserting ‘paragraph (3), a member
13 of the armed forces who is separated from active
14 duty as described in paragraph (2) (and the depend-
15 ents of the member)’;”.

16 (b) CLARIFICATION REGARDING THE COAST
17 GUARD.—Subsection (b)(2) of such section is amended to
18 read as follows:

19 “(2) in subsection (e)—
20 “(A) by striking the first sentence; and
21 “(B) by striking ‘the Coast Guard’ in the
22 second sentence and inserting ‘the members of
23 the Coast Guard and their dependents’.”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect as of December 28, 2001,

1 and as if included in the National Defense Authorization
2 Act for Fiscal Year 2002 as enacted.

3 **SEC. 708. EXTENSION OF TEMPORARY AUTHORITY FOR EN-**
4 **TERING INTO PERSONAL SERVICES CON-**
5 **TRACTS FOR THE PERFORMANCE OF HEALTH**
6 **CARE RESPONSIBILITIES FOR THE ARMED**
7 **FORCES AT LOCATIONS OTHER THAN MILI-**
8 **TARY MEDICAL TREATMENT FACILITIES.**

9 Section 1091(a)(2) of title 10, United States Code,
10 is amended by striking “December 31, 2002” and insert-
11 ing “December 31, 2003”.

12 **SEC. 709. RESTORATION OF PREVIOUS POLICY REGARDING**
13 **RESTRICTIONS ON USE OF DEPARTMENT OF**
14 **DEFENSE MEDICAL FACILITIES.**

15 Section 1093 of title 10, United States Code, is
16 amended—

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

18 (2) in subsection (a), by striking “RESTRICTION
19 ON USE OF FUNDS.—”.

1 **SEC. 710. HEALTH CARE UNDER TRICARE FOR TRICARE**
2 **BENEFICIARIES RECEIVING MEDICAL CARE**
3 **AS VETERANS FROM THE DEPARTMENT OF**
4 **VETERANS AFFAIRS.**

5 Section 1097 of title 10, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(f) PERSONS RECEIVING MEDICAL CARE FROM THE
9 DEPARTMENT OF VETERANS AFFAIRS.—A covered bene-
10 ficiary who is enrolled in and seeks care under the
11 TRICARE program may not be denied such care on the
12 ground that the covered beneficiary is receiving health
13 care from the Department of Veterans Affairs on an ongo-
14 ing basis if the Department of Veterans Affairs cannot
15 provide the covered beneficiary with the particular care
16 sought by the covered beneficiary within the maximum pe-
17 riod provided in the access to care standards that are ap-
18 plicable to that particular care under TRICARE program
19 policy.”.

1 **TITLE VIII—ACQUISITION POL-**
2 **ICY, ACQUISITION MANAGE-**
3 **MENT, AND RELATED MAT-**
4 **TERS**

5 **Subtitle A—Major Defense**
6 **Acquisition Programs**

7 **SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.**

8 (a) **AUTHORITY.**—(1) Chapter 131 of title 10, United
9 States Code, is amended by adding at the end the fol-
10 lowing new section:

11 **“§ 2228. Buy-to-budget acquisition: end items**

12 “(a) **AUTHORITY TO ACQUIRE ADDITIONAL END**
13 **ITEMS.**—Using funds available to the Department of De-
14 fense for the acquisition of an end item, the head of agen-
15 cy making the acquisition may acquire a higher quantity
16 of the end item than the quantity specified for the end
17 item in a law providing for the funding of that acquisition
18 if that head of an agency makes each of the following find-
19 ings:

20 “(1) The agency has an established requirement
21 for the end item that is expected to remain substan-
22 tially unchanged throughout the period of the acqui-
23 sition.

24 “(2) It is possible to acquire the higher quan-
25 tity of the end item without additional funding be-

1 cause of production efficiencies or other cost reduc-
2 tions.

3 “(3) The amount of the funds used for the ac-
4 quisition of the higher quantity of the end item will
5 not exceed the amount provided under that law for
6 the acquisition of the end item.

7 “(4) The amount so provided is sufficient to en-
8 sure that each unit of the end item acquired within
9 the higher quantity is fully funded as a complete end
10 item.

11 “(b) REGULATIONS.—The Secretary of Defense shall
12 prescribe regulations for the administration of this section.
13 The regulations shall include, at a minimum, the fol-
14 lowing:

15 “(1) The level of approval within the Depart-
16 ment of Defense that is required for a decision to
17 acquire a higher quantity of an end item under sub-
18 section (a).

19 “(2) Authority to exceed by up to 10 percent
20 the quantity of an end item approved in a justifica-
21 tion and approval of the use of procedures other
22 than competitive procedures for the acquisition of
23 the end item under section 2304 of this title, but
24 only to the extent necessary to acquire a quantity of

1 the end item permitted in the exercise of authority
2 under subsection (a).

3 “(c) NOTIFICATION OF CONGRESS.—The head of an
4 agency is not required to notify Congress in advance re-
5 garding a decision under the authority of this section to
6 acquire a higher quantity of an end item than is specified
7 in a law described in subsection (a), but shall notify the
8 congressional defense committees of the decision not later
9 than 30 days after the date of the decision.

10 “(d) WAIVER BY OTHER LAW.—A provision of law
11 may not be construed as prohibiting the acquisition of a
12 higher quantity of an end item under this section unless
13 that provision of law—

14 “(1) specifically refers to this section; and

15 “(2) specifically states that the acquisition of
16 the higher quantity of the end item is prohibited
17 notwithstanding the authority provided in this sec-
18 tion.

19 “(e) DEFINITIONS.—(1) For the purposes of this sec-
20 tion, a quantity of an end item shall be considered speci-
21 fied in a law if the quantity is specified either in a provi-
22 sion of that law or in any related representation that is
23 set forth separately in a table, chart, or explanatory text
24 included in a joint explanatory statement or governing
25 committee report accompanying the law.

1 “(2) In this section:

2 “(A) The term ‘congressional defense com-
3 mittees’ means—

4 “(i) the Committee on Armed Services
5 and the Committee on Appropriations of
6 the Senate; and

7 “(ii) the Committee on Armed Serv-
8 ices and the Committee on Appropriations
9 of the House of Representatives.

10 “(B) The term ‘head of an agency’ means
11 the Secretary of Defense, the Secretary of the
12 Army, the Secretary of the Navy, and the Sec-
13 retary of the Air Force.”.

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

“2228. Buy-to-budget acquisition: end items.”.

17 (b) TIME FOR ISSUANCE OF FINAL REGULATIONS.—
18 The Secretary of Defense shall issue the final regulations
19 under section 2228(b) of title 10, United States Code (as
20 added by subsection (a)), not later than 120 days after
21 the date of the enactment of this Act.

22 **SEC. 802. REPORT TO CONGRESS ON INCREMENTAL ACQUI-**
23 **SITION OF MAJOR SYSTEMS.**

24 (a) REPORT REQUIRED.—Not later than 120 days
25 after the date of the enactment of this Act, the Secretary

1 of Defense shall submit to the congressional defense com-
2 mittees a report on the approach that the Secretary plans
3 to take to applying the requirements of chapter 144 of
4 title 10, United States Code, sections 139, 181, 2366,
5 2399, and 2400 of such title, Department of Defense Di-
6 rective 5000.1, Department of Defense Instruction
7 5000.2, and Chairman of the Joint Chiefs of Staff In-
8 struction 3170.01B, and other provisions of law and regu-
9 lations applicable to incremental acquisition programs.

10 (b) CONTENT OF REPORT.—The report shall, at a
11 minimum, address the following matters:

12 (1) The manner in which the Secretary plans to
13 establish and approve, for each increment of an in-
14 cremental acquisition program—

15 (A) operational requirements; and

16 (B) cost and schedule goals.

17 (2) The manner in which the Secretary plans,
18 for each increment of an incremental acquisition
19 program—

20 (A) to meet requirements for operational
21 testing and live fire testing;

22 (B) to monitor cost and schedule perform-
23 ance; and

1 (C) to comply with laws requiring reports
2 to Congress on results testing and on cost and
3 schedule performance.

4 (3) The manner in which the Secretary plans to
5 ensure that each increment of an incremental acqui-
6 sition program is designed—

7 (A) to achieve interoperability within and
8 among United States forces and United States
9 coalition partners; and

10 (B) to optimize total system performance
11 and minimize total ownership costs by giving
12 appropriate consideration to—

13 (i) logistics planning;

14 (ii) manpower, personnel, and train-
15 ing;

16 (iii) human, environmental, safety, oc-
17 cupational health, accessibility, surviv-
18 ability, operational continuity, and security
19 factors;

20 (iv) protection of critical program in-
21 formation; and

22 (v) spectrum management.

23 (c) DEFINITIONS.—In this section:

24 (1) The term “incremental acquisition pro-
25 gram” means an acquisition program that is to be

1 conducted in discrete phases or blocks, with each
2 phase or block consisting of the planned production
3 and acquisition of one or more units of a major sys-
4 tem.

5 (2) The term “increment” refers to one of the
6 discrete phases or blocks of an incremental acquisi-
7 tion program.

8 (3) The term “major system” has the meaning
9 given such term in section 2302(5) of title 10,
10 United States Code.

11 **SEC. 803. PILOT PROGRAM FOR SPIRAL DEVELOPMENT OF**
12 **MAJOR SYSTEMS.**

13 (a) **AUTHORITY.**—The Secretary of Defense is au-
14 thorized to conduct a pilot program for the spiral develop-
15 ment of major systems and to designate research and de-
16 velopment programs of the military departments and De-
17 fense Agencies to participate in the pilot program.

18 (b) **DESIGNATION OF PARTICIPATING PROGRAMS.**—

19 (1) A research and development program for a major sys-
20 tem of a military department or Defense Agency may be
21 conducted as a spiral development program only if the
22 Secretary of Defense approves a spiral development plan
23 submitted by the Secretary of that military department
24 or head of that Defense Agency, as the case may be, and

1 designates the program as a participant in the pilot pro-
2 gram under this section.

3 (2) The Secretary of Defense shall submit a copy of
4 each spiral development plan approved under this section
5 to the congressional defense committees.

6 (c) SPIRAL DEVELOPMENT PLANS.—A spiral devel-
7 opment plan for a participating program shall, at a min-
8 imum, include the following matters:

9 (1) A rationale for dividing the program into
10 separate spirals, together with a preliminary identi-
11 fication of the spirals to be included.

12 (2) A program strategy, including overall cost,
13 schedule, and performance goals for the total pro-
14 gram.

15 (3) Specific cost, schedule, and performance pa-
16 rameters, including measurable exit criteria, for the
17 first spiral to be conducted.

18 (4) A testing plan to ensure that performance
19 goals, parameters, and exit criteria are met.

20 (5) An appropriate limitation on the number of
21 prototype units that may be produced under the pro-
22 gram.

23 (6) Specific performance parameters, including
24 measurable exit criteria, that must be met before the

1 program proceeds into production of units in excess
2 of the limitation on the number of prototype units.

3 (d) GUIDANCE.—Not later than 120 days after the
4 date of the enactment of this Act, the Secretary of Defense
5 shall issue guidance for the implementation of the spiral
6 development pilot program authorized by this section. The
7 guidance shall, at a minimum, include the following mat-
8 ters:

9 (1) A process for the development, review, and
10 approval of each spiral development plan submitted
11 by the Secretary of a military department or head
12 of a Defense Agency.

13 (2) A process for establishing and approving
14 specific cost, schedule, and performance parameters,
15 including measurable exit criteria, for spirals to be
16 conducted after the first spiral.

17 (3) Appropriate planning, testing, reporting,
18 oversight, and other requirements to ensure that the
19 spiral development program—

20 (A) satisfies realistic and clearly-defined
21 performance standards, cost objectives, and
22 schedule parameters (including measurable exit
23 criteria for each spiral);

1 (B) achieve interoperability within and
2 among United States forces and United States
3 coalition partners; and

4 (C) optimize total system performance and
5 minimize total ownership costs by giving appro-
6 priate consideration to—

7 (i) logistics planning;

8 (ii) manpower, personnel, and train-
9 ing;

10 (iii) human, environmental, safety, oc-
11 cupational health, accessibility, surviv-
12 ability, operational continuity, and security
13 factors;

14 (iv) protection of critical program in-
15 formation; and

16 (v) spectrum management.

17 (4) A process for independent validation of the
18 satisfaction of exit criteria and other relevant re-
19 quirements.

20 (5) A process for operational testing of fieldable
21 prototypes to be conducted before or in conjunction
22 with the fielding of the prototypes.

23 (e) REPORTING REQUIREMENT.—The Secretary shall
24 submit to Congress at the end of each quarter of a fiscal
25 year a status report on each research and development

1 program that is a participant in the pilot program. The
2 report shall contain information on unit costs that is simi-
3 lar to the information on unit costs under major defense
4 acquisition programs that is required to be provided to
5 Congress under chapter 144 of title 10, United States
6 Code, except that the information on unit costs shall ad-
7 dress projected prototype costs instead of production
8 costs.

9 (f) APPLICABILITY OF EXISTING LAW.—Nothing in
10 this section shall be construed to exempt any program of
11 the Department of Defense from the application of any
12 provision of chapter 144 of title 10, United States Code,
13 section 139, 181, 2366, 2399, or 2400 of such title, or
14 any requirement under Department of Defense Directive
15 5000.1, Department of Defense Instruction 5000.2, or
16 Chairman of the Joint Chiefs of Staff Instruction
17 3170.01B in accordance with the terms of such provision
18 or requirement.

19 (g) TERMINATION OF PROGRAM PARTICIPATION.—
20 The conduct of a participating program as a spiral devel-
21 opment program under the pilot program shall terminate
22 when the decision is made for the participating program
23 to proceed into the production of units in excess of the
24 number of prototype units permitted under the limitation

1 provided in spiral development plan for the program pur-
2 suant to subsection (c)(5).

3 (h) TERMINATION OF PILOT PROGRAM.—(1) The au-
4 thority to conduct a pilot program under this section shall
5 terminate three years after the date of the enactment of
6 this Act.

7 (2) The termination of the pilot program shall not
8 terminate the authority of the Secretary of a military de-
9 partment or head of a Defense Agency to continue to con-
10 duct, as a spiral development program, any research and
11 development program that was designated to participate
12 in the pilot program before the date on which the pilot
13 program terminates. In the continued conduct of such a
14 research and development program as a spiral develop-
15 ment program on and after such date, the spiral develop-
16 ment plan approved for the program, the guidance issued
17 under subsection (d), and subsections (e), (f), and (g) shall
18 continue to apply.

19 (i) DEFINITIONS.—In this section:

20 (1) The term “spiral development program”
21 means a research and development program that—

22 (A) is conducted in discrete phases or
23 blocks, each of which will result in the develop-
24 ment of fieldable prototypes; and

1 (B) will not proceed into acquisition until
2 specific performance parameters, including
3 measurable exit criteria, have been met.

4 (2) The term “spiral” means one of the discrete
5 phases or blocks of a spiral development program.

6 (3) The term “major system” has the meaning
7 given such term in section 2302(5) of title 10,
8 United States Code.

9 (4) The term “participating program” means a
10 research and development program that is des-
11 ignated to participate in the pilot program under
12 subsection (b).

13 **SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION**
14 **PROCESSES.**

15 (a) ESTABLISHMENT OF PROGRAMS.—(1) The Sec-
16 retary of each military department shall establish a pro-
17 gram to improve the software acquisition processes of that
18 military department.

19 (2) The head of each Defense Agency that manages
20 a major defense acquisition program with a substantial
21 software component shall establish a program to improve
22 the software acquisition processes of that Defense Agency.

23 (3) The programs required by this subsection shall
24 be established not later than 120 days after the date of
25 the enactment of this Act.

1 (b) PROGRAM REQUIREMENTS.—A program to im-
2 prove software acquisition processes under this section
3 shall, at a minimum, include the following:

4 (1) A documented process for software acquisi-
5 tion planning, requirements development and man-
6 agement, project management and oversight, and
7 risk management.

8 (2) Efforts to develop systems for performance
9 measurement and continual process improvement.

10 (3) A system for ensuring that each program
11 office with substantial software responsibilities im-
12 plements and adheres to established processes and
13 requirements.

14 (c) DEPARTMENT OF DEFENSE GUIDANCE.—The
15 Assistant Secretary of Defense for Command, Control,
16 Communications, and Intelligence, in consultation with
17 the Under Secretary of Defense for Acquisition, Tech-
18 nology, and Logistics, shall—

19 (1) prescribe uniformly applicable guidance for
20 the administration of all of the programs established
21 under subsection (a) and take such actions as are
22 necessary to ensure that the military departments
23 and Defense Agencies comply with the guidance; and

24 (2) assist the Secretaries of the military depart-
25 ments and the heads of the Defense Agencies to

1 carry out such programs effectively by identifying,
2 and serving as a clearinghouse for information re-
3 garding, best practices in software acquisition proc-
4 esses in both the public and private sectors.

5 (d) DEFINITIONS.—In this section:

6 (1) The term “Defense Agency” has the mean-
7 ing given the term in section 101(a)(11) of title 10,
8 United States Code.

9 (2) The term “major defense acquisition pro-
10 gram” has the meaning given the term in section
11 2430 of title 10, United States Code.

12 **SEC. 805. INDEPENDENT TECHNOLOGY READINESS ASSESS-**
13 **MENTS.**

14 Section 804(b) of the National Defense Authorization
15 Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat.
16 1180) is amended—

17 (1) by striking “and” at the end of paragraph
18 (1);

19 (2) by striking the period at the end of para-
20 graph (2) and inserting “; and”; and

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

23 “(3) identify each case in which an authori-
24 tative decision has been made within the Depart-
25 ment of Defense not to conduct an independent

1 technology readiness assessment for a critical tech-
2 nology on a major defense acquisition program and
3 explain the reasons for the decision.”.

4 **SEC. 806. TIMING OF CERTIFICATION IN CONNECTION WITH**
5 **WAIVER OF SURVIVABILITY AND LETHALITY**
6 **TESTING REQUIREMENTS.**

7 (a) CERTIFICATION FOR EXPEDITED PROGRAMS.—
8 Paragraph (1) of subsection (c) of section 2366 of title
9 10, United States Code, is amended to read as follows:

10 “(1) The Secretary of Defense may waive the applica-
11 tion of the survivability and lethality tests of this section
12 to a covered system, munitions program, missile program,
13 or covered product improvement program if the Secretary
14 determines that live-fire testing of such system or program
15 would be unreasonably expensive and impractical and sub-
16 mits a certification of that determination to Congress—

17 “(A) before Milestone B approval for the sys-
18 tem or program; or

19 “(B) in the case of a system or program initi-
20 ated at—

21 “(i) Milestone B, as soon as is practicable
22 after the Milestone B approval; or

23 “(ii) Milestone C, as soon as is practicable
24 after the Milestone C approval.”.

1 (b) DEFINITIONS.—Subsection (e) of such section is
2 amended by adding at the end the following new para-
3 graphs:

4 “(8) The term ‘Milestone B approval’ means a
5 decision to enter into system development and dem-
6 onstration pursuant to guidance prescribed by the
7 Secretary of Defense for the management of Depart-
8 ment of Defense acquisition programs.

9 “(9) The term ‘Milestone C approval’ means a
10 decision to enter into production and deployment
11 pursuant to guidance prescribed by the Secretary of
12 Defense for the management of Department of De-
13 fense acquisition programs.”.

14 **Subtitle B—Procurement Policy** 15 **Improvements**

16 **SEC. 811. PERFORMANCE GOALS FOR CONTRACTING FOR** 17 **SERVICES.**

18 (a) INDIVIDUAL PURCHASES OF SERVICES.—Sub-
19 section (a) of section 802 of the National Defense Author-
20 ization Act for Fiscal Year 2002 (Public Law 107–107;
21 10 U.S.C. 2330 note) is amended by adding at the end
22 the following new paragraphs:

23 “(3) To support the attainment of the goals estab-
24 lished in paragraph (2), the Department of Defense shall
25 have the following goals:

1 “(A) To increase, as a percentage of all of the
2 individual purchases of services made by or for the
3 Department of Defense under multiple award con-
4 tracts for a fiscal year (calculated on the basis of
5 dollar value), the volume of the individual purchases
6 of services that are made on a competitive basis and
7 involve the receipt of two or more offers from quali-
8 fied contractors to a percentage as follows:

9 “(i) For fiscal year 2003, a percentage not
10 less than 50 percent.

11 “(ii) For fiscal year 2004, a percentage
12 not less than 60 percent.

13 “(iii) For fiscal year 2011, a percentage
14 not less than 80 percent.

15 “(B) To increase, as a percentage of all of the
16 individual purchases of services made by or for the
17 Department of Defense under multiple award con-
18 tracts for a fiscal year (calculated on the basis of
19 dollar value), the use of performance-based pur-
20 chasing specifying firm fixed prices for the specific
21 tasks to be performed to a percentage as follows:

22 “(i) For fiscal year 2003, a percentage not
23 less than 30 percent.

24 “(ii) For fiscal year 2004, a percentage
25 not less than 40 percent.

1 “(iii) For fiscal year 2005, a percentage
2 not less than 50 percent.

3 “(iv) For fiscal year 2011, a percentage
4 not less than 80 percent.”.

5 (b) EXTENSION AND REVISION OF REPORTING RE-
6 QUIREMENT.—Subsection (b) of such section is
7 amended—

8 (1) by striking “March 1, 2006”, and inserting
9 “March 1, 2011”; and

10 (2) by adding at the end the following new
11 paragraphs:

12 “(6) Regarding the individual purchases of
13 services that were made by or for the Department
14 of Defense under multiple award contracts in the fis-
15 cal year preceding the fiscal year in which the report
16 is required to be submitted, information (determined
17 using the data collection system established under
18 section 2330a of title 10, United States Code) as
19 follows:

20 “(A) The percentage (calculated on the
21 basis of dollar value) of such purchases that are
22 purchases that were made on a competitive
23 basis and involved receipt of two or more offers
24 from qualified contractors.

1 “(B) The percentage (calculated on the
2 basis of dollar value) of such purchases that are
3 performance-based purchases specifying firm
4 fixed prices for the specific tasks to be per-
5 formed.”.

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

8 “(c) DEFINITIONS.—In this section:

9 “(1) The term ‘individual purchase’ means a
10 task order, delivery order, or other purchase.

11 “(2) The term ‘multiple award contract’
12 means—

13 “(A) a contract that is entered into by the
14 Administrator of General Services under the
15 multiple award schedule program referred to in
16 section 2302(2)(C) of title 10, United States
17 Code;

18 “(B) a multiple award task order contract
19 that is entered into under the authority of sec-
20 tions 2304a through 2304d of title 10, United
21 States Code, or sections 303H through 303K of
22 the Federal Property and Administrative Serv-
23 ices Act of 1949 (41 U.S.C. 253h through
24 253k); and

1 “(C) any other indefinite delivery, indefi-
2 nite quantity contract that is entered into by
3 the head of a Federal agency with two or more
4 sources pursuant to the same solicitation.”.

5 **SEC. 812. GRANTS OF EXCEPTIONS TO COST OR PRICING**
6 **DATA CERTIFICATION REQUIREMENTS AND**
7 **WAIVERS OF COST ACCOUNTING STANDARDS.**

8 (a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL
9 CIRCUMSTANCES.—(1) Not later than 60 days after the
10 date of the enactment of this Act, the Secretary of Defense
11 shall issue guidance on the circumstances under which it
12 is appropriate to grant—

13 (A) an exception pursuant to section
14 2306a(b)(1)(C) of title 10, United States Code, re-
15 lating to submittal of certified contract cost and
16 pricing data; or

17 (B) a waiver pursuant to section 26(f)(5)(B) of
18 the Office of Federal Procurement Policy Act (41
19 U.S.C. 422(f)(5)(B)), relating to the applicability of
20 cost accounting standards to contracts and sub-
21 contracts.

22 (2) The guidance shall, at a minimum, include a limi-
23 tation that a grant of an exception or waiver referred to
24 in paragraph (1) is appropriate with respect to a contract
25 or subcontract, or (in the case of submittal of certified

1 cost and pricing data) a modification, only upon a deter-
2 mination that the property or services cannot be obtained
3 under the contract, subcontract, or modification, as the
4 case may be, without the grant of the exception or waiver.

5 (b) SEMIANNUAL REPORT.—(1) The Secretary of De-
6 fense shall transmit to the congressional defense commit-
7 tees promptly after the end of each half of a fiscal year
8 a report on the exceptions to cost or pricing data certifi-
9 cation requirements and the waivers of applicability of cost
10 accounting standards that, in cases described in para-
11 graph (2), were granted during that half of the fiscal year.

12 (2) The report for a half of a fiscal year shall include
13 an explanation of—

14 (A) each decision by the head of a procuring ac-
15 tivity within the Department of Defense to exercise
16 the authority under subparagraph (B) or (C) of sub-
17 section (b)(1) of section 2306a of title 10, United
18 States Code, to grant an exception to the require-
19 ments of such section in the case of a contract, sub-
20 contract, or contract or subcontract modification
21 that is expected to have a price of \$15,000,000 or
22 more; and

23 (B) each decision by the Secretary of Defense
24 or the head of an agency within the Department of
25 Defense to exercise the authority under subsection

1 (f)(5)(B) of section 26 of the Office of Federal Pro-
2 curement Policy Act to waive the applicability of the
3 cost accounting standards under such section in the
4 case of a contract or subcontract that is expected to
5 have a value of \$15,000,000 or more.

6 (c) ADVANCE NOTIFICATION OF CONGRESS.—(1)
7 The Secretary of Defense shall transmit to the congres-
8 sional defense committees an advance notification of—

9 (A) any decision by the head of a procuring ac-
10 tivity within the Department of Defense to exercise
11 the authority under subsection (b)(1)(C) of section
12 2306a of title 10, United States Code, to grant an
13 exception to the requirements of such section in the
14 case of a contract, subcontract, or contract or sub-
15 contract modification that is expected to have a
16 price of \$75,000,000 or more; or

17 (B) any decision by the Secretary of Defense or
18 the head of an agency within the Department of De-
19 fense to exercise the authority under subsection
20 (f)(5)(B) of section 26 of the Office of Federal Pro-
21 curement Policy Act to waive the applicability of the
22 cost accounting standards under such section to a
23 contract or subcontract that is expected to have a
24 value of \$75,000,000 or more.

1 (2) The notification under paragraph (1) regarding
2 a decision to grant an exception or waiver shall be trans-
3 mitted not later than 10 days before the exception or waiv-
4 er is granted.

5 (d) CONTENTS OF REPORTS AND NOTIFICATIONS.—
6 A report pursuant to subsection (b) and a notification pur-
7 suant to subsection (c) shall include, for each grant of an
8 exception or waiver, the following matters:

9 (1) A discussion of the justification for the
10 grant of the exception or waiver, including at a
11 minimum—

12 (A) in the case of an exception granted
13 pursuant to section 2306a(b)(1)(B) of title 10,
14 United States Code, an explanation of the basis
15 for the determination that the products or serv-
16 ices to be purchased are commercial items; and

17 (B) in the case of an exception granted
18 pursuant to section 2306a(b)(1)(C) of such
19 title, or a waiver granted pursuant to section
20 26(f)(5)(B) of the Office of Federal Procure-
21 ment Policy Act, an explanation of the basis for
22 the determination that it would not have been
23 possible to obtain the products or services from
24 the offeror without the grant of the exception or
25 waiver.

1 (2) A description of the specific steps taken or
2 to be taken within the Department of Defense to en-
3 sure that the price of each contract, subcontract, or
4 modification covered by the report or notification, as
5 the case may be, is fair and reasonable.

6 (e) **EFFECTIVE DATE.**—The requirements of this sec-
7 tion shall apply to each exception or waiver that is granted
8 under a provision of law referred to in subsection (a) on
9 or after the date on which the guidance required by that
10 subsection (a) is issued.

11 **SEC. 813. EXTENSION OF REQUIREMENT FOR ANNUAL RE-**
12 **PORT ON DEFENSE COMMERCIAL PRICING**
13 **MANAGEMENT IMPROVEMENT.**

14 Section 803(c)(4) of the Strom Thurmond National
15 Defense Authorization Act for Fiscal Year 1999 (Public
16 Law 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is
17 amended by striking “2000, 2001, and 2002,” and insert-
18 ing “2000 through 2006,”.

19 **SEC. 814. INTERNAL CONTROLS ON THE USE OF PURCHASE**
20 **CARDS.**

21 (a) **REQUIREMENT FOR ENHANCED INTERNAL CON-**
22 **TROLS.**—Not later than 120 days after the date of the
23 enactment of this Act, the Secretary of Defense shall take
24 action to ensure that appropriate internal controls for the
25 use of purchase cards issued by the Federal Government

1 to Department of Defense personnel are in place through-
2 out the Department of Defense. At a minimum, the inter-
3 nal controls shall include the following:

4 (1) A requirement that the receipt and accept-
5 ance, and the documentation of the receipt and ac-
6 ceptance, of the property or services purchased on a
7 purchase card be verified by a Department of De-
8 fense official who is independent of the purchaser.

9 (2) A requirement that the monthly purchase
10 card statements of purchases on a purchase card be
11 reviewed and certified for accuracy by an official of
12 the Department of Defense who is independent of
13 the purchaser.

14 (3) Specific policies limiting the number of pur-
15 chase cards issued, with the objective of significantly
16 reducing the number of cardholders.

17 (4) Specific policies on credit limits authorized
18 for cardholders, with the objective of minimizing fi-
19 nancial risk to the Federal Government.

20 (5) Specific criteria for identifying employees el-
21 igible to be issued purchase cards, with the objective
22 of ensuring the integrity of cardholders.

23 (6) Accounting procedures that ensure that
24 purchase card transactions are properly recorded in
25 Department of Defense accounting records.

1 (7) Requirements for regular internal review of
2 purchase card statements to identify—

3 (A) potentially fraudulent, improper, and
4 abusive purchases;

5 (B) any patterns of improper cardholder
6 transactions, such as purchases of prohibited
7 items; and

8 (C) categories of purchases that should be
9 made through other mechanisms to better ag-
10 gregate purchases and negotiate lower prices.

11 (b) TRAINING.—The Secretary of Defense shall en-
12 sure that all Department of Defense purchase cardholders
13 are aware of the enhanced internal controls instituted pur-
14 suant to subsection (a).

15 (c) COMPTROLLER GENERAL REVIEW.—Not later
16 than March 1, 2003, the Comptroller General shall—

17 (1) review the actions that have been taken
18 within the Department of Defense to comply with
19 the requirements of this section; and

20 (2) submit a report on the actions reviewed to
21 the congressional defense committees.

1 **SEC. 815. ASSESSMENT REGARDING FEES PAID FOR ACQUI-**
2 **SITIONS UNDER OTHER AGENCIES' CON-**
3 **TRACTS.**

4 (a) **REQUIREMENT FOR ASSESSMENT AND RE-**
5 **PORT.**—Not later than March 1, 2003, the Secretary of
6 Defense shall carry out an assessment to determine the
7 total amount paid by the Department of Defense as fees
8 for the acquisition of property and services by the Depart-
9 ment of Defense under contracts between other depart-
10 ments and agencies of the Federal Government and the
11 sources of the property and services in each of fiscal years
12 2000, 2001, and 2002, and submit a report on the results
13 of the assessment to Congress.

14 (b) **CONTENT OF REPORT.**—The report shall include
15 the Secretary's views on what, if any, actions should be
16 taken within the Department of Defense to reduce the
17 total amount of the annual expenditures on fees described
18 in subsection (a) and to use the amounts saved for other
19 authorized purposes.

20 **SEC. 816. PILOT PROGRAM FOR TRANSITION TO FOLLOW-**
21 **ON CONTRACTS FOR CERTAIN PROTOTYPE**
22 **PROJECTS.**

23 Section 845 of the National Defense Authorization
24 Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amend-
25 ed by—

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

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

5 “(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-
6 ON CONTRACTS.—(1) The Secretary of Defense is author-
7 ized to carry out a pilot program for follow-on contracting
8 for the production of items or processes that are developed
9 by nontraditional defense contractors under prototype
10 projects carried out under this section.

11 “(2) Under the pilot program—

12 “(A) a qualifying contract for the procurement
13 of such an item or process, or a qualifying sub-
14 contract under a contract for the procurement of
15 such an item or process, may be treated as a con-
16 tract or subcontract, respectively, for the procure-
17 ment of commercial items, as defined in section
18 4(12) of the Office of Federal Procurement Policy
19 Act (41 U.S.C. 403(12)); and

20 “(B) the item or process may be treated as an
21 item or process, respectively, that is developed in
22 part with Federal funds and in part at private ex-
23 pense for the purposes of section 2320 of title 10,
24 United States Code.

1 “(3) For the purposes of the pilot program, a quali-
2 fying contract or subcontract is a contract or subcontract,
3 respectively, with a nontraditional defense contractor
4 that—

5 “(A) does not exceed \$20,000,000; and

6 “(B) is either—

7 “(i) a firm, fixed-price contract or sub-
8 contract; or

9 “(ii) a fixed-price contract or subcontract
10 with economic price adjustment.

11 “(4) The authority to conduct a pilot program under
12 this subsection shall terminate on September 30, 2005.
13 The termination of the authority shall not affect the valid-
14 ity of contracts or subcontracts that are awarded or modi-
15 fied during the period of the pilot program, without regard
16 to whether the contracts or subcontracts are performed
17 during the period.”.

18 **SEC. 817. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR**

19 **CONTENT REQUIREMENTS.**

20 (a) **AUTHORITY.**—Subchapter V of chapter 148 of
21 title 10, United States Code, is amended by adding at the
22 end the following new section:

1 **“§ 2539c. Waiver of domestic source or content re-**
2 **quirements**

3 “(a) *AUTHORITY*.—Except as provided in subsection
4 (f), the Secretary of Defense may waive the application
5 of any domestic source requirement or domestic content
6 requirement referred to in subsection (b) and thereby au-
7 thorize the procurement of items that are grown, repro-
8 cessed, reused, produced, or manufactured—

9 “(1) in a foreign country that has a reciprocal
10 defense procurement memorandum of understanding
11 or agreement with the United States;

12 “(2) in a foreign country that has a reciprocal
13 defense procurement memorandum of understanding
14 or agreement with the United States substantially
15 from components and materials grown, reprocessed,
16 reused, produced, or manufactured in the United
17 States or any foreign country that has a reciprocal
18 defense procurement memorandum of understanding
19 or agreement with the United States; or

20 “(3) in the United States substantially from
21 components and materials grown, reprocessed, re-
22 used, produced, or manufactured in the United
23 States or any foreign country that has a reciprocal
24 defense procurement memorandum of understanding
25 or agreement with the United States.

1 “(b) COVERED REQUIREMENTS.—For purposes of
2 this section:

3 “(1) A domestic source requirement is any re-
4 quirement under law that the Department of De-
5 fense satisfy its requirements for an item by pro-
6 curing an item that is grown, reprocessed, reused,
7 produced, or manufactured in the United States or
8 by a manufacturer that is a part of the national
9 technology and industrial base (as defined in section
10 2500(1) of this title).

11 “(2) A domestic content requirement is any re-
12 quirement under law that the Department of De-
13 fense satisfy its requirements for an item by pro-
14 curing an item produced or manufactured partly or
15 wholly from components and materials grown, re-
16 processed, reused, produced, or manufactured in the
17 United States.

18 “(c) APPLICABILITY.—The authority of the Secretary
19 to waive the application of a domestic source or content
20 requirements under subsection (a) applies to the procure-
21 ment of items for which the Secretary of Defense deter-
22 mines that—

23 “(1) application of the requirement would im-
24 pede the reciprocal procurement of defense items
25 under a memorandum of understanding providing

1 for reciprocal procurement of defense items between
2 a foreign country and the United States in accord-
3 ance with section 2531 of this title; and

4 “(2) such country does not discriminate against
5 defense items produced in the United States to a
6 greater degree than the United States discriminates
7 against defense items produced in that country.

8 “(d) LIMITATION ON DELEGATION.—The authority
9 of the Secretary to waive the application of domestic
10 source or content requirements under subsection (a) may
11 not be delegated to any officer or employee other than the
12 Under Secretary of Defense for Acquisition, Technology
13 and Logistics.

14 “(e) CONSULTATIONS.—The Secretary may grant a
15 waiver of the application of a domestic source or content
16 requirement under subsection (a) only after consultation
17 with the United States Trade Representative, the Sec-
18 retary of Commerce, and the Secretary of State.

19 “(f) LAWS NOT WAIVABLE.—The Secretary of De-
20 fense may not exercise the authority under subsection (a)
21 to waive any domestic source or content requirement con-
22 tained in any of the following laws:

23 “(1) The Small Business Act (15 U.S.C. 631 et
24 seq.).

1 “(2) The Javits-Wagner-O’Day Act (41 U.S.C.
2 et seq.).

3 “(3) Sections 7309 and 7310 of this title.

4 “(4) Section 2533a of this title.

5 “(g) RELATIONSHIP TO OTHER WAIVER AUTHOR-
6 ITY.—The authority under subsection (a) to waive a do-
7 mestic source requirement or domestic content require-
8 ment is in addition to any other authority to waive such
9 requirement.

10 “(h) CONSTRUCTION WITH RESPECT TO LATER EN-
11 ACTED LAWS.—This section may not be construed as
12 being inapplicable to a domestic source requirement or do-
13 mestic content requirement that is set forth in a law en-
14 acted after the enactment of this section solely on the
15 basis of the later enactment.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of such subchapter is amended by insert-
18 ing after the item relating to section 2539b the following
19 new item:

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

1 **Subtitle C—Other Matters**

2 **SEC. 821. EXTENSION OF THE APPLICABILITY OF CERTAIN**
3 **PERSONNEL DEMONSTRATION PROJECT EX-**
4 **CEPTIONS TO AN ACQUISITION WORKFORCE**
5 **DEMONSTRATION PROJECT.**

6 Section 4308(b)(3)(B) of the National Defense Au-
7 thorization Act for Fiscal Year 1996 (Public Law 104–
8 106; 10 U.S.C. 1701 note) is amended to read as follows:

9 “(B) commences before November 18,
10 2007.”.

11 **SEC. 822. MORATORIUM ON REDUCTION OF THE DEFENSE**
12 **ACQUISITION AND SUPPORT WORKFORCE.**

13 (a) **PROHIBITION.**—Notwithstanding any other provi-
14 sion of law, the defense acquisition and support workforce
15 may not be reduced, during fiscal years 2003, 2004, and
16 2005, below the level of that workforce as of September
17 30, 2002, determined on the basis of full-time equivalent
18 positions.

19 (b) **WAIVER AUTHORITY.**—The Secretary of Defense
20 may waive the prohibition in subsection (a) and reduce
21 the level of the defense acquisition and support workforce
22 upon submitting to Congress the Secretary’s certification
23 that the defense acquisition and support workforce, at the
24 level to which reduced, will be able efficiently and effec-
25 tively to perform the workloads that are required of that

1 workforce consistent with the cost-effective management
2 of the defense acquisition system to obtain best value
3 equipment and with ensuring military readiness.

4 (c) DEFENSE ACQUISITION AND SUPPORT WORK-
5 FORCE DEFINED.—In this section, the term “defense ac-
6 quisition and support workforce” means Armed Forces
7 and civilian personnel who are assigned to, or are em-
8 ployed in, an organization of the Department of Defense
9 that is—

10 (1) an acquisition organization specified in De-
11 partment of Defense Instruction 5000.58, dated
12 January 14, 1992; or

13 (2) an organization not so specified that has ac-
14 quisition as its predominant mission, as determined
15 by the Secretary of Defense.

16 **SEC. 823. EXTENSION OF CONTRACT GOAL FOR SMALL DIS-**
17 **ADVANTAGED BUSINESSES AND CERTAIN IN-**
18 **STITUTIONS OF HIGHER EDUCATION.**

19 Section 2323(k) of title 10, United States Code, is
20 amended by striking “2003” both places it appears and
21 inserting “2006”.

1 **SEC. 824. MENTOR-PROTEGE PROGRAM ELIGIBILITY FOR**
2 **HUBZONE SMALL BUSINESS CONCERNS AND**
3 **SMALL BUSINESS CONCERNS OWNED AND**
4 **CONTROLLED BY SERVICE-DISABLED VET-**
5 **ERANS.**

6 Section 831(m)(2) of the National Defense Author-
7 ization Act for Fiscal Year 1991 (10 U.S.C. 2302 note),
8 is amended—

9 (1) by striking “or” at the end of subparagraph
10 (D);

11 (2) by striking the period at the end of sub-
12 paragraph (E) and inserting a semicolon; and

13 (3) by adding at the end the following new sub-
14 paragraphs:

15 “(F) a qualified HUBZone small business
16 concern, within the meaning of section 3(p)(5)
17 of the Small Business Act (15 U.S.C.
18 632(p)(5)); or

19 “(G) a small business concern owned and
20 controlled by service-disabled veterans, as de-
21 fined in section 3(q)(2) of the Small Business
22 Act (15 U.S.C. 632(q)(2)).”

1 **SEC. 825. REPEAL OF REQUIREMENTS FOR CERTAIN RE-**
2 **VIEWS BY THE COMPTROLLER GENERAL.**

3 The following provisions of the National Defense Au-
4 thorization Act for Fiscal Year 1996 (Public Law 104-
5 106) are repealed:

6 (1) Section 912(d) (110 Stat. 410; 10 U.S.C.
7 2216 note), relating to Comptroller General reviews
8 of the administration of the Defense Modernization
9 Account.

10 (2) Section 5312(e) (110 Stat. 695; 40 U.S.C.
11 1492), relating to Comptroller General monitoring of
12 a pilot program for solutions-based contracting for
13 acquisition of information technology.

14 (3) Section 5401(c)(3) (110 Stat. 697; 40
15 U.S.C. 1501), relating to a Comptroller General re-
16 view and report regarding a pilot program to test
17 streamlined procedures for the procurement of infor-
18 mation technology products and services available
19 for ordering through multiple award schedules.

20 **SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR**
21 **PURCHASE OF DINITROGEN TETROXIDE, HY-**
22 **DRAZINE, AND HYDRAZINE-RELATED PROD-**
23 **UCTS.**

24 (a) IN GENERAL.—Chapter 141 of title 10, United
25 States Code, is amended by inserting after section 2410n
26 the following new section:

1 **“§ 2410o. Multiyear procurement authority: purchase**
 2 **of dinitrogen tetroxide, hydrazine, and**
 3 **hydrazine-related products**

4 “(a) TEN-YEAR CONTRACT PERIOD.—The Secretary
 5 of Defense may enter into a contract for a period of up
 6 to 10 years for the purchase of dinitrogen tetroxide, hy-
 7 drazine, and hydrazine-related products for the support of
 8 a United States national security program or a United
 9 States space program.

10 “(b) EXTENSIONS.—A contract entered into for more
 11 than one year under the authority of subsection (a) may
 12 be extended for a total of not more than 10 years pursuant
 13 to any option or options set forth in the contract.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 141 is amended by adding at
 16 the end the following item:

“2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hy-
 drazine, and hydrazine-related products.”.

17 **SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR EN-**
 18 **VIRONMENTAL SERVICES FOR MILITARY IN-**
 19 **STALLATIONS.**

20 (a) AUTHORITY.—Subsection (b) of section 2306c of
 21 title 10, United States Code, is amended by adding at the
 22 end the following new paragraph:

23 “(5) Environmental remediation services for—
 24 “(A) an active military installation;

1 “(B) a military installation being closed or
2 realigned under a base closure law; or

3 “(C) a site formerly used by the Depart-
4 ment of Defense.”.

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

7 “(g) ADDITIONAL DEFINITIONS.—In this section:

8 “(1) The term ‘base closure law’ has the mean-
9 ing given such term in section 2667(h)(2) of this
10 title.

11 “(2) The term ‘military installation’ has the
12 meaning given such term in section 2801(c)(2) of
13 this title.”.

14 **SEC. 828. INCREASED MAXIMUM AMOUNT OF ASSISTANCE**
15 **FOR TRIBAL ORGANIZATIONS OR ECONOMIC**
16 **ENTERPRISES CARRYING OUT PROCURE-**
17 **MENT TECHNICAL ASSISTANCE PROGRAMS**
18 **IN TWO OR MORE SERVICE AREAS.**

19 Section 2414(a)(4) of title 10, United States Code,
20 is amended by striking “\$300,000” and inserting
21 “\$600,000”.

1 **SEC. 829. AUTHORITY FOR NONPROFIT ORGANIZATIONS TO**
2 **SELF-CERTIFY ELIGIBILITY FOR TREATMENT**
3 **AS QUALIFIED ORGANIZATIONS EMPLOYING**
4 **SEVERELY DISABLED UNDER MENTOR-PRO-**
5 **TEGE PROGRAM.**

6 Section 831 of the National Defense Authorization
7 Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amend-
8 ed by adding at the end the following new subsection:

9 “(n) SELF-CERTIFICATION OF NONPROFIT ORGANI-
10 ZATIONS AS QUALIFIED ORGANIZATIONS EMPLOYING THE
11 SEVERELY DISABLED.—(1) The Secretary of Defense
12 may, in accordance with such requirements as the Sec-
13 retary may establish, permit a business entity operating
14 on a non-profit basis to self-certify its eligibility for treat-
15 ment as a qualified organization employing the severely
16 disabled under subsection (m)(2)(D).

17 “(2) The Secretary shall treat any entity described
18 in paragraph (1) that submits a self-certification under
19 that paragraph as a qualified organization employing the
20 severely disabled until the Secretary receives evidence, if
21 any, that such entity is not described by paragraph (1)
22 or does not merit treatment as a qualified organization
23 employing the severely disabled in accordance with appli-
24 cable provisions of subsection (m).

25 “(3) Paragraphs (1) and (2) shall cease to be effec-
26 tive on the effective date of regulations prescribed by the

1 Small Business Administration under this section setting
2 forth a process for the certification of business entities as
3 eligible for treatment as a qualified organization employ-
4 ing the severely disabled under subsection (m)(2)(D).”.

5 **SEC. 830. REPORT ON EFFECTS OF ARMY CONTRACTING**
6 **AGENCY.**

7 (a) IN GENERAL.—The Secretary of the Army shall
8 submit a report on the effects of the establishment of an
9 Army Contracting Agency on small business participation
10 in Army procurements during the first year of operation
11 of such an agency to—

12 (1) the Committee on Armed Services of the
13 House of Representatives;

14 (2) the Committee on Armed Services of the
15 Senate;

16 (3) the Committee on Small Business of the
17 House of Representatives; and

18 (4) the Committee on Small Business and En-
19 trepreneurship of the Senate.

20 (b) CONTENT.—The report required under subsection
21 (a) shall include, in detail—

22 (1) the justification for the establishment of an
23 Army Contracting Agency;

24 (2) the impact of the creation of an Army Con-
25 tracting Agency on—

1 (A) Army compliance with—

2 (i) Department of Defense Directive
3 4205.1;

4 (ii) section 15(g) of the Small Busi-
5 ness Act (15 U.S.C. 644(g)); and

6 (iii) section 15(k) of the Small Busi-
7 ness Act (15 U.S.C. 644(k));

8 (B) small business participation in Army
9 procurement of products and services for af-
10 fected Army installations, including—

11 (i) the impact on small businesses lo-
12 cated near Army installations, including—

13 (I) the increase or decrease in
14 the total value of Army prime con-
15 tracting with local small businesses;
16 and

17 (II) the opportunities for small
18 business owners to meet and interact
19 with Army procurement personnel;
20 and

21 (ii) any change or projected change in
22 the use of consolidated contracts and bun-
23 dled contracts; and

24 (3) a description of the Army's plan to address
25 any negative impact on small business participation

1 in Army procurement, to the extent such impact is
2 identified in the report.

3 (c) TIME FOR SUBMISSION.—The report under this
4 section shall be due 15 months after the date of the estab-
5 lishment of the Army Contracting Agency.

6 **TITLE IX—DEPARTMENT OF DE-**
7 **FENSE ORGANIZATION AND**
8 **MANAGEMENT**

9 **SEC. 901. TIME FOR SUBMITTAL OF REPORT ON QUADREN-**
10 **NIAL DEFENSE REVIEW.**

11 Section 118(d) of title 10, United States Code, is
12 amended by striking “not later than September 30 of the
13 year in which the review is conducted” in the second sen-
14 tence and inserting “in the year following the year in
15 which the review is conducted, but not later than the date
16 on which the President submits the budget for the next
17 fiscal year to Congress under section 1105(a) of title 31”.

18 **SEC. 902. INCREASED NUMBER OF DEPUTY COMMANDANTS**
19 **AUTHORIZED FOR THE MARINE CORPS.**

20 Section 5045 of title 10, United States Code, is
21 amended by striking “five” and inserting “six”.

22 **SEC. 903. BASE OPERATING SUPPORT FOR FISHER HOUSES.**

23 (a) EXPANSION OF REQUIREMENT TO INCLUDE
24 ARMY AND AIR FORCE.—Section 2493(f) of title 10,
25 United States Code, is amended to read as follows:

1 “(f) **BASE OPERATING SUPPORT.**—The Secretary of
2 the military department concerned shall provide base oper-
3 ating support for Fisher Houses associated with health
4 care facilities of that military department.”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 subsection (a) shall take effect on October 1, 2002.

7 **SEC. 904. PREVENTION AND MITIGATION OF CORROSION.**

8 (a) **ESTABLISHMENT.**—Not later than 120 days after
9 the date of the enactment of this Act, the Secretary of
10 Defense shall designate an officer or employee of the De-
11 partment of Defense as the senior official responsible
12 (after the Secretary of Defense and the Under Secretary
13 of Defense for Acquisition, Technology, and Logistics) for
14 the prevention and mitigation of corrosion of the military
15 equipment and infrastructure of the Department. The des-
16 igned official shall report directly to the Under Sec-
17 retary of Defense for Acquisition, Technology, and Logis-
18 tics.

19 (b) **DUTIES.**—The official designated under sub-
20 section (a) shall direct and coordinate initiatives through-
21 out the Department of Defense to prevent and mitigate
22 corrosion of the military equipment and infrastructure of
23 the Department, including efforts to facilitate the preven-
24 tion and mitigation of corrosion through—

1 (1) development and recommendation of policy
2 guidance on the prevention and mitigation of corro-
3 sion which the Secretary of Defense shall issue;

4 (2) review of the annual budget proposed for
5 the prevention and mitigation of corrosion by the
6 Secretary of each military department and submittal
7 of recommendations regarding the proposed budget
8 to the Secretary of Defense;

9 (3) direction and coordination of the efforts
10 within the Department of Defense to prevent or
11 mitigate corrosion during—

12 (A) the design, acquisition, and mainte-
13 nance of military equipment; and

14 (B) the design, construction, and mainte-
15 nance of infrastructure; and

16 (4) monitoring of acquisition practices—

17 (A) to ensure that the use of corrosion pre-
18 vention technologies and the application of cor-
19 rosion prevention treatments are fully consid-
20 ered during research and development in the
21 acquisition process; and

22 (B) to ensure that, to the extent deter-
23 mined appropriate in each acquisition program,
24 such technologies and treatments are incor-
25 porated into the program, particularly during

1 the engineering and design phases of the acqui-
2 sition process.

3 (c) INTERIM REPORT.—When the President submits
4 the budget for fiscal year 2004 to Congress pursuant to
5 section 1105(a) of title 31, United States Code, the Sec-
6 retary of Defense shall submit to Congress a report re-
7 garding the actions taken under this section. The report
8 shall include the following matters:

9 (1) The organizational structure for the per-
10 sonnel carrying out the responsibilities of the official
11 designated under subsection (a) with respect to the
12 prevention and mitigation of corrosion.

13 (2) An outline and milestones for developing a
14 long-term corrosion prevention and mitigation strat-
15 egy.

16 (d) LONG-TERM STRATEGY.—(1) Not later than one
17 year after the date of the enactment of this Act, the Sec-
18 retary of Defense shall submit to Congress a long-term
19 strategy to reduce corrosion and the effects of corrosion
20 on the military equipment and infrastructure of the De-
21 partment of Defense.

22 (2) The strategy shall provide for the following ac-
23 tions:

1 (A) Expanding the emphasis on corrosion pre-
2 vention and mitigation to include coverage of infra-
3 structure.

4 (B) Applying uniformly throughout the Depart-
5 ment of Defense requirements and criteria for the
6 testing and certification of new technologies for the
7 prevention of corrosion.

8 (C) Implementing programs, including pro-
9 grams supporting databases, to foster the collection
10 and analysis of—

11 (i) data useful for determining the extent
12 of the effects of corrosion on the maintenance
13 and readiness of military equipment and infra-
14 structure; and

15 (ii) data on the costs associated with the
16 prevention and mitigation of corrosion.

17 (D) Implementing programs, including sup-
18 porting databases, to ensure that a focused and co-
19 ordinated approach is taken throughout the Depart-
20 ment of Defense to collect, review, validate, and dis-
21 tribute information on proven methods and products
22 that are relevant to the prevention of corrosion of
23 military equipment and infrastructure.

1 (E) Implementing a program to identify specific
2 funding in future budgets for the total life cycle
3 costs of the prevention and mitigation of corrosion.

4 (F) Establishing a coordinated research and de-
5 velopment program for the prevention and mitiga-
6 tion of corrosion for new and existing military equip-
7 ment and infrastructure that includes a plan to
8 transition new corrosion prevention technologies into
9 operational systems.

10 (3) The strategy shall also include, for the actions
11 provided for pursuant to paragraph (2), the following:

12 (A) Policy guidance.

13 (B) Performance measures and milestones.

14 (C) An assessment of the necessary program
15 management resources and necessary financial re-
16 sources.

17 (e) GAO REVIEWS.—The Comptroller General shall
18 monitor the implementation of the long-term strategy re-
19 quired under subsection (d) and, not later than 18 months
20 after the date of the enactment of this Act, submit to Con-
21 gress an assessment of the extent to which the strategy
22 has been implemented.

23 (f) DEFINITIONS.—In this section:

1 half of the Institute, accept foreign gifts or donations in
2 order to defray the costs of, or enhance the operation of,
3 the Institute.

4 “(2) Funds received by the Secretary under para-
5 graph (1) shall be credited to appropriations available for
6 the Department of Defense for the Institute. Funds so
7 credited shall be merged with the appropriations to which
8 credited and shall be available for the Institute for the
9 same purposes and same period as the appropriations with
10 which merged.

11 “(3) The Secretary of Defense shall notify Congress
12 if the total amount of money accepted under paragraph
13 (1) exceeds \$1,000,000 in any fiscal year. Any such notice
14 shall list each of the contributors of such money and the
15 amount of each contribution in such fiscal year.

16 “(4) For the purposes of this subsection, a foreign
17 gift or donation is a gift or donation of funds, materials
18 (including research materials), property, or services (in-
19 cluding lecture services and faculty services) from a for-
20 eign government, a foundation or other charitable organi-
21 zation in a foreign country, or an individual in a foreign
22 country.”.

23 (b) CONTENT OF ANNUAL REPORT TO CONGRESS.—
24 Subsection (i) of such section, as redesignated by sub-
25 section (a)(1), is amended by inserting after the first sen-

1 tence the following: “The report shall include a copy of
2 the latest report of the Board of Visitors received by the
3 Secretary under subsection (e)(5), together with any com-
4 ments of the Secretary on the Board’s report.”.

5 **SEC. 906. VETERINARY CORPS OF THE ARMY.**

6 (a) COMPOSITION AND ADMINISTRATION.—(1) Chap-
7 ter 307 of title 10, United States Code, is amended by
8 inserting after section 3070 the following new section
9 3071:

10 **“§ 3071. Veterinary Corps: composition; Chief and as-
11 sistant chief; appointment; grade**

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

15 “(b) CHIEF.—The Secretary of the Army shall ap-
16 point the Chief from the officers of the Regular Army in
17 that corps whose regular grade is above lieutenant colonel
18 and who are recommended by the Surgeon General. An
19 appointee who holds a lower regular grade may be ap-
20 pointed in the regular grade of brigadier general. The
21 Chief serves during the pleasure of the Secretary, but not
22 for more than four years, and may not be reappointed to
23 the same position.

24 “(c) ASSISTANT CHIEF.—The Surgeon General shall
25 appoint the assistant chief from the officers of the Regular

1 Army in that corps whose regular grade is above lieuten-
2 ant colonel. The assistant chief serves during the pleasure
3 of the Surgeon General, but not for more than four years
4 and may not be reappointed to the same position.”.

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

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

8 (b) EFFECTIVE DATE.—Section 3071 of title 10,
9 United States Code, as added by subsection (a), shall take
10 effect on October 1, 2002.

11 **SEC. 907. UNDER SECRETARY OF DEFENSE FOR INTEL-**
12 **LIGENCE.**

13 (a) ESTABLISHMENT OF POSITION.—Chapter 4 of
14 title 10, United States Code, is amended—

15 (1) by transferring section 137 within such
16 chapter to appear following section 138;

17 (2) by redesignating sections 137 and 139 as
18 sections 139 and 139a, respectively; and

19 (3) by inserting after section 136a the following
20 new section 137:

21 **“§ 137. Under Secretary of Defense for Intelligence**

22 “(a) There is an Under Secretary of Defense for In-
23 telligence, appointed from civilian life by the President,
24 by and with the advice and consent of the Senate.

1 “(b) Subject to the authority, direction, and control
2 of the Secretary of Defense, the Under Secretary of De-
3 fense for Intelligence shall perform such duties and exer-
4 cise such powers as the Secretary of Defense may pre-
5 scribe in the area of intelligence.

6 “(c) The Under Secretary of Defense for Personnel
7 and Readiness takes precedence in the Department of De-
8 fense after the Under Secretary of Defense for Personnel
9 and Readiness.”.

10 (b) CONFORMING AMENDMENTS.—(1) Section 131 of
11 such title is amended—

12 (A) by striking paragraphs (2), (3), (4), and
13 (5), and inserting the following:

14 “(2) The Under Secretaries of Defense, as fol-
15 lows:

16 “(A) The Under Secretary of Defense for
17 Acquisition, Technology, and Logistics.

18 “(B) The Under Secretary of Defense for
19 Policy.

20 “(C) The Under Secretary of Defense
21 (Comptroller).

22 “(D) The Under Secretary of Defense for
23 Personnel and Readiness.

24 “(E) The Under Secretary of Defense for
25 Intelligence.”; and

1 (B) by redesignating paragraphs (6), (7), (8),
 2 (9), (10), and (11) as paragraphs (3), (4), (5), (6),
 3 (7), and (8), respectively.

4 (2) The table of sections at the beginning of chapter
 5 4 of such title is amended—

6 (A) by striking the item relating to section 137
 7 and inserting the following:

“137. Under Secretary of Defense for Intelligence.”;

8 and

9 (B) by striking the item relating to section 139
 10 and inserting the following:

“139. Director of Research and Engineering.

“139a. Director of Operational Test and Evaluation.”.

11 (c) EXECUTIVE LEVEL III.—Section 5314 of title 5,
 12 United States Code, is amended by inserting after “Under
 13 Secretary of Defense for Personnel and Readiness.” the
 14 following:

15 “Under Secretary of Defense for Intelligence.”.

16 **TITLE X—GENERAL PROVISIONS**

17 **Subtitle A—Financial Matters**

18 **SEC. 1001. TRANSFER AUTHORITY.**

19 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

20 (1) Upon determination by the Secretary of Defense that
 21 such action is necessary in the national interest, the Sec-
 22 retary may transfer amounts of authorizations made avail-
 23 able to the Department of Defense in this division for fis-

1 cal year 2003 between any such authorizations for that
2 fiscal year (or any subdivisions thereof). Amounts of au-
3 thorizations so transferred shall be merged with and be
4 available for the same purposes as the authorization to
5 which transferred.

6 (2) The total amount of authorizations that the Sec-
7 retary may transfer under the authority of this section
8 may not exceed \$2,500,000,000.

9 (b) LIMITATIONS.—The authority provided by this
10 section to transfer authorizations—

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

14 (2) may not be used to provide authority for an
15 item that has been denied authorization by Con-
16 gress.

17 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
18 transfer made from one account to another under the au-
19 thority of this section shall be deemed to increase the
20 amount authorized for the account to which the amount
21 is transferred by an amount equal to the amount trans-
22 ferred.

23 (d) NOTICE TO CONGRESS.—The Secretary shall
24 promptly notify Congress of each transfer made under
25 subsection (a).

1 **SEC. 1002. REALLOCATION OF AUTHORIZATIONS OF APPRO-**
2 **PRIATIONS FROM BALLISTIC MISSILE DE-**
3 **FENSE TO SHIPBUILDING.**

4 (a) **AMOUNT.**—Notwithstanding any other provision
5 of this Act, the total amount authorized to be appropriated
6 under section 201(4) is hereby reduced by \$690,000,000,
7 and the amount authorized to be appropriated under sec-
8 tion 102(a)(3) is hereby increased by \$690,000,000.

9 (b) **SOURCE OF REDUCTION.**—The total amount of
10 the reduction in the amount authorized to be appropriated
11 under section 201(4) shall be derived from the amount
12 provided under that section for ballistic missile defense for
13 research, development, test, and evaluation.

14 (c) **ALLOCATION OF INCREASE.**—Of the additional
15 amount authorized to be appropriated under section
16 102(a)(3) pursuant to subsection (a)—

17 (1) \$415,000,000 shall be available for advance
18 procurement of a Virginia class submarine;

19 (2) \$125,000,000 shall be available for advance
20 procurement of a DDG–51 class destroyer; and

21 (3) \$150,000,000 shall be available for advance
22 procurement of an LPD–17 class amphibious trans-
23 port dock.

1 **SEC. 1003. AUTHORIZATION OF APPROPRIATIONS FOR CON-**
2 **TINUED OPERATIONS FOR THE WAR ON TER-**
3 **RORISM.**

4 (a) AMOUNT.—(1) In addition to the amounts au-
5 thorized to be appropriated under divisions A and B,
6 funds are hereby authorized to be appropriated for fiscal
7 year 2003 (subject to subsection (b)) in the total amount
8 of \$10,000,000,000 for the conduct of operations in con-
9 tinuation of the war on terrorism in accordance with the
10 Authorization for Use of Military Force (Public Law 107–
11 40; 50 U.S.C. 1541 note).

12 (2) The amount authorized to be appropriated under
13 paragraph (1) shall be available for increased operating
14 costs, transportation costs, costs of humanitarian efforts,
15 costs of special pays, costs of enhanced intelligence efforts,
16 increased personnel costs for members of the reserve com-
17 ponents ordered to active duty under a provision of law
18 referred to in section 101(a)(13)(B) of title 10, United
19 States Code, and other costs related to operations referred
20 to in paragraph (1).

21 (b) AUTHORIZATION CONTINGENT ON BUDGET RE-
22 QUEST.—The authorization of appropriations in sub-
23 section (a) shall be effective only to the extent of the
24 amount provided in a budget request for the appropriation
25 of funds for purposes set forth in subsection (a) that is

1 submitted by the President to Congress after the date of
2 the enactment of this Act and—

3 (1) includes a designation of the requested
4 amount as being essential to respond to or protect
5 against acts or threatened acts of terrorism; and

6 (2) specifies a proposed allocation and plan for
7 the use of the appropriation for purposes set forth
8 in subsection (a).

9 **SEC. 1004. AUTHORIZATION OF EMERGENCY SUPPLE-**
10 **MENTAL APPROPRIATIONS FOR FISCAL YEAR**
11 **2002.**

12 Amounts authorized to be appropriated to the De-
13 partment of Defense for fiscal year 2002 in the National
14 Defense Authorization Act for Fiscal Year 2002 (Public
15 Law 107–107) are hereby adjusted, with respect to any
16 such authorized amount, by the amount by which appro-
17 priations pursuant to such authorization were increased
18 (by a supplemental appropriation) or decreased (by a re-
19 scission), or both, in any law making supplemental appro-
20 priations for fiscal year 2002 that is enacted during the
21 107th Congress, second session.

22 **SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COM-**
23 **MON-FUNDED BUDGETS IN FISCAL YEAR 2003.**

24 (a) **FISCAL YEAR 2003 LIMITATION.**—The total
25 amount contributed by the Secretary of Defense in fiscal

1 year 2003 for the common-funded budgets of NATO may
2 be any amount up to, but not in excess of, the amount
3 specified in subsection (b) (rather than the maximum
4 amount that would otherwise be applicable to those con-
5 tributions under the fiscal year 1998 baseline limitation).

6 (b) TOTAL AMOUNT.—The amount of the limitation
7 applicable under subsection (a) is the sum of the following:

8 (1) The amounts of unexpended balances, as of
9 the end of fiscal year 2002, of funds appropriated
10 for fiscal years before fiscal year 2003 for payments
11 for those budgets.

12 (2) The amount specified in subsection (c)(1).

13 (3) The amount specified in subsection (c)(2).

14 (4) The total amount of the contributions au-
15 thorized to be made under section 2501.

16 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
17 be appropriated by titles II and III of this Act are avail-
18 able for contributions for the common-funded budgets of
19 NATO as follows:

20 (1) Of the amount provided in section 201(1),
21 \$750,000 for the Civil Budget.

22 (2) Of the amount provided in section
23 301(a)(1), \$205,623,000 for the Military Budget.

24 (d) DEFINITIONS.—For purposes of this section:

1 (1) COMMON-FUNDED BUDGETS OF NATO.—

2 The term “common-funded budgets of NATO”
3 means the Military Budget, the Security Investment
4 Program, and the Civil Budget of the North Atlantic
5 Treaty Organization (and any successor or addi-
6 tional account or program of NATO).

7 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—

8 The term “fiscal year 1998 baseline limitation”
9 means the maximum annual amount of Department
10 of Defense contributions for common-funded budgets
11 of NATO that is set forth as the annual limitation
12 in section 3(2)(C)(ii) of the resolution of the Senate
13 giving the advice and consent of the Senate to the
14 ratification of the Protocols to the North Atlantic
15 Treaty of 1949 on the Accession of Poland, Hun-
16 gary, and the Czech Republic (as defined in section
17 4(7) of that resolution), approved by the Senate on
18 April 30, 1998.

19 **SEC. 1006. DEVELOPMENT AND IMPLEMENTATION OF FI-**
20 **NANCIAL MANAGEMENT ENTERPRISE ARCHI-**
21 **TECTURE.**

22 (a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE
23 AND TRANSITION PLAN.—Not later than March 15, 2003,
24 the Secretary of Defense shall develop a proposed financial
25 management enterprise architecture for all budgetary, ac-

1 counting, finance, and data feeder systems of the Depart-
2 ment of Defense, together with a transition plan for imple-
3 menting the proposed enterprise architecture.

4 (b) COMPOSITION OF ARCHITECTURE.—The pro-
5 posed financial management enterprise architecture devel-
6 oped under subsection (a) shall describe a system that,
7 at a minimum—

8 (1) includes data standards and system inter-
9 face requirements that are to apply uniformly
10 throughout the Department of Defense;

11 (2) enables the Department of Defense—

12 (A) to comply with Federal accounting, fi-
13 nancial management, and reporting require-
14 ments;

15 (B) to routinely produce timely, accurate,
16 and useful financial information for manage-
17 ment purposes;

18 (C) to integrate budget, accounting, and
19 program information and systems; and

20 (D) to provide for the systematic measure-
21 ment of performance, including the ability to
22 produce timely, relevant, and reliable cost infor-
23 mation.

24 (c) COMPOSITION OF TRANSITION PLAN.—The tran-
25 sition plan developed under subsection (a) shall contain

1 specific time-phased milestones for modifying or elimi-
2 nating existing systems and for acquiring new systems
3 necessary to implement the proposed enterprise architec-
4 ture.

5 (d) EXPENDITURES FOR IMPLEMENTATION.—The
6 Secretary of Defense may not obligate more than
7 \$1,000,000 for a defense financial system improvement on
8 or after the enterprise architecture approval date unless
9 the Financial Management Modernization Executive Com-
10 mittee determines that the defense financial system im-
11 provement is consistent with the proposed enterprise ar-
12 chitecture and transition plan.

13 (e) EXPENDITURES PENDING ARCHITECTURE AP-
14 PROVAL.—The Secretary of Defense may not obligate
15 more than \$1,000,000 for a defense financial system im-
16 provement during the enterprise architecture pre-approval
17 period unless the Financial Management Modernization
18 Executive Committee determines that the defense finan-
19 cial system improvement is necessary—

20 (1) to achieve a critical national security capa-
21 bility or address a critical requirement in an area
22 such as safety or security; or

23 (2) to prevent a significant adverse effect (in
24 terms of a technical matter, cost, or schedule) on a
25 project that is needed to achieve an essential capa-

1 bility, taking into consideration in the determination
2 the alternative solutions for preventing the adverse
3 effect.

4 (f) COMPTROLLER GENERAL REVIEW.—Not later
5 than March 1 of each of 2003, 2004, and 2005, the Comp-
6 troller General shall submit to the congressional defense
7 committees a report on defense financial management sys-
8 tem improvements that have been undertaken during the
9 previous year. The report shall include the Comptroller
10 General’s assessment of the extent to which the improve-
11 ments comply with the requirements of this section.

12 (g) DEFINITIONS.—In this section:

13 (1) The term “defense financial system
14 improvement”—

15 (A) means the acquisition of a new budg-
16 etary, accounting, finance, or data feeder sys-
17 tem for the Department of Defense, or a modi-
18 fication of an existing budgetary, accounting, fi-
19 nance, or data feeder system of the Department
20 of Defense; and

21 (B) does not include routine maintenance
22 and operation of any such system.

23 (2) The term “enterprise architecture approval
24 date” means the date on which the Secretary of De-
25 fense approves a proposed financial management en-

1 enterprise architecture and a transition plan that sat-
2 isfy the requirements of this section.

3 (3) The term “enterprise architecture pre-ap-
4 proval period” means the period beginning on the
5 date of the enactment of this Act and ending on the
6 day before the enterprise architecture approval date.

7 (4) The term “feeder system” means a data
8 feeder system within the meaning of section
9 2222(c)(2) of title 10, United States Code.

10 (5) The term “Financial Management Mod-
11 ernization Executive Committee” means the Finan-
12 cial Management Modernization Executive Com-
13 mittee established pursuant to section 185 of title
14 10, United States Code.

15 **SEC. 1007. DEPARTMENTAL ACCOUNTABLE OFFICIALS IN**
16 **THE DEPARTMENT OF DEFENSE.**

17 (a) DESIGNATION AND ACCOUNTABILITY.—Chapter
18 165 of title 10, United States Code, is amended by insert-
19 ing after section 2773 the following new section:

20 **“§ 2773a. Departmental accountable officials**

21 “(a) DESIGNATION.—The Secretary of Defense may
22 designate, in writing, as a departmental accountable offi-
23 cial any employee of the Department of Defense or any
24 member of the armed forces who—

1 “(1) has a duty to provide a certifying official
2 of the Department of Defense with information,
3 data, or services directly relied upon by the certi-
4 fying official in the certification of vouchers for pay-
5 ment; and

6 “(1) is not otherwise accountable under subtitle
7 III of title 31 or any other provision of law for pay-
8 ments made on the basis of the vouchers.

9 “(b) PECUNIARY LIABILITY.—(1) The Secretary of
10 Defense may, in a designation of a departmental account-
11 able official under subsection (a), subject that official to
12 pecuniary liability, in the same manner and to the same
13 extent as an official accountable under subtitle III of title
14 31, for an illegal, improper, or incorrect payment made
15 pursuant to a voucher certified by a certifying official of
16 the Department of Defense on the basis of information,
17 data, or services that—

18 “(A) the departmental accountable official pro-
19 vides to the certifying official in the performance of
20 a duty described in subsection (a)(1); and

21 “(B) the certifying official directly relies upon
22 in certifying the voucher.

23 “(2) Any pecuniary liability imposed on a depart-
24 mental accountable official under this subsection for a loss
25 to the United States resulting from an illegal, improper,

1 or incorrect payment shall be joint and several with that
2 of any other employee or employees of the United States
3 or member or members of the uniformed services who are
4 pecuniarily liable for the loss.

5 “(c) RELIEF FROM PECUNIARY LIABILITY.—The
6 Secretary of Defense shall relieve a departmental account-
7 able official from pecuniary liability imposed under sub-
8 section (b) in the case of a payment if the Secretary deter-
9 mines that the payment was not a result of fault or neg-
10 ligence on the part of the departmental accountable offi-
11 cial.

12 “(d) CERTIFYING OFFICIAL DEFINED.—In this sec-
13 tion, the term ‘certifying official’ means an employee who
14 has the responsibilities specified in section 3528(a) of title
15 31.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of such chapter is amended by inserting
18 after the item relating to section 2773 the following new
19 item:

“2773a. Departmental accountable officials.”.

20 **SEC. 1008. DEPARTMENT-WIDE PROCEDURES FOR ESTAB-**
21 **LISHING AND LIQUIDATING PERSONAL PECU-**
22 **NIARY LIABILITY.**

23 (a) REPORT OF SURVEY PROCEDURES.—(1) Chapter
24 165 of title 10, United States Code, is amended by insert-
25 ing after section 2786 the following new section:

1 **“§ 2787. Reports of survey**

2 “(a) REGULATIONS.—Under regulations prescribed
3 pursuant to subsection (e), any officer of the armed forces
4 or any civilian employee of the Department of Defense
5 designated in accordance with the regulations may act
6 upon reports of survey and vouchers pertaining to the loss,
7 spoilage, unserviceability, unsuitability, or destruction of,
8 or damage to, property of the United States under the
9 control of the Department of Defense.

10 “(b) FINALITY OF ACTION.—(1) Action taken under
11 subsection (a) is final except as provided in paragraph (2).

12 “(2) An action holding a person pecuniarily liable for
13 loss, spoilage, destruction, or damage is not final until ap-
14 proved by a person designated to do so by the Secretary
15 of a military department, commander of a combatant com-
16 mand, or Director of a Defense Agency, as the case may
17 be, who has jurisdiction of the person held pecuniarily lia-
18 ble. The person designated to provide final approval shall
19 be an officer of an armed force, or a civilian employee,
20 under the jurisdiction of the official making the designa-
21 tion.

22 “(c) REGULATIONS.—The Secretary of Defense shall
23 prescribe regulations to carry out this section.”.

1 (2) The table of sections at the beginning of chapter
2 165 of such title is amended by inserting after the item
3 relating to section 2786 the following new item:

“2787. Reports of survey.”.

4 (b) **DAMAGE OR REPAIR OF ARMS AND EQUIP-**
5 **MENT.**—Section 1007(e) of title 37, United States Code,
6 is amended by striking “Army or the Air Force” and in-
7 serting “Army, Navy, Air Force, or Marine Corps”.

8 (c) **REPEAL OF SUPERSEDED PROVISIONS.**—(1) Sec-
9 tions 4835 and 9835 of title 10, United States Code, are
10 repealed.

11 (2) The tables of sections at the beginning of chap-
12 ters 453 and 953 of such title are amended by striking
13 the items relating to sections 4835 and 9835, respectively.

14 **SEC. 1009. TRAVEL CARD PROGRAM INTEGRITY.**

15 (a) **AUTHORITY.**—Section 2784 of title 10, United
16 States Code, is amended by adding at the end the fol-
17 lowing new subsections:

18 “(d) **DISBURSEMENT OF ALLOWANCES DIRECTLY TO**
19 **CREDITORS.**—(1) The Secretary of Defense may require
20 that any part of the travel or transportation allowances
21 of an employee of the Department of Defense or a member
22 of the armed forces be disbursed directly to the issuer of
23 a Defense travel card if the amount is disbursed to the
24 issuer in payment of amounts of expenses of official travel

1 that are charged by the employee or member on the De-
2 fense travel card.

3 “(2) For the purposes of this subsection, the travel
4 and transportation allowances referred to in paragraph (1)
5 are amounts to which an employee of the Department of
6 Defense is entitled under section 5702 of title 5 and or
7 a member of the armed forces is entitled section 404 of
8 title 37.

9 “(e) OFFSETS FOR DELINQUENT TRAVEL CARD
10 CHARGES.—(1) The Secretary of Defense may require
11 that there be deducted and withheld from any pay payable
12 to an employee of the Department of Defense or a member
13 of the armed forces any amount that is owed by the em-
14 ployee or member to a creditor by reason of one or more
15 charges of expenses of official travel of the employee or
16 member on a Defense travel card issued by the creditor
17 if the employee or member—

18 “(A) is delinquent in the payment of such
19 amount under the terms of the contract under which
20 the card is issued; and

21 “(B) does not dispute the amount of the delin-
22 quency.

23 “(2) The amount deducted and withheld from pay
24 under paragraph (1) with respect to a debt owed a creditor

1 as described in that paragraph shall be disbursed to the
2 creditor to reduce the amount of the debt.

3 “(3) The amount of pay deducted and withheld from
4 the pay owed to an employee or member with respect to
5 a pay period under paragraph (1) may not exceed 15 per-
6 cent of the disposable pay of the employee or member for
7 that pay period, except that a higher amount may be de-
8 ducted and withheld with the written consent of the em-
9 ployee or member.

10 “(4) The Secretary of Defense shall prescribe proce-
11 dures for deducting and withholding amounts from pay
12 under this subsection. The procedures shall be substan-
13 tially equivalent to the procedures under section 3716 of
14 title 31.

15 “(f) UNDER SECRETARY OF DEFENSE (COMP-
16 TROLLER).—The Secretary of Defense shall act through
17 the Under Secretary of Defense (Comptroller) in carrying
18 out this section.

19 “(g) DEFINITIONS.—In this section:

20 “(1) The term ‘Defense travel card’ means a
21 charge or credit card that—

22 “(A) is issued to an employee of the De-
23 partment of Defense or a member of the armed
24 forces under a contract entered into by the De-

1 designated as account F3885, and for which no appropria-
2 tion for the Department of Defense has been identified—

3 (A) any undistributed collection credited to
4 such account in such case shall be deposited to the
5 miscellaneous receipts of the Treasury; and

6 (B) subject to paragraph (2), any undistributed
7 disbursement recorded in such account in such case
8 shall be canceled.

9 (2) An undistributed disbursement may not be can-
10 celed under paragraph (1) until the Secretary of Defense
11 has made a written determination that the appropriate of-
12 ficial or officials of the Department of Defense have at-
13 tempted without success to locate the documentation nec-
14 essary to demonstrate which appropriation should be
15 charged and further efforts are not in the best interests
16 of the United States.

17 (b) RESOLUTION OF CHECK ISSUANCE DISCREP-
18 ANCIES.—(1) In the case of any check drawn on the
19 Treasury that was issued by or on behalf of the Depart-
20 ment of Defense before October 31, 1998, for which the
21 Secretary of the Treasury has reported to the Department
22 of Defense a discrepancy between the amount paid and
23 the amount of the check as transmitted to the Department
24 of Treasury, and for which no specific appropriation for
25 the Department of Defense can be identified as being asso-

1 ciated with the check, the discrepancy shall be canceled,
2 subject to paragraph (2).

3 (2) A discrepancy may not be canceled under para-
4 graph (1) until the Secretary of Defense has made a writ-
5 ten determination that the appropriate official or officials
6 of the Department of Defense have attempted without suc-
7 cess to locate the documentation necessary to demonstrate
8 which appropriation should be charged and further efforts
9 are not in the best interests of the United States.

10 (c) CONSULTATION.—The Secretary of Defense shall
11 consult the Secretary of the Treasury in the exercise of
12 the authority granted by subsections (a) and (b).

13 (d) DURATION OF AUTHORITY.—(1) A particular un-
14 distributed disbursement may not be canceled under sub-
15 section (a) more than 30 days after the date of the written
16 determination made by the Secretary of Defense under
17 such subsection regarding that undistributed disburse-
18 ment.

19 (2) A particular discrepancy may not be canceled
20 under subsection (b) more than 30 days after the date
21 of the written determination made by the Secretary of De-
22 fense under such subsection regarding that discrepancy.

23 (3) No authority may be exercised under this section
24 after the date that is two years after the date of the enact-
25 ment of this Act.

1 **SEC. 1011. ADDITIONAL AMOUNT FOR BALLISTIC MISSILE**
2 **DEFENSE OR COMBATING TERRORISM IN AC-**
3 **CORDANCE WITH NATIONAL SECURITY PRI-**
4 **ORITIES OF THE PRESIDENT.**

5 (a) **AUTHORIZATION OF APPROPRIATIONS.**—In addi-
6 tion to other amounts authorized to be appropriated by
7 other provisions of this division, there is hereby authorized
8 to be appropriated for the Department of Defense for fis-
9 cal year 2003, \$814,300,000 for whichever of the fol-
10 lowing purposes the President determines that the addi-
11 tional amount is necessary in the national security inter-
12 ests of the United States:

13 (1) Research, development, test, and evaluation
14 for ballistic missile defense programs of the Depart-
15 ment of Defense.

16 (2) Activities of the Department of Defense for
17 combating terrorism at home and abroad.

18 (b) **OFFSET.**—The total amount authorized to be ap-
19 propriated under the other provisions of this division is
20 hereby reduced by \$814,300,000 to reflect the amounts
21 that the Secretary determines unnecessary by reason of
22 a revision of assumptions regarding inflation that are ap-
23 plied as a result of the midsession review of the budget
24 conducted by the Office of Management and Budget dur-
25 ing the spring and early summer of 2002.

1 (c) **PRIORITY FOR ALLOCATING FUNDS.**—In the ex-
2 penditure of additional funds made available by a lower
3 rate of inflation, the top priority shall be the use of such
4 funds for Department of Defense activities for protecting
5 the American people at home and abroad by combating
6 terrorism at home and abroad.

7 **SEC. 1012. AVAILABILITY OF AMOUNTS FOR OREGON ARMY**
8 **NATIONAL GUARD FOR SEARCH AND RESCUE**
9 **AND MEDICAL EVACUATION MISSIONS IN AD-**
10 **VERSE WEATHER CONDITIONS.**

11 (a) **INCREASE IN AUTHORIZATION OF APPROPRIA-**
12 **TIONS FOR ARMY PROCUREMENT.**—The amount author-
13 ized to be appropriated by section 101(1) for procurement
14 for the Army for aircraft is hereby increased by
15 \$3,000,000.

16 (b) **AVAILABILITY.**—Of the amount authorized to be
17 appropriated by section 101(1) for procurement for the
18 Army for aircraft, as increased by subsection (a),
19 \$3,000,000 shall be available for the upgrade of three
20 UH–60L Blackhawk helicopters of the Oregon Army Na-
21 tional Guard to the capabilities of UH–60Q Search and
22 Rescue model helicopters, including Star Safire FLIR,
23 Breeze-Eastern External Rescue Hoist, and Air Methods
24 COTS Medical Systems upgrades, in order to improve the
25 utility of such UH–60L Blackhawk helicopters in search

1 and rescue and medical evacuation missions in adverse
2 weather conditions.

3 (c) INCREASE IN AUTHORIZATION OF APPROPRIA-
4 TIONS FOR MILITARY PERSONNEL.—The amount author-
5 ized to be appropriated by section 421 for military per-
6 sonnel is hereby increased by \$1,800,000.

7 (d) AVAILABILITY.—Of the amount authorized to be
8 appropriated by section 421 for military personnel, as in-
9 creased by subsection (d), \$1,800,000 shall be available
10 for up to 26 additional personnel for the Oregon Army
11 National Guard.

12 (e) OFFSET.—The amount authorized to be appro-
13 priated by section 301(a)(1) for operation and mainte-
14 nance for the Army is hereby reduced by \$4,800,000, with
15 the amount of the reduction to be allocated to Base Oper-
16 ations Support (Servicewide Support).

17 **Subtitle B—Naval Vessels and**
18 **Shipyards**

19 **SEC. 1021. NUMBER OF NAVY SURFACE COMBATANTS IN**
20 **ACTIVE AND RESERVE SERVICE.**

21 (a) CONTINGENT REQUIREMENT FOR REPORT.—If,
22 on the date of the enactment of this Act, the total number
23 of Navy ships comprising the force of surface combatants
24 is less than 116, the Secretary of the Navy shall submit
25 a report on the size of that force to the Committees on

1 Armed Services of the Senate and the House of Represent-
2 atives. The report shall be submitted not later than 90
3 days after such date and shall include a risk assessment
4 for such force that is based on the same assumptions as
5 those that were applied in the QDR 2001 current force
6 risk assessment.

7 (b) LIMITATION ON REDUCTION.—The force of sur-
8 face combatants may not be reduced at any time after the
9 date of the enactment of this Act from a number of ships
10 (whether above, equal to, or below 116) to a number of
11 ships below 116 before the date that is 90 days after the
12 date on which the Secretary of the Navy submits to the
13 committees referred to in subsection (a) a written notifica-
14 tion of the reduction. The notification shall include the
15 following information:

16 (1) The schedule for the reduction.

17 (2) The number of ships that are to comprise
18 the reduced force of surface combatants.

19 (3) A risk assessment for the reduced force that
20 is based on the same assumptions as those that were
21 applied in the QDR 2001 current force risk assess-
22 ment.

23 (c) PRESERVATION OF SURGE CAPABILITY.—When-
24 ever the total number of Navy ships comprising the force
25 of surface combatants is less than 116, the Secretary of

1 the Navy shall maintain on the Naval Vessel Register a
2 sufficient number of surface combatant ships to enable the
3 Navy to regain a total force of 116 surface combatant
4 ships in active and reserve service in the Navy within 120
5 days after the President decides to increase the force of
6 surface combatants.

7 (d) DEFINITIONS.—In this section:

8 (1) The term “force of surface combatants”
9 means the surface combatant ships in active and re-
10 serve service in the Navy.

11 (2) The term “QDR 2001 current force risk as-
12 sessment” means the risk assessment associated
13 with a force of 116 surface combatant ships in ac-
14 tive and reserve service in the Navy that is set forth
15 in the report on the quadrennial defense review sub-
16 mitted to Congress on September 30, 2001, under
17 section 118 of title 10, United States Code.

18 **SEC. 1022. PLAN FOR FIELDING THE 155-MILLIMETER GUN**
19 **ON A SURFACE COMBATANT.**

20 (a) REQUIREMENT FOR PLAN.—The Secretary of the
21 Navy shall submit to Congress a plan for fielding the 155-
22 millimeter gun on one surface combatant ship in active
23 service in the Navy. The Secretary shall submit the plan
24 at the same time that the President submits the budget

1 for fiscal year 2004 to Congress under section 1105(a)
2 of title 31, United States Code.

3 (b) FIELDING ON EXPEDITED SCHEDULE.—The plan
4 shall provide for fielding the 155-millimeter gun on an ex-
5 pedited schedule that is consistent with the achievement
6 of safety of operation and fire support capabilities meeting
7 the fire support requirements of the Marine Corps, but
8 not later than October 1, 2006.

9 **SEC. 1023. REPORT ON INITIATIVES TO INCREASE OPER-**
10 **ATIONAL DAYS OF NAVY SHIPS.**

11 (a) REQUIREMENT FOR REPORT ON INITIATIVES.—

12 (1) The Under Secretary of Defense for Acquisition, Tech-
13 nology, and Logistics shall submit to the Committees on
14 Armed Services of the Senate and the House of Represent-
15 atives a report on Department of Defense initiatives to
16 increase the number of operational days of Navy ships as
17 described in subsection (b).

18 (2) The report shall cover the ongoing Department
19 of Defense initiatives as well as potential initiatives that
20 are under consideration within the Department of De-
21 fense.

22 (b) INITIATIVES WITHIN LIMITS OF EXISTING
23 FLEET AND DEPLOYMENT POLICY.—The Under Sec-
24 retary shall, in the report, assess the feasibility and iden-
25 tify the projected effects of conducting initiatives that

1 have the potential to increase the number of operational
2 days of Navy ships available to the commanders-in-chief
3 of the regional unified combatant commands without in-
4 creasing the number of Navy ships and without increasing
5 the routine lengths of deployments of Navy ships above
6 six months.

7 (c) REQUIRED FOCUS AREAS.—The report shall, at
8 a minimum, address the following four focus areas:

9 (1) Assignment of additional ships, including
10 submarines, to home ports closer to the areas of op-
11 eration for the ships (known as “forward home-
12 porting”).

13 (2) Assignment of ships to remain in a forward
14 area of operations, together with rotation of crews
15 for each ship so assigned.

16 (3) Retention of ships for use until the end of
17 the full service life, together with investment of the
18 funds necessary to support retention to that extent.

19 (4) Prepositioning of additional ships with,
20 under normal circumstances, small crews in a for-
21 ward area of operations.

22 (d) TIME FOR SUBMITTAL.—The report shall be sub-
23 mitted at the same time that the President submits the
24 budget for fiscal year 2004 to Congress under section
25 1105(a) of title 31, United States Code.

1 **SEC. 1024. ANNUAL LONG-RANGE PLAN FOR THE CON-**
2 **STRUCTION OF SHIPS FOR THE NAVY.**

3 (a) FINDINGS.—Congress makes the following find-
4 ings:

5 (1) Navy ships provide a forward presence for
6 the United States that is a key to the national de-
7 fense of the United States.

8 (2) The Navy has demonstrated that its ships
9 contribute significantly to homeland defense.

10 (3) The Navy’s ship recapitalization plan is in-
11 adequate to maintain the ship force structure that is
12 described as the current force in the 2001 Quadren-
13 nial Defense Review.

14 (4) The Navy is decommissioning ships as
15 much as 10 years earlier than the projected ship life
16 upon which ship replacement rates are based.

17 (5) The current force was assessed in the 2001
18 Quadrennial Defense Review as having moderate to
19 high risk, depending on the scenario considered.

20 (b) ANNUAL SHIP CONSTRUCTION PLAN.—(1) Chap-
21 ter 9 of title 10, United States Code, is amended by add-
22 ing at the end the following new section:

23 **“§ 231. Annual ship construction plan**

24 “(a) ANNUAL SHIP CONSTRUCTION PLAN.—The Sec-
25 retary of Defense shall include in the defense budget mate-

1 rials for each fiscal year a plan for the construction of
2 combatant and support ships for the Navy that—

3 “(1) supports the National Security Strategy;

4 or

5 “(2) if there is no National Security Strategy in
6 effect, supports the ship force structure called for in
7 the report of the latest Quadrennial Defense Review.

8 “(b) CONTENT.—The ship construction plan included
9 in the defense budget materials for a fiscal year shall pro-
10 vide in detail for the construction of combatant and sup-
11 port ships for the Navy over the 30 consecutive fiscal years
12 beginning with the fiscal year covered by the defense budg-
13 et materials and shall include the following matters:

14 “(1) A description of the necessary ship force
15 structure of the Navy.

16 “(2) The estimated levels of funding necessary
17 to carry out the plan, together with a discussion of
18 the procurement strategies on which such estimated
19 funding levels are based.

20 “(3) A certification by the Secretary of Defense
21 that both the budget for the fiscal year covered by
22 the defense budget materials and the future-years
23 defense program submitted to Congress in relation
24 to such budget under section 221 of this title pro-
25 vide for funding ship construction for the Navy at

1 a level that is sufficient for the procurement of the
2 ships provided for in the plan on schedule.

3 “(4) If the budget for the fiscal year provides
4 for funding ship construction at a level that is not
5 sufficient for the recapitalization of the force of
6 Navy ships at the annual rate necessary to sustain
7 the force, an assessment (coordinated with the com-
8 manders of the combatant commands in advance)
9 that describes and discusses the risks associated
10 with the reduced force structure that will result from
11 funding ship construction at such insufficient level.

12 “(c) DEFINITIONS.—In this section:

13 “(1) The term ‘budget’, with respect to a fiscal
14 year, means the budget for such fiscal year that is
15 submitted to Congress by the President under sec-
16 tion 1105(a) of title 31.

17 “(2) The term ‘defense budget materials’, with
18 respect to a fiscal year, means the materials sub-
19 mitted to Congress by the Secretary of Defense in
20 support of the budget for such fiscal year.

21 “(3) The term ‘Quadrennial Defense Review’
22 means the Quadrennial Defense Review that is car-
23 ried out under section 118 of this title.”.

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

“231. Annual ship construction plan.”.

4 **Subtitle C—Reporting** 5 **Requirements**

6 **SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS RE-**
7 **PORTING REQUIREMENTS APPLICABLE WITH**
8 **RESPECT TO THE DEPARTMENT OF DEFENSE.**

9 (a) PROVISIONS OF TITLE 10.—Title 10, United
10 States Code, is amended as follows:

11 (1)(A) Section 183 is repealed.

12 (B) The table of sections at the beginning of
13 chapter 7 is amended by striking the item relating
14 to section 183.

15 (2)(A) Sections 226 and 230 are repealed.

16 (B) The table of sections at the beginning of
17 chapter 9 is amended by striking the items relating
18 to sections 226 and 230.

19 (3) Effective two years after the date of the en-
20 actment of this Act—

21 (A) section 483 is repealed; and

22 (B) the table of sections at the beginning
23 of chapter 23 is amended by striking the item
24 relating to section 483.

1 (4) Section 526 is amended by striking sub-
2 section (c).

3 (5) Section 721(d) is amended—

4 (A) by striking paragraph (2); and

5 (B) by striking “(1)” before “If an offi-
6 cer”.

7 (6) Section 1095(g) is amended—

8 (A) by striking paragraph (2); and

9 (B) by striking “(1)” after “(g)”.

10 (7) Section 1798 is amended by striking sub-
11 section (d).

12 (8) Section 1799 is amended by striking sub-
13 section (d).

14 (9) Section 2220 is amended—

15 (A) by striking subsections (b) and (c);

16 (B) by striking “(1)” after “ESTABLISH-
17 MENT OF GOALS.—”; and

18 (C) by striking “(2) The” and inserting
19 “(b) EVALUATION OF COST GOALS.—The”.

20 (10) Section 2350a(g) is amended by striking
21 paragraph (4).

22 (11) Section 2350f is amended by striking sub-
23 section (c).

24 (12) Section 2350k is amended by striking sub-
25 section (d).

1 (13) Section 2367(d) is amended by striking
2 “EFFORT.—(1) In the” and all that follows through
3 “(2) After the close of” and inserting “EFFORT.—
4 After the close of”.

5 (14) Section 2391 is amended by striking sub-
6 section (c).

7 (15) Section 2486(b)(12) is amended by strik-
8 ing “, except that” and all that follows and inserting
9 the following: “, except that the Secretary shall no-
10 tify Congress of any addition of, or change in, a
11 merchandise category under this paragraph.”.

12 (16) Section 2492 is amended by striking sub-
13 section (c) and inserting the following:

14 “(c) NOTIFICATION OF CONDITIONS NECESSITATING
15 RESTRICTIONS.—The Secretary of Defense shall notify
16 Congress of any change proposed or made to any of the
17 host nation laws or any of the treaty obligations of the
18 United States, and any changed conditions within host na-
19 tions, if the change would necessitate the use of quantity
20 or other restrictions on purchases in commissary and ex-
21 change stores located outside the United States.”.

22 (17)(A) Section 2504 is repealed.

23 (B) The table of sections at the beginning of
24 subchapter II of chapter 148 is amended by striking
25 the item relating to section 2504.

1 (18) Section 2506—

2 (A) is amended by striking subsection (b);

3 and

4 (B) by striking “(a) DEPARTMENTAL
5 GUIDANCE.—”.

6 (19) Section 2537(a) is amended by striking
7 “\$100,000” and inserting “\$10,000,000”.

8 (20) Section 2611 is amended by striking sub-
9 section (e).

10 (21) Section 2667(d) is amended by striking
11 paragraph (3).

12 (22) Section 2813 is amended by striking sub-
13 section (c).

14 (23) Section 2827 is amended—

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

16 (B) by striking “(a) Subject to subsection
17 (b), the Secretary” and inserting “The Sec-
18 retary”.

19 (24) Section 2867 is amended by striking sub-
20 section (c).

21 (25) Section 4416 is amended by striking sub-
22 section (f).

23 (26) Section 5721(f) is amended—

24 (A) by striking paragraph (2); and

1 (B) by striking “(1)” after the subsection
2 heading.

3 (b) NATIONAL DEFENSE AUTHORIZATION ACT FOR
4 FISCAL YEAR 1995.—Section 553(b) of the National De-
5 fense Authorization Act for Fiscal Year 1995 (Public Law
6 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amend-
7 ed by striking the last sentence.

8 (c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—
9 Section 234 of the Ballistic Missile Defense Act of 1995
10 (subtitle C of title II of Public Law 104–106; 10 U.S.C.
11 2431 note) is amended by striking subsection (f).

12 **SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT**
13 **HARDENED AND DEEPLY BURIED TARGETS.**

14 (a) ANNUAL REPORT.—Not later than April 1, 2003,
15 and each year thereafter, the Secretary of Defense, Sec-
16 retary of Energy, and Director of Central Intelligence
17 shall jointly submit to the congressional defense commit-
18 tees a report on the research and development activities
19 undertaken by their respective agencies during the pre-
20 ceding fiscal year to develop a weapon to defeat hardened
21 and deeply buried targets.

22 (b) REPORT ELEMENTS.—The report for a fiscal
23 year under subsection (a) shall—

24 (1) include a discussion of the integration and
25 interoperability of the various programs to develop a

1 weapon referred to in that subsection that were un-
2 dertaken during such fiscal year, including a discus-
3 sion of the relevance of such programs to applicable
4 decisions of the Joint Requirements Oversight Coun-
5 cil; and

6 (2) set forth separately a description of the re-
7 search and development activities, if any, to develop
8 a weapon referred to in that subsection that were
9 undertaken during such fiscal year by each military
10 department, the Department of Energy, and the
11 Central Intelligence Agency.

12 **SEC. 1033. REVISION OF DATE OF ANNUAL REPORT ON**
13 **COUNTERPROLIFERATION ACTIVITIES AND**
14 **PROGRAMS.**

15 Section 1503(a) of the National Defense Authoriza-
16 tion Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is
17 amended by striking “February 1 of each year” and in-
18 serting “May 1 each year”.

19 **SEC. 1034. QUADRENNIAL QUALITY OF LIFE REVIEW.**

20 (a) REQUIREMENT FOR REVIEW.—Chapter 23 of title
21 10, United States Code, is amended by adding at the end
22 the following new section:

23 **“§ 488. Quadrennial quality of life review**

24 “(a) REVIEW REQUIRED.—(1) The Secretary of De-
25 fense shall every four years, two years after the submission

1 of the quadrennial defense review to Congress under sec-
2 tion 118 of this title, conduct a comprehensive examina-
3 tion of the quality of life of the members of the armed
4 forces (to be known as the ‘quadrennial quality of life re-
5 view’). The review shall include examination of the pro-
6 grams, projects, and activities of the Department of De-
7 fense, including the morale, welfare, and recreation activi-
8 ties.

9 “(2) The quadrennial review shall be designed to re-
10 sult in determinations, and to foster policies and actions,
11 that reflect the priority given the quality of life of mem-
12 bers of the armed forces as a primary concern of the De-
13 partment of Defense leadership.

14 “(b) CONDUCT OF REVIEW.—Each quadrennial qual-
15 ity of life review shall be conducted so as—

16 “(1) to assess quality of life priorities and
17 issues consistent with the most recent National Se-
18 curity Strategy prescribed by the President pursuant
19 to section 108 of the National Security Act of 1947
20 (50 U.S.C. 404a);

21 “(2) to identify actions that are needed in order
22 to provide members of the armed forces with the
23 quality of life reasonably necessary to encourage the
24 successful execution of the full range of missions

1 that the members are called on to perform under the
2 national security strategy;

3 “(3) to provide a full accounting of the backlog
4 of installations in need of maintenance and repair,
5 to determine how the disrepair affects performance
6 and quality of life of members and their families,
7 and to identify the budget plan that would be re-
8 quired to provide the resources necessary to remedy
9 the backlog of maintenance and repair; and

10 “(4) to identify other actions that have the po-
11 tential for improving the quality of life of the mem-
12 bers of the armed forces.

13 “(c) CONSIDERATIONS.—Among the matters consid-
14 ered by the Secretary in conducting the quadrennial re-
15 view, the Secretary shall include the following matters:

16 “(1) Infrastructure.

17 “(2) Military construction.

18 “(3) Physical conditions at military installations
19 and other Department of Defense facilities.

20 “(4) Budget plans.

21 “(5) Adequacy of medical care for members of
22 the armed forces and their dependents.

23 “(6) Adequacy of housing and the basic allow-
24 ance for housing and basic allowance for subsistence.

25 “(7) Housing-related utility costs.

1 “(8) Educational opportunities and costs.

2 “(9) Length of deployments.

3 “(10) Rates of pay, and pay differentials be-
4 tween the pay of members and the pay of civilians.

5 “(11) Retention and recruiting efforts.

6 “(12) Workplace safety.

7 “(13) Support services for spouses and chil-
8 dren.

9 “(14) Other elements of Department of Defense
10 programs and Federal Government policies and pro-
11 grams that affect the quality of life of members.

12 “(d) SUBMISSION OF QQLR TO CONGRESSIONAL
13 COMMITTEES.—The Secretary shall submit a report on
14 each quadrennial quality of life review to the Committees
15 on Armed Services of the Senate and the House of Rep-
16 resentatives. The report shall be submitted not later than
17 September 30 of the year in which the review is conducted.
18 The report shall include the following:

19 “(1) The results of the review, including a com-
20 prehensive discussion of how the quality of life of
21 members of the armed forces affects the national se-
22 curity strategy of the United States.

23 “(2) The long-term quality of life problems of
24 the armed forces, together with proposed solutions.

1 “(3) The short-term quality of life problems of
2 the armed forces, together with proposed solutions.

3 “(4) The assumptions used in the review.

4 “(5) The effects of quality of life problems on
5 the morale of the members of the armed forces.

6 “(6) The quality of life problems that affect the
7 morale of members of the reserve components in
8 particular, together with solutions.

9 “(7) The effects of quality of life problems on
10 military preparedness and readiness.

11 “(8) The appropriate ratio of—

12 “(A) the total amount expended by the De-
13 partment of Defense in a fiscal year for pro-
14 grams, projects, and activities designed to im-
15 prove the quality of life of members of the
16 armed forces, to

17 “(B) the total amount expended by the De-
18 partment of Defense in the fiscal year.”.

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

“488. Quadrennial quality of life review.”.

1 **SEC. 1035. REPORTS ON EFFORTS TO RESOLVE WHERE-**
2 **ABOUTS AND STATUS OF CAPTAIN MICHAEL**
3 **SCOTT SPEICHER, UNITED STATES NAVY.**

4 (a) **REPORTS.**— Not later than 60 days after the date
5 of the enactment of this Act, and every 90 days thereafter,
6 the Secretary of Defense shall, in consultation with the
7 Secretary of State and the Director of Central Intel-
8 ligence, submit to Congress a report on the efforts of the
9 United States Government to determine the whereabouts
10 and status of Captain Michael Scott Speicher, United
11 States Navy.

12 (b) **PERIOD COVERED BY REPORTS.**—The first re-
13 port under subsection (a) shall cover efforts described in
14 that subsection preceding the date of the report, and each
15 subsequent report shall cover efforts described in that sub-
16 section during the 90-day period ending on the date of
17 such report.

18 (c) **REPORT ELEMENTS.**—Each report under sub-
19 section (a) shall describe, for the period covered by such
20 report—

21 (1) all direct and indirect contacts with the
22 Government of Iraq, or any successor government,
23 regarding the whereabouts and status of Michael
24 Scott Speicher;

25 (2) any request made to the government of an-
26 other country, including the intelligence service of

1 such country, for assistance in resolving the where-
2 abouts and status of Michael Scott Speicher, includ-
3 ing the response to such request;

4 (3) each current lead on the whereabouts and
5 status of Michael Scott Speicher, including an as-
6 sessment of the utility of such lead in resolving the
7 whereabouts and status of Michael Scott Speicher;
8 and

9 (4) any cooperation with nongovernmental orga-
10 nizations or international organizations in resolving
11 the whereabouts and status of Michael Scott
12 Speicher, including the results of such cooperation.

13 (d) FORM OF REPORTS.—Each report under sub-
14 section (a) shall be submitted in classified form, but may
15 include an unclassified summary.

16 **SEC. 1036. REPORT ON EFFORTS TO ENSURE ADEQUACY OF**
17 **FIRE FIGHTING STAFFS AT MILITARY INSTAL-**
18 **LATIONS.**

19 Not later than May 31, 2003, the Secretary of De-
20 fense shall submit to Congress a report on the actions
21 being undertaken to ensure that the fire fighting staffs
22 at military installations are adequate under applicable De-
23 partment of Defense regulations.

1 **SEC. 1037. REPORT ON DESIGNATION OF CERTAIN LOU-**
2 **ISIANA HIGHWAY AS DEFENSE ACCESS ROAD.**

3 Not later than March 1, 2003, the Secretary of the
4 Army shall submit to the congressional defense commit-
5 tees a report containing the results of a study on the ad-
6 visability of designating Louisiana Highway 28 between
7 Alexandria, Louisiana, and Leesville, Louisiana, a road
8 providing access to the Joint Readiness Training Center,
9 Louisiana, and to Fort Polk, Louisiana, as a defense ac-
10 cess road for purposes of section 210 of title 23, United
11 States Code.

12 **SEC. 1038. PLAN FOR FIVE-YEAR PROGRAM FOR ENHANCE-**
13 **MENT OF MEASUREMENT AND SIGNATURES**
14 **INTELLIGENCE CAPABILITIES.**

15 (a) FINDING.—Congress finds that the national in-
16 terest will be served by the rapid exploitation of basic re-
17 search on sensors for purposes of enhancing the measure-
18 ment and signatures intelligence (MASINT) capabilities
19 of the Federal Government.

20 (b) PLAN FOR PROGRAM.—(1) Not later than March
21 30, 2003, the Director of the Central Measurement and
22 Signatures Intelligence Office shall submit to Congress a
23 plan for a five-year program of research intended to pro-
24 vide for the incorporation of the results of basic research
25 on sensors into the measurement and signatures intel-
26 ligence systems fielded by the Federal Government, includ-

1 ing the review and assessment of basic research on sensors
2 for that purpose.

3 (2) Activities under the plan shall be carried out by
4 a consortium consisting of such governmental and non-
5 governmental entities as the Director considers appro-
6 priate for purposes of incorporating the broadest prac-
7 ticable range of sensor capabilities into the systems re-
8 ferred to in paragraph (1). The consortium may include
9 national laboratories, universities, and private sector enti-
10 ties.

11 (3) The plan shall include a proposal for the funding
12 of activities under the plan, including cost-sharing by non-
13 governmental participants in the consortium under para-
14 graph (2).

15 **SEC. 1039. REPORT ON VOLUNTEER SERVICES OF MEM-**
16 **BERS OF THE RESERVE COMPONENTS IN**
17 **EMERGENCY RESPONSE TO THE TERRORIST**
18 **ATTACKS OF SEPTEMBER 11, 2001.**

19 (a) REQUIREMENT FOR REPORT.—Not later than 90
20 days after the date of the enactment of this Act, the Sec-
21 retary of Defense shall submit to the Committees on
22 Armed Services of the Senate and the House of Represent-
23 atives a report on volunteer services described in sub-
24 section (b) that were provided by members of the National
25 Guard and other reserve components of the Armed Forces,

1 while not in a duty status pursuant to orders, during the
2 period of September 11 through 14, 2001. The report
3 shall include a discussion of any personnel actions that
4 the Secretary considers appropriate for the members re-
5 garding the performance of such services.

6 (b) COVERED SERVICES.—The volunteer services re-
7 ferred to in subsection (a) are as follows:

8 (1) Volunteer services provided in the vicinity of
9 the site of the World Trade Center, New York, New
10 York, in support of emergency response to the ter-
11 rorist attack on the World Trade Center on Sep-
12 tember 11, 2001.

13 (2) Volunteer services provided in the vicinity of
14 the Pentagon in support of emergency response to
15 the terrorist attack on the Pentagon on September
16 11, 2001.

17 **SEC. 1040. BIENNIAL REPORTS ON CONTRIBUTIONS TO**
18 **PROLIFERATION OF WEAPONS OF MASS DE-**
19 **STRUCTION AND DELIVERY SYSTEMS BY**
20 **COUNTRIES OF PROLIFERATION CONCERN.**

21 (a) REPORTS.—Not later than six months after the
22 date of the enactment of this Act, and every six months
23 thereafter, the President shall submit to Congress a report
24 identifying each foreign person that, during the six-month
25 period ending on the date of such report, made a material

1 contribution to the development by a country of prolifera-
2 tion concern of—

3 (1) nuclear, biological, or chemical weapons; or

4 (2) ballistic or cruise missile systems.

5 (b) FORM OF SUBMITTAL.—(1) A report under sub-
6 section (a) may be submitted in classified form, whether
7 in whole or in part, if the President determines that sub-
8 mittal in that form is advisable.

9 (2) Any portion of a report under subsection (a) that
10 is submitted in classified form shall be accompanied by
11 an unclassified summary of such portion.

12 (c) DEFINITIONS.—In this section:

13 (1) The term “foreign person” means—

14 (A) a natural person that is an alien;

15 (B) a corporation, business association,
16 partnership, society, trust, or any other non-
17 governmental entity, organization, or group
18 that is organized under the laws of a foreign
19 country or has its principal place of business in
20 a foreign country;

21 (C) any foreign governmental entity oper-
22 ating as a business enterprise; and

23 (D) any successor, subunit, or subsidiary
24 of any entity described in subparagraph (B) or
25 (C).

1 (2) The term “country of proliferation concern”
2 means any country identified by the Director of Cen-
3 tral Intelligence as having engaged in the acquisition
4 of dual-use and other technology useful for the de-
5 velopment or production of weapons of mass de-
6 struction (including nuclear, chemical, and biological
7 weapons) and advanced conventional munitions in
8 the most current report under section 721 of the
9 Combatting Proliferation of Weapons of Mass De-
10 struction Act of 1996 (title VII of Public Law 104–
11 293; 50 U.S.C. 2366), or any successor report on
12 the acquisition by foreign countries of dual-use and
13 other technology useful for the development or pro-
14 duction of weapons of mass destruction.

15 **Subtitle D—Homeland Defense**

16 **SEC. 1041. HOMELAND SECURITY ACTIVITIES OF THE NA-** 17 **TIONAL GUARD.**

18 (a) **AUTHORITY.**—Chapter 1 of title 32, United
19 States Code, is amended by adding at the end the fol-
20 lowing new section:

21 **“§ 116. Homeland security activities**

22 “(a) **USE OF PERSONNEL PERFORMING FULL-TIME**
23 **NATIONAL GUARD DUTY.**—The Governor of a State may,
24 upon the request by the head of a Federal law enforcement
25 agency and with the concurrence of the Secretary of De-

1 fense, order any personnel of the National Guard of the
2 State to perform full-time National Guard duty under sec-
3 tion 502(f) of this title for the purpose of carrying out
4 homeland security activities, as described in subsection
5 (b).

6 “(b) PURPOSE AND DURATION.—(1) The purpose for
7 the use of personnel of the National Guard of a State
8 under this section is to temporarily provide trained and
9 disciplined personnel to a Federal law enforcement agency
10 to assist that agency in carrying out homeland security
11 activities until that agency is able to recruit and train a
12 sufficient force of Federal employees to perform the home-
13 land security activities.

14 “(2) The duration of the use of the National Guard
15 of a State under this section shall be limited to a period
16 of 179 days. The Governor of the State may, with the con-
17 currence of the Secretary of Defense, extend the period
18 one time for an additional 90 days to meet extraordinary
19 circumstances.

20 “(c) RELATIONSHIP TO REQUIRED TRAINING.—A
21 member of the National Guard serving on full-time Na-
22 tional Guard duty under orders authorized under sub-
23 section (a) shall participate in the training required under
24 section 502(a) of this title in addition to the duty per-
25 formed for the purpose authorized under that subsection.

1 The pay, allowances, and other benefits of the member
2 while participating in the training shall be the same as
3 those to which the member is entitled while performing
4 duty for the purpose of carrying out homeland security
5 activities. The member is not entitled to additional pay,
6 allowances, or other benefits for participation in training
7 required under section 502(a)(1) of this title.

8 “(d) READINESS.—To ensure that the use of units
9 and personnel of the National Guard of a State for home-
10 land security activities does not degrade the training and
11 readiness of such units and personnel, the following re-
12 quirements shall apply in determining the homeland secu-
13 rity activities that units and personnel of the National
14 Guard of a State may perform:

15 “(1) The performance of the activities may not
16 adversely affect the quality of that training or other-
17 wise interfere with the ability of a member or unit
18 of the National Guard to perform the military func-
19 tions of the member or unit.

20 “(2) National Guard personnel will not degrade
21 their military skills as a result of performing the ac-
22 tivities.

23 “(3) The performance of the activities will not
24 result in a significant increase in the cost of train-
25 ing.

1 “(4) In the case of homeland security per-
2 formed by a unit organized to serve as a unit, the
3 activities will support valid unit training require-
4 ments.

5 “(e) PAYMENT OF COSTS.—(1) The Secretary of De-
6 fense shall provide funds to the Governor of a State to
7 pay costs of the use of personnel of the National Guard
8 of the State for the performance of homeland security ac-
9 tivities under this section. Such funds shall be used for
10 the following costs:

11 “(A) The pay, allowances, clothing, subsistence,
12 gratuities, travel, and related expenses (including all
13 associated training expenses, as determined by the
14 Secretary), as authorized by State law, of personnel
15 of the National Guard of that State used, while not
16 in Federal service, for the purpose of homeland secu-
17 rity activities.

18 “(B) The operation and maintenance of the
19 equipment and facilities of the National Guard of
20 that State used for the purpose of homeland security
21 activities.

22 “(2) The Secretary of Defense shall require the head
23 of a law enforcement agency receiving support from the
24 National Guard of a State in the performance of homeland
25 security activities under this section to reimburse the De-

1 partment of Defense for the payments made to the State
2 for such support under paragraph (1).

3 “(f) MEMORANDUM OF AGREEMENT.—The Secretary
4 of Defense and the Governor of a State shall enter into
5 a memorandum of agreement with the head of each Fed-
6 eral law enforcement agency to which the personnel of the
7 National Guard of that State are to provide support in
8 the performance of homeland security activities under this
9 section. The memorandum of agreement shall—

10 “(1) specify how personnel of the National
11 Guard are to be used in homeland security activities;

12 “(2) include a certification by the Adjutant
13 General of the State that those activities are to be
14 performed at a time when the personnel are not in
15 Federal service;

16 “(3) include a certification by the Adjutant
17 General of the State that—

18 “(A) participation by National Guard per-
19 sonnel in those activities is service in addition
20 to training required under section 502 of this
21 title; and

22 “(B) the requirements of subsection (d) of
23 this section will be satisfied;

24 “(4) include a certification by the Attorney
25 General of the State (or, in the case of a State with

1 no position of Attorney General, a civilian official of
2 the State equivalent to a State attorney general),
3 that the use of the National Guard of the State for
4 the activities provided for under the memorandum of
5 agreement is authorized by, and is consistent with,
6 State law;

7 “(5) include a certification by the Governor of
8 the State or a civilian law enforcement official of the
9 State designated by the Governor that the activities
10 provided for under the memorandum of agreement
11 serve a State law enforcement purpose; and

12 “(6) include a certification by the head of the
13 Federal law enforcement agency that the agency will
14 have a plan to ensure that the agency’s requirement
15 for National Guard support ends not later than 179
16 days after the commencement of the support.

17 “(g) EXCLUSION FROM END-STRENGTH COMPUTA-
18 TION.—Notwithstanding any other provision of law, mem-
19 bers of the National Guard on active duty or full-time Na-
20 tional Guard duty for the purposes of administering (or
21 during fiscal year 2003 otherwise implementing) this sec-
22 tion shall not be counted toward the annual end strength
23 authorized for reserves on active duty in support of the
24 reserve components of the armed forces or toward the

1 strengths authorized in sections 12011 and 12012 of title
2 10.

3 “(h) ANNUAL REPORT.—The Secretary of Defense
4 shall submit to Congress an annual report regarding any
5 assistance provided and activities carried out under this
6 section during the preceding fiscal year. The report shall
7 include the following:

8 “(1) The number of members of the National
9 Guard excluded under subsection (g) from the com-
10 putation of end strengths.

11 “(2) A description of the homeland security ac-
12 tivities conducted with funds provided under this
13 section.

14 “(3) An accounting of the amount of funds pro-
15 vided to each State.

16 “(4) A description of the effect on military
17 training and readiness of using units and personnel
18 of the National Guard to perform homeland security
19 activities under this section.

20 “(i) STATUTORY CONSTRUCTION.—Nothing in this
21 section shall be construed as a limitation on the authority
22 of any unit of the National Guard of a State, when such
23 unit is not in Federal service, to perform law enforcement
24 functions authorized to be performed by the National
25 Guard by the laws of the State concerned.

1 “(j) DEFINITIONS.—For purposes of this section:

2 “(1) The term ‘Governor of a State’ means, in
3 the case of the District of Columbia, the Com-
4 manding General of the National Guard of the Dis-
5 trict of Columbia.

6 “(2) The term ‘State’ means each of the several
7 States, the District of Columbia, the Commonwealth
8 of Puerto Rico, or a territory or possession of the
9 United States.”.

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

“116. Homeland security activities.”.

13 **SEC. 1042. CONDITIONS FOR USE OF FULL-TIME RESERVES**
14 **TO PERFORM DUTIES RELATING TO DEFENSE**
15 **AGAINST WEAPONS OF MASS DESTRUCTION.**

16 Section 12310(c)(3) of title 10, United States Code,
17 is amended by striking “only—” and all that follows
18 through “(B) while assigned” and inserting “only while
19 assigned”.

1 **SEC. 1043. WEAPON OF MASS DESTRUCTION DEFINED FOR**
2 **PURPOSES OF THE AUTHORITY FOR USE OF**
3 **RESERVES TO PERFORM DUTIES RELATING**
4 **TO DEFENSE AGAINST WEAPONS OF MASS**
5 **DESTRUCTION.**

6 (a) WEAPON OF MASS DESTRUCTION REDEFINED.—
7 Section 12304(i)(2) of title 10, United States Code, is
8 amended to read as follows:

9 “(2) The term ‘weapon of mass destruction’
10 means—

11 “(A) any weapon that is designed or,
12 through its use, is intended to cause death or
13 serious bodily injury through the release, dis-
14 semination, or impact of toxic or poisonous
15 chemicals or their precursors;

16 “(B) any weapon that involves a disease
17 organism;

18 “(C) any weapon that is designed to re-
19 lease radiation or radioactivity at a level dan-
20 gerous to human life; and

21 “(D) any large conventional explosive that
22 is designed to produce catastrophic loss of life
23 or property.”.

24 (b) CONFORMING AMENDMENT.—Section
25 12310(c)(1) of such title is amended by striking “section
26 1403 of the Defense Against Weapons of Mass Destruc-

1 tion Act of 1996 (50 U.S.C. 2302(1))” and inserting “sec-
2 tion 12304(i)(2) of this title”.

3 **SEC. 1044. REPORT ON DEPARTMENT OF DEFENSE HOME-**
4 **LAND DEFENSE ACTIVITIES.**

5 (a) REPORT REQUIRED.—Not later than February 1,
6 2003, the Secretary of Defense shall submit to the con-
7 gressional defense committees a report on what actions of
8 the Department of Defense would be necessary to carry
9 out the Secretary’s expressed intent—

10 (1) to place new emphasis on the unique oper-
11 ational demands associated with the defense of the
12 United States homeland; and

13 (2) to restore the mission of defense of the
14 United States to the position of being the primary
15 mission of the Department of Defense.

16 (b) CONTENT OF THE REPORT.—The report shall
17 contain, in accordance with the other provisions of this
18 section, the following matters:

19 (1) HOMELAND DEFENSE CAMPAIGN PLAN.—A
20 homeland defense campaign plan.

21 (2) INTELLIGENCE.—A discussion of the rela-
22 tionship between—

23 (A) the intelligence capabilities of—

24 (i) the Department of Defense; and

1 (ii) other departments and agencies of
2 the United States; and

3 (B) the performance of the homeland de-
4 fense mission.

5 (3) THREAT AND VULNERABILITY ASSESS-
6 MENT.—A compliance-based national threat and vul-
7 nerability assessment.

8 (4) TRAINING AND EXERCISING.—A discussion
9 of the Department of Defense plans for training and
10 exercising for the performance of the homeland de-
11 fense mission.

12 (5) BIOTERRORISM INITIATIVE.—An evaluation
13 of the need for a Department of Defense bioter-
14 rorism initiative to improve the ability of the depart-
15 ment to counter bioterror threats and to assist other
16 agencies to improve the national ability to counter
17 bioterror threats.

18 (6) CHEMICAL BIOLOGICAL INCIDENT RE-
19 SPONSE TEAMS.—An evaluation of the need for and
20 feasibility of developing and fielding Department of
21 Defense regional chemical biological incident re-
22 sponse teams.

23 (7) OTHER MATTERS.—Any other matters that
24 the Secretary of Defense considers relevant regard-

1 ing the efforts necessary to carry out the intent re-
2 ferred to in subsection (a).

3 (c) HOMELAND DEFENSE CAMPAIGN PLAN.—

4 (1) ORGANIZATION, PLANNING, AND INTER-
5 OPERABILITY.—

6 (A) IN GENERAL.—The homeland defense
7 campaign plan under subsection (b)(1) shall
8 contain a discussion of the organization and
9 planning of the Department of Defense for
10 homeland defense, including the expectations
11 for interoperability of the Department of De-
12 fense with other departments and agencies of
13 the Federal Government and with State and
14 local governments.

15 (B) CONTENT.—The plan shall include the
16 following matters:

17 (i) The duties, definitions, missions,
18 goals, and objectives of organizations in
19 the Department of Defense that apply
20 homeland defense, together with an organi-
21 zational assessment with respect to the
22 performance of the homeland defense mis-
23 sion and a discussion of any plans for
24 making functional realignments of organi-

1 zations, authorities, and responsibilities for
2 carrying out that mission.

3 (ii) The relationships among the lead-
4 ers of the organizations (including the Sec-
5 retary of Defense, the Joint Chiefs of
6 Staff, the Commander in Chief of United
7 States Northern Command, the Com-
8 manders in Chief of the other regional uni-
9 fied combatant commands, and the reserve
10 components) in the performance of such
11 duties.

12 (iii) The reviews, evaluations, and
13 standards that are established or are to be
14 established for determining and ensuring
15 the readiness of the organizations to per-
16 form such duties.

17 (2) RESPONSE TO ATTACK ON CRITICAL INFRA-
18 STRUCTURE.—

19 (A) IN GENERAL.—The homeland defense
20 campaign plan shall contain an outline of the
21 duties and capabilities of the Department of
22 Defense for responding to an attack on critical
23 infrastructure of the United States, including
24 responding to an attack on critical infrastruc-
25 ture of the department, by means of a weapon

1 of mass destruction or a CBRNE weapon or by
2 a cyber means.

3 (B) VARIOUS ATTACK SCENARIOS.—The
4 outline shall specify, for each major category of
5 attack by a means described in subparagraph
6 (A), the variations in the duties, responses, and
7 capabilities of the various Department of De-
8 fense organizations that result from the vari-
9 ations in the means of the attack.

10 (C) DEFICIENCIES.—The outline shall
11 identify any deficiencies in capabilities and set
12 forth a plan for rectifying any such deficiencies.

13 (D) LEGAL IMPEDIMENTS.—The outline
14 shall identify and discuss each impediment in
15 law to the effective performance of the home-
16 land defense mission.

17 (3) ROLES AND RESPONSIBILITIES IN INTER-
18 AGENCY PROCESS.—

19 (A) IN GENERAL.—The homeland defense
20 campaign plan shall contain a discussion of the
21 roles and responsibilities of the Department of
22 Defense in the interagency process of policy-
23 making and planning for homeland defense.

24 (B) INTEGRATION WITH STATE AND LOCAL
25 ACTIVITIES.—The homeland defense campaign

1 plan shall include a discussion of Department of
2 Defense plans to integrate Department of De-
3 fense homeland defense activities with the
4 homeland defense activities of other depart-
5 ments and agencies of the United States and
6 the homeland defense activities of State and
7 local governments, particularly with regard to
8 issues relating to CBRNE and cyber attacks.

9 (d) INTELLIGENCE CAPABILITIES.—The discussion
10 of the relationship between the intelligence capabilities and
11 the performance of the homeland defense mission under
12 subsection (b)(2) shall include the following matters:

13 (1) ROLES AND MISSIONS.—The roles and mis-
14 sions of the Department of Defense for the employ-
15 ment of the intelligence capabilities of the depart-
16 ment in homeland defense.

17 (2) INTERAGENCY RELATIONSHIPS.—A discus-
18 sion of the relationship between the Department of
19 Defense and the other departments and agencies of
20 the United States that have duties for collecting or
21 analyzing intelligence in relation to homeland de-
22 fense, particularly in light of the conflicting demands
23 of duties relating to the collection and analysis of
24 domestic intelligence and duties relating to the col-
25 lection and analysis of foreign intelligence.

1 (3) INTELLIGENCE-RELATED CHANGES.—Any
2 changes that are necessary in the Department of
3 Defense in order to provide effective intelligence sup-
4 port for the performance of homeland defense mis-
5 sions, with respect to—

6 (A) the preparation of threat assessments
7 and other warning products by the Department
8 of Defense;

9 (B) collection of terrorism-related intel-
10 ligence through human intelligence sources, sig-
11 nals intelligence sources, and other intelligence
12 sources; and

13 (C) intelligence policy, capabilities, and
14 practices.

15 (4) LEGAL IMPEDIMENTS.—Any impediments
16 in law to the effective performance of intelligence
17 missions in support of homeland defense.

18 (e) THREAT AND VULNERABILITY ASSESSMENT.—

19 (1) CONTENT.—The compliance-based national
20 threat and vulnerability assessment under subsection
21 (b)(3) shall include a discussion of the following
22 matters:

23 (A) CRITICAL FACILITIES.—The threat of
24 terrorist attack on critical facilities, programs,
25 and systems of the United States, together with

1 the capabilities of the Department of Defense
2 to deter and respond to any such attack.

3 (B) DOD VULNERABILITY.—The vulner-
4 ability of installations, facilities, and personnel
5 of the Department of Defense to attack by per-
6 sons using weapons of mass destruction,
7 CBRNE weapons, or cyber means.

8 (C) BALANCED SURVIVABILITY ASSESS-
9 MENT.—Plans to conduct a balanced surviv-
10 ability assessment for use in determining the
11 vulnerabilities of targets referred to in subpara-
12 graphs (A) and (B).

13 (D) PROCESS.—Plans, including timelines
14 and milestones, necessary to develop a process
15 for conducting compliance-based vulnerability
16 assessments for critical infrastructure, together
17 with the standards to be used for ensuring that
18 the process is executable.

19 (2) DEFINITION OF COMPLIANCE-BASED.—In
20 subsection (b)(3) and paragraph (1)(D) of this sub-
21 section, the term “compliance-based”, with respect
22 to an assessment, means that the assessment is con-
23 ducted under policies and procedures that require
24 correction of each deficiency identified in the assess-
25 ment to a standard set forth in Department of De-

1 fense Instruction 2000.16 or another applicable De-
2 partment of Defense instruction, directive, or policy.

3 (f) TRAINING AND EXERCISING.—The discussion of
4 the Department of Defense plans for training and exer-
5 cising for the performance of the homeland defense mis-
6 sion under subsection (b)(4) shall contain the following
7 matters:

8 (1) MILITARY EDUCATION.—The plans for the
9 training and education of members of the Armed
10 Forces specifically for performance of homeland de-
11 fense missions, including any anticipated changes in
12 the curriculum in—

13 (A) the National Defense University, the
14 war colleges of the Armed Forces, graduate
15 education programs, and other senior military
16 schools and education programs; and

17 (B) the Reserve Officers' Training Corps
18 program, officer candidate schools, enlisted and
19 officer basic and advanced individual training
20 programs, and other entry level military edu-
21 cation and training programs.

22 (2) EXERCISES.—The plans for using exercises
23 and simulation in the training of all components of
24 the Armed Forces, including—

1 (A) plans for integrated training with de-
2 partments and agencies of the United States
3 outside the Department of Defense and with
4 agencies of State and local governments; and

5 (B) plans for developing an opposing force
6 that, for the purpose of developing potential
7 scenarios of terrorist attacks on targets inside
8 the United States, simulates a terrorist group
9 having the capability to engage in such attacks.

10 (g) BIOTERRORISM INITIATIVE.—The evaluation of
11 the need for a Department of Defense bioterrorism initia-
12 tive under subsection (b)(5) shall include a discussion that
13 identifies and evaluates options for potential action in
14 such an initiative, as follows:

15 (1) PLANNING, TRAINING, EXERCISE, EVALUA-
16 TION, AND FUNDING.—Options for—

17 (A) refining the plans of the Department
18 of Defense for biodefense to include participa-
19 tion of other departments and agencies of the
20 United States and State and local governments;

21 (B) increasing biodefense training, exer-
22 cises, and readiness evaluations by the Depart-
23 ment of Defense, including training, exercises,
24 and evaluations that include participation of

1 other departments and agencies of the United
2 States and State and local governments;

3 (C) increasing Department of Defense
4 funding for biodefense; and

5 (D) integrating other departments and
6 agencies of the United States and State and
7 local governments into the plans, training, exer-
8 cises, evaluations, and resourcing.

9 (2) DISEASE SURVEILLANCE.—Options for the
10 Department of Defense to develop an integrated dis-
11 ease surveillance detection system and to improve
12 systems for communicating information and warn-
13 ings of the incidence of disease to recipients within
14 the Department of Defense and to other depart-
15 ments and agencies of the United States and State
16 and local governments.

17 (3) EMERGENCY MANAGEMENT STANDARD.—
18 Options for broadening the scope of the Revised
19 Emergency Management Standard of the Joint
20 Commission on Accreditation of Healthcare Organi-
21 zations by including the broad and active participa-
22 tion of Federal, State, and local governmental agen-
23 cies that are expected to respond in any event of a
24 CBRNE or cyber attack.

1 (4) LABORATORY RESPONSE NETWORK.—Op-
2 tions for the Department of Defense—

3 (A) to participate in the laboratory re-
4 sponse network for bioterrorism; and

5 (B) to increase the capacity of Department
6 of Defense laboratories rated by the Secretary
7 of Defense as level D laboratories to facilitate
8 participation in the network.

9 (h) CHEMICAL BIOLOGICAL INCIDENT RESPONSE
10 TEAMS.—The evaluation of the need for and feasibility of
11 developing and fielding Department of Defense regional
12 chemical biological incident response teams under sub-
13 section (b)(6) shall include a discussion and evaluation of
14 the following options:

15 (1) REGIONAL TEAMS.—Options for the De-
16 partment of Defense, using the chemical biological
17 incident response force as a model, to develop, equip,
18 train, and provide transportation for five United
19 States based, strategically located, regional chemical
20 biological incident response teams.

21 (2) RESOURCING.—Options and preferred
22 methods for providing the resources and personnel
23 necessary for developing and fielding any such
24 teams.

25 (i) DEFINITIONS.—In this section:

1 (1) CBRNE.—The term “CBRNE” means
2 chemical, biological, radiological, nuclear, or explo-
3 sive.

4 (2) WEAPON OF MASS DESTRUCTION.—The
5 term “weapon of mass destruction” has the meaning
6 given such term in section 1403 of the Defense
7 Against Weapons of Mass Destruction Act of 1996
8 (50 U.S.C. 2302).

9 **SEC. 1045. STRATEGY FOR IMPROVING PREPAREDNESS OF**
10 **MILITARY INSTALLATIONS FOR INCIDENTS**
11 **INVOLVING WEAPONS OF MASS DESTRUC-**
12 **TION.**

13 (a) COMPREHENSIVE PLAN.—The Secretary of De-
14 fense shall develop a comprehensive plan for improving the
15 preparedness of military installations for preventing and
16 responding to incidents involving use or threat of use of
17 weapons of mass destruction.

18 (b) CONTENT.—The comprehensive plan shall set
19 forth the following:

20 (1) A strategy that—

21 (A) identifies—

22 (i) long-term goals and objectives;

23 (ii) resource requirements; and

1 (iii) factors beyond the control of the
2 Secretary that could impede the achieve-
3 ment of the goals and objectives; and

4 (B) includes a discussion of—

5 (i) the extent to which local, regional,
6 or national military response capabilities
7 are to be developed and used; and

8 (ii) how the Secretary will coordinate
9 these capabilities with local, regional, or
10 national civilian capabilities.

11 (2) A performance plan that—

12 (A) provides a reasonable schedule, with
13 milestones, for achieving the goals and objec-
14 tives of the strategy;

15 (B) performance criteria for measuring
16 progress in achieving the goals and objectives;

17 (C) a description of the process, together
18 with a discussion of the resources, necessary to
19 achieve the goals and objectives;

20 (D) a description of the process for evalu-
21 ating results.

22 (c) SUBMITTAL TO CONGRESS.—The Secretary shall
23 submit the comprehensive plan to the Committees on
24 Armed Services of the Senate and the House of Represent-

1 atives not later than 180 days after the date of the enact-
2 ment of this Act.

3 (d) COMPTROLLER GENERAL REVIEW AND RE-
4 PORT.—Not later than 60 days after the Secretary sub-
5 mits the comprehensive plan to Congress under subsection
6 (c), the Comptroller General shall review the plan and sub-
7 mit an assessment of the plan to the committees referred
8 to in that subsection.

9 (e) ANNUAL REPORT.—(1) In each of 2004, 2005,
10 and 2006, the Secretary of Defense shall include a report
11 on the comprehensive plan in the materials that the Sec-
12 retary submits to Congress in support of the budget sub-
13 mitted by the President such year pursuant to section
14 1105(a) of title 31, United States Code.

15 (2) The report shall include—

16 (A) a discussion of any revision that the Sec-
17 retary has made in the comprehensive plan since the
18 last report; and

19 (B) an assessment of the progress made in
20 achieving the goals and objectives of the strategy set
21 forth in the plan.

22 (3) No report is required under this subsection after
23 the Secretary submits under this subsection a report con-
24 taining a declaration that the goals and objectives set
25 forth in the strategy have been achieved.

1 **Subtitle E—Other Matters**

2 **SEC. 1061. CONTINUED APPLICABILITY OF EXPIRING GOV-**
3 **ERNMENTWIDE INFORMATION SECURITY RE-**
4 **QUIREMENTS TO THE DEPARTMENT OF DE-**
5 **FENSE.**

6 (a) IN GENERAL.—Chapter 131 of title 10, United
7 States Code, is amended by inserting after section 2224
8 the following new section:

9 **“§ 2224a. Information security: continued applica-**
10 **bility of expiring Governmentwide re-**
11 **quirements to the Department of Defense**

12 “(a) IN GENERAL.—The provisions of subchapter II
13 of chapter 35 of title 44 shall continue to apply with re-
14 spect to the Department of Defense, notwithstanding the
15 expiration of authority under section 3536 of such title.

16 “(b) RESPONSIBILITIES.—In administering the provi-
17 sions of subchapter II of chapter 35 of title 44 with re-
18 spect to the Department of Defense after the expiration
19 of authority under section 3536 of such title, the Secretary
20 of Defense shall perform the duties set forth in that sub-
21 chapter for the Director of the Office of Management and
22 Budget.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 at the beginning of such chapter is amended by inserting

1 after the item relating to section 2224 the following new
2 item:

“2224a. Information security: continued applicability of expiring Government-wide requirements to the Department of Defense.”.

3 **SEC. 1062. ACCEPTANCE OF VOLUNTARY SERVICES OF**
4 **PROCTORS FOR ADMINISTRATION OF ARMED**
5 **SERVICES VOCATIONAL APTITUDE BATTERY.**

6 Section 1588(a) of title 10, United States Code, is
7 amended by adding at the end the following new para-
8 graph:

9 “(6) Voluntary services as a proctor for the ad-
10 ministration of the Armed Services Vocational Apti-
11 tude Battery.”.

12 **SEC. 1063. EXTENSION OF AUTHORITY FOR SECRETARY OF**
13 **DEFENSE TO SELL AIRCRAFT AND AIRCRAFT**
14 **PARTS FOR USE IN RESPONDING TO OIL**
15 **SPILLS.**

16 (a) **FOUR-YEAR EXTENSION.**—Subsection (a)(1) of
17 section 740 of the Wendell H. Ford Aviation Investment
18 and Reform Act for the 21st Century (Public Law 106–
19 181; 114 Stat. 173; 10 U.S.C. 2576 note) is amended by
20 striking “September 30, 2002” and inserting “September
21 30, 2006”.

22 (b) **ADDITIONAL REPORT.**—Subsection (f) of such
23 section is amended by striking “March 31, 2002” and in-
24 serting “March 31, 2006”.

1 **SEC. 1064. AMENDMENTS TO IMPACT AID PROGRAM.**

2 (a) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL
3 EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION
4 OF MILITARY HOUSING.—Section 8003(b)(2) of the Ele-
5 mentary and Secondary Education Act of 1965 (20 U.S.C.
6 7703(b)(2)) is amended by adding at the end the fol-
7 lowing:

8 “(H) ELIGIBILITY FOR HEAVILY IMPACTED
9 LOCAL EDUCATIONAL AGENCIES AFFECTED BY
10 PRIVATIZATION OF MILITARY HOUSING.—

11 “(i) IN GENERAL.—For any fiscal
12 year beginning with fiscal year 2003, a
13 heavily impacted local educational agency
14 that received a basic support payment
15 under subparagraph (A) for the prior fiscal
16 year, but is ineligible for such payment for
17 the current fiscal year under subparagraph
18 (B) or (C), as the case may be, by reason
19 of the conversion of military housing units
20 to private housing described in clause (ii),
21 shall be deemed to meet the eligibility re-
22 quirements under subparagraph (B) or
23 (C), as the case may be, for the period
24 during which the housing units are under-
25 going such conversion, and shall be paid
26 under the same provisions of subparagraph

1 (D) or (E) as the agency was paid in the
2 prior fiscal year.

3 “(ii) CONVERSION OF MILITARY
4 HOUSING UNITS TO PRIVATE HOUSING DE-
5 SCRIBED.—For purposes of clause (i),
6 ‘conversion of military housing units to
7 private housing’ means the conversion of
8 military housing units to private housing
9 units pursuant to subchapter IV of chapter
10 169 of title 10, United States Code, or
11 pursuant to any other related provision of
12 law.”.

13 (b) COTERMINOUS MILITARY SCHOOL DISTRICTS.—
14 Section 8003(a) of the Elementary and Secondary Edu-
15 cation Act of 1965 (20 U.S.C. 7703(a)) is amended by
16 adding at the end the following:

17 “(6) COTERMINOUS MILITARY SCHOOL DIS-
18 TRICTS.—For purposes of computing the amount of
19 a payment for a local educational agency for chil-
20 dren described in paragraph (1)(D)(i), the Secretary
21 shall consider such children to be children described
22 in paragraph (1)(B) if the agency is a local edu-
23 cational agency whose boundaries are the same as a
24 Federal military installation.”.

1 **SEC. 1065. DISCLOSURE OF INFORMATION ON SHIPBOARD**
2 **HAZARD AND DEFENSE PROJECT TO DEPART-**
3 **MENT OF VETERANS AFFAIRS.**

4 (a) PLAN FOR DISCLOSURE OF INFORMATION.—Not
5 later than 90 days after the date of the enactment of this
6 Act, the Secretary of Defense shall submit to Congress
7 and the Secretary of Veterans Affairs a comprehensive
8 plan for the review, declassification, and submittal to the
9 Department of Veterans Affairs of all medical records and
10 information of the Department of Defense on the Ship-
11 board Hazard and Defense (SHAD) project of the Navy
12 that are relevant to the provision of benefits by the Sec-
13 retary of Veterans Affairs to members of the Armed
14 Forces who participated in that project.

15 (b) PLAN REQUIREMENTS.—(1) The records and in-
16 formation covered by the plan under subsection (a) shall
17 be the records and information necessary to permit the
18 identification of members of the Armed Forces who were
19 or may have been exposed to chemical or biological agents
20 as a result of the Shipboard Hazard and Defense project.

21 (2) The plan shall provide for completion of all activi-
22 ties contemplated by the plan not later than one year after
23 the date of the enactment of this Act.

24 (c) REPORTS ON IMPLEMENTATION.—(1) Not later
25 than 90 days after the date of the enactment of this Act,
26 and every 90 days thereafter until completion of all activi-

1 ties contemplated by the plan under subsection (a), the
2 Secretary of Defense shall submit to Congress and the
3 Secretary of Veterans Affairs a report on progress in the
4 implementation of the plan during the 90-day period end-
5 ing on the date of such report.

6 (2) Each report under paragraph (1) shall include,
7 for the period covered by such report—

8 (A) the number of records reviewed;

9 (B) each test, if any, under the Shipboard Haz-
10 ard and Defense project identified during such re-
11 view;

12 (C) for each test so identified—

13 (i) the test name;

14 (ii) the test objective;

15 (iii) the chemical or biological agent or
16 agents involved; and

17 (iv) the number of members of the Armed
18 Forces, and civilian personnel, potentially ef-
19 fected by such test; and

20 (D) the extent of submittal of records and in-
21 formation to the Secretary of Veterans Affairs under
22 this section.

1 **SEC. 1066. TRANSFER OF HISTORIC DF-9E PANTHER AIR-**
2 **CRAFT TO WOMEN AIRFORCE SERVICE PI-**
3 **LOTS MUSEUM.**

4 (a) **AUTHORITY TO CONVEY.**—The Secretary of the
5 Navy may convey, without consideration, to the Women
6 Airforce Service Pilots Museum in Quartzsite, Arizona (in
7 this section referred to as the “W.A.S.P. museum”), all
8 right, title, and interest of the United States in and to
9 a DF-9E Panther aircraft (Bureau Number 125316).
10 The conveyance shall be made by means of a conditional
11 deed of gift.

12 (b) **CONDITION OF AIRCRAFT.**—The aircraft shall be
13 conveyed under subsection (a) in “as is” condition. The
14 Secretary is not required to repair or alter the condition
15 of the aircraft before conveying ownership of the aircraft.

16 (c) **REVERTER UPON BREACH OF CONDITIONS.**—
17 The Secretary shall include in the instrument of convey-
18 ance of the aircraft under subsection (a)—

19 (1) a condition that the W.A.S.P. museum not
20 convey any ownership interest in, or transfer posses-
21 sion of, the aircraft to any other party without the
22 prior approval of the Secretary; and

23 (2) a condition that if the Secretary determines
24 at any time that the W.A.S.P. museum has conveyed
25 an ownership interest in, or transferred possession
26 of, the aircraft to any other party without the prior

1 approval of the Secretary, all right, title, and inter-
2 est in and to the aircraft, including any repair or al-
3 teration of the aircraft, shall revert to the United
4 States, and the United States shall have the right of
5 immediate possession of the aircraft.

6 (d) CONVEYANCE AT NO COST TO THE UNITED
7 STATES.—The conveyance of the aircraft under subsection
8 (a) shall be made at no cost to the United States. Any
9 costs associated with the conveyance, costs of determining
10 compliance with subsection (b), and costs of operation and
11 maintenance of the aircraft conveyed shall be borne by the
12 W.A.S.P. museum.

13 (e) ADDITIONAL TERMS AND CONDITIONS.—The
14 Secretary may require such additional terms and condi-
15 tions in connection with a conveyance under this section
16 as the Secretary considers appropriate to protect the inter-
17 ests of the United States.

18 **SEC. 1067. REWARDS FOR ASSISTANCE IN COMBATING TER-**
19 **RORISM.**

20 (a) AUTHORITY.—Chapter 3 of title 10, United
21 States Code, is amended by inserting after section 127a
22 the following new section:

1 **“§ 127b. Rewards for assistance in combating ter-**
2 **rorism**

3 “(a) **AUTHORITY.**—The Secretary of Defense may
4 pay a monetary reward to a person for providing United
5 States personnel with information or nonlethal assistance
6 that is beneficial to—

7 “(1) an operation of the armed forces con-
8 ducted outside the United States against inter-
9 national terrorism; or

10 “(2) force protection of the armed forces.

11 “(b) **MAXIMUM AMOUNT.**—The amount of a reward
12 paid to a recipient under this section may not exceed
13 \$200,000.

14 “(c) **DELEGATION TO COMMANDER OF COMBATANT**
15 **COMMAND.**—(1) The Secretary of Defense may delegate
16 to the commander of a combatant command authority to
17 pay a reward under this section in an amount not in excess
18 of \$50,000.

19 “(2) A commander to whom authority to pay rewards
20 is delegated under paragraph (1) may further delegate au-
21 thority to pay a reward under this section in an amount
22 not in excess of \$2,500.

23 “(c) **COORDINATION.**—(1) The Secretary of Defense,
24 in consultation with the Secretary of State and the Attor-
25 ney General, shall prescribe policies and procedures for of-
26 fering and paying rewards under this section, and other-

1 wise for administering the authority under this section,
2 that ensure that the payment of a reward under this sec-
3 tion does not duplicate or interfere with the payment of
4 a reward authorized by the Secretary of State or the At-
5 torney General.

6 “(2) The Secretary of Defense shall coordinate with
7 the Secretary of State regarding any payment of a reward
8 in excess of \$100,000 under this section.

9 “(d) PERSONS NOT ELIGIBLE.—The following per-
10 sons are not eligible to receive an award under this section:

11 “(1) A citizen of the United States.

12 “(2) An employee of the United States.

13 “(3) An employee of a contractor of the United
14 States.

15 “(e) ANNUAL REPORT.—(1) Not later than 60 days
16 after the end of each fiscal year, the Secretary of Defense
17 shall submit to the Committees on Armed Services and
18 the Committees on Appropriations of the Senate and the
19 House of Representatives a report on the administration
20 of the rewards program during that fiscal year.

21 “(2) The report for a fiscal year shall include infor-
22 mation on the total amount expended during that fiscal
23 year to carry out this section, including—

24 “(A) a specification of the amount, if any, ex-
25 pended to publicize the availability of rewards; and

1 “(B) with respect to each award paid during
2 that fiscal year—

3 “(i) the amount of the reward;

4 “(ii) the recipient of the reward; and

5 “(iii) a description of the information or
6 assistance for which the reward was paid, to-
7 gether with an assessment of the significance of
8 the information or assistance.

9 “(3) The Secretary may submit the report in classi-
10 fied form if the Secretary determines that it is necessary
11 to do so.

12 “(f) DETERMINATIONS BY THE SECRETARY.—A de-
13 termination by the Secretary under this section shall be
14 final and conclusive and shall not be subject to judicial
15 review.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of such chapter is amended by inserting
18 after the item relating to section 127a the following new
19 item:

 “127b. Rewards for assistance in combating terrorism.”.

20 **SEC. 1068. PROVISION OF SPACE AND SERVICES TO MILI-**
21 **TARY WELFARE SOCIETIES.**

22 (a) AUTHORITY TO PROVIDE SPACE AND SERV-
23 ICES.—Chapter 152 of title 10, United States Code, is
24 amended by adding at the end the following new section:

1 **“§ 2566. Space and services: provision to military wel-**
 2 **fare societies**

3 “(a) **AUTHORITY TO PROVIDE SPACE AND SERV-**
 4 **ICES.**—The Secretary of a military department may pro-
 5 vide, without charge, space and services under the jurisdic-
 6 tion of that Secretary to a military welfare society.

7 “(b) **DEFINITIONS.**—In this section:

8 “(1) The term ‘military welfare society’ means
 9 the following:

10 “(A) The Army Emergency Relief Society.

11 “(B) The Navy-Marine Corps Relief Soci-
 12 ety.

13 “(C) The Air Force Aid Society, Inc.

14 “(2) The term ‘services’ includes lighting, heat-
 15 ing, cooling, electricity, office furniture, office ma-
 16 chines and equipment, telephone and other informa-
 17 tion technology services (including installation of
 18 lines and equipment, connectivity, and other associ-
 19 ated services), and security systems (including in-
 20 stallation and other associated expenses).”.

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

“2566. Space and services: provision to military welfare societies.”.

24 **SEC. 1069. COMMENDATION OF MILITARY CHAPLAINS.**

25 (a) **FINDINGS.**—Congress finds the following:

1 (1) Military chaplains have served with those
2 who fought for the cause of freedom since the found-
3 ing of the Nation.

4 (2) Military chaplains and religious support
5 personnel of the Armed Forces have served with dis-
6 tinction as uniformed members of the Armed Forces
7 in support of the Nation's defense missions during
8 every conflict in the history of the United States.

9 (3) 400 United States military chaplains have
10 died in combat, some as a result of direct fire while
11 ministering to fallen Americans, while others made
12 the ultimate sacrifice as a prisoner of war.

13 (4) Military chaplains currently serve in hu-
14 manitarian operations, rotational deployments, and
15 in the war on terrorism.

16 (5) Religious organizations make up the very
17 fabric of religious diversity and represent unparal-
18 leled levels of freedom of conscience, speech, and
19 worship that set the United States apart from any
20 other nation on Earth.

21 (6) Religious organizations have richly blessed
22 the uniformed services by sending clergy to comfort
23 and encourage all persons of faith in the Armed
24 Forces.

1 (7) During the sinking of the USS Dorchester
2 in February 1943 during World War II, four chap-
3 lains (Reverend Fox, Reverend Poling, Father
4 Washington, and Rabbi Goode) gave their lives so
5 that others might live.

6 (8) All military chaplains aid and assist mem-
7 bers of the Armed Forces and their family members
8 with the challenging issues of today's world.

9 (9) The current war against terrorism has
10 brought to the shores of the United States new
11 threats and concerns that strike at the beliefs and
12 emotions of Americans.

13 (10) Military chaplains must, as never before,
14 deal with the spiritual well-being of the members of
15 the Armed Forces and their families.

16 (b) COMMENDATION.—Congress, on behalf of the Na-
17 tion, expresses its appreciation for the outstanding con-
18 tribution that all military chaplains make to the members
19 of the Armed Forces and their families.

20 (c) PRESIDENTIAL PROCLAMATION.—The President
21 is authorized and requested to issue a proclamation calling
22 on the people of the United States to recognize the distin-
23 guished service of the Nation's military chaplains.

1 **SEC. 1070. GRANT OF FEDERAL CHARTER TO KOREAN WAR**
 2 **VETERANS ASSOCIATION, INCORPORATED.**

3 (a) GRANT OF CHARTER.—Part B of subtitle II of
 4 title 36, United States Code, is amended—

5 (1) by striking the following:

6 **“CHAPTER 1201—[RESERVED]”**; and

7 (2) by inserting the following:

8 **“CHAPTER 1201—KOREAN WAR VETERANS**
 9 **ASSOCIATION, INCORPORATED**

“Sec.

“120101. Organization.

“120102. Purposes.

“120103. Membership.

“120104. Governing body.

“120105. Powers.

“120106. Restrictions.

“120107. Duty to maintain corporate and tax-exempt status.

“120108. Records and inspection.

“120109. Service of process.

“120110. Liability for acts of officers and agents.

“120111. Annual report.

10 **“§ 120101. Organization**

11 “(a) FEDERAL CHARTER.—Korean War Veterans
 12 Association, Incorporated (in this chapter, the ‘corpora-
 13 tion’), incorporated in the State of New York, is a feder-
 14 ally chartered corporation.

15 “(b) EXPIRATION OF CHARTER.—If the corporation
 16 does not comply with the provisions of this chapter, the
 17 charter granted by subsection (a) expires.

18 **“§ 120102. Purposes**

19 “The purposes of the corporation are as provided in
 20 its articles of incorporation and include—

1 “(1) organizing, promoting, and maintaining
2 for benevolent and charitable purposes an associa-
3 tion of persons who have seen honorable service in
4 the Armed Forces during the Korean War, and of
5 certain other persons;

6 “(2) providing a means of contact and commu-
7 nication among members of the corporation;

8 “(3) promoting the establishment of, and estab-
9 lishing, war and other memorials commemorative of
10 persons who served in the Armed Forces during the
11 Korean War; and

12 “(4) aiding needy members of the corporation,
13 their wives and children, and the widows and chil-
14 dren of persons who were members of the corpora-
15 tion at the time of their death.

16 **“§ 120103. Membership**

17 “Eligibility for membership in the corporation, and
18 the rights and privileges of members of the corporation,
19 are as provided in the bylaws of the corporation.

20 **“§ 120104. Governing body**

21 “(a) BOARD OF DIRECTORS.—The board of directors
22 of the corporation, and the responsibilities of the board
23 of directors, are as provided in the articles of incorporation
24 of the corporation.

1 “(b) TAX-EXEMPT STATUS.—The corporation shall
2 maintain its status as an organization exempt from tax-
3 ation under the Internal Revenue Code of 1986 (26 U.S.C.
4 1 et seq.).

5 **“§ 120108. Records and inspection**

6 “(a) RECORDS.—The corporation shall keep—

7 “(1) correct and complete records of account;

8 “(2) minutes of the proceedings of its members,
9 board of directors, and committees having any of the
10 authority of its board of directors; and

11 “(3) at its principal office, a record of the
12 names and addresses of its members entitled to vote
13 on matters relating to the corporation.

14 “(b) INSPECTION.—A member entitled to vote on
15 matters relating to the corporation, or an agent or attor-
16 ney of the member, may inspect the records of the cor-
17 poration for any proper purpose, at any reasonable time.

18 **“§ 120109. Service of process**

19 ““The corporation shall have a designated agent in the
20 District of Columbia to receive service of process for the
21 corporation. Notice to or service on the agent is notice
22 to or service on the Corporation.

23 **“§ 120110. Liability for acts of officers and agents**

24 ““The corporation is liable for the acts of its officers
25 and agents acting within the scope of their authority.

1 **“§ 120111. Annual report**

2 “The corporation shall submit an annual report to
3 Congress on the activities of the corporation during the
4 preceding fiscal year. The report shall be submitted at the
5 same time as the report of the audit required by section
6 10101 of this title. The report may not be printed as a
7 public document.”.

8 (b) CLERICAL AMENDMENT.—The table of chapters
9 at the beginning of subtitle II of title 36, United States
10 Code, is amended by striking the item relating to chapter
11 1201 and inserting the following new item:

“1201. Korean War Veterans Association, Incorporated120101”.

12 **TITLE XI—DEPARTMENT OF DE-**
13 **FENSE CIVILIAN PERSONNEL**
14 **POLICY**

15 **SEC. 1101. EXTENSION OF AUTHORITY TO PAY SEVERANCE**
16 **PAY IN A LUMP SUM.**

17 Section 5595(i)(4) of title 5, United States Code, is
18 amended by striking “October 1, 2003” and inserting
19 “October 1, 2006”.

20 **SEC. 1102. EXTENSION OF VOLUNTARY SEPARATION INCEN-**
21 **TIVE PAY AUTHORITY.**

22 Section 5597(e) of title 5, United States Code, is
23 amended by striking “September 30, 2003” and inserting
24 “September 30, 2006”.

1 **SEC. 1103. EXTENSION OF COST-SHARING AUTHORITY FOR**
2 **CONTINUED FEHBP COVERAGE OF CERTAIN**
3 **PERSONS AFTER SEPARATION FROM EM-**
4 **PLOYMENT.**

5 Section 8905a(d)(4)(B) of title 5, United States
6 Code, is amended—

7 (1) by striking “October 1, 2003” both places
8 it appears and inserting “October 1, 2006”; and

9 (2) by striking “February 1, 2004” in clause
10 (ii) and inserting “February 1, 2007”.

11 **SEC. 1104. ELIGIBILITY OF NONAPPROPRIATED FUNDS EM-**
12 **PLOYEES TO PARTICIPATE IN THE FEDERAL**
13 **EMPLOYEES LONG-TERM CARE INSURANCE**
14 **PROGRAM.**

15 Section 9001(1) of title 5, United States Code, is
16 amended—

17 (1) by striking “and” at the end of subpara-
18 graph (B);

19 (2) by striking the comma at the end of sub-
20 paragraph (C) and inserting “; and”; and

21 (3) by inserting after subparagraph (C) the fol-
22 lowing new subparagraph:

23 “(D) an employee paid from non-
24 appropriated funds referred to in section
25 2105(c) of this title;”.

1 **SEC. 1105. INCREASED MAXIMUM PERIOD OF APPOINT-**
2 **MENT UNDER THE EXPERIMENTAL PER-**
3 **SONNEL PROGRAM FOR SCIENTIFIC AND**
4 **TECHNICAL PERSONNEL.**

5 Section 1101(c)(1) of the Strom Thurmond National
6 Defense Authorization Act for Fiscal Year 1999 (Public
7 Law 105–261; 112 Stat. 2140; 5 U.S.C. 3104 note) is
8 amended by striking “4 years” and inserting “5 years”.

9 **SEC. 1106. QUALIFICATION REQUIREMENTS FOR EMPLOY-**
10 **MENT IN DEPARTMENT OF DEFENSE PROFES-**
11 **SIONAL ACCOUNTING POSITIONS.**

12 (a) PROFESSIONAL CERTIFICATION.—The Secretary
13 of Defense may prescribe regulations that require a person
14 employed in a professional accounting position within the
15 Department of Defense to be a certified public accountant
16 and that apply the requirement to all such positions or
17 to selected positions, as the Secretary considers appro-
18 priate.

19 (b) WAIVERS AND EXEMPTIONS.—(1) The Secretary
20 may include in the regulations imposing a requirement
21 under subsection (a), as the Secretary considers
22 appropriate—

23 (A) any exemption from the requirement; and

24 (B) authority to waive the requirement.

25 (2) The Secretary shall include in the regulations an
26 exemption for persons employed in positions covered by

1 the requirement before the date of the enactment of this
2 Act.

3 (c) **EXCLUSIVE AUTHORITY.**—No requirement im-
4 posed under subsection (a), and no waiver or exemption
5 provided in the regulations pursuant to subsection (b),
6 shall be subject to review or approval by the Office of Per-
7 sonnel Management.

8 (d) **DEFINITION.**—For the purposes of this section,
9 the term “professional accounting position” means a posi-
10 tion in the GS–510, GS–511, or GS–505 series for which
11 professional accounting duties are prescribed.

12 (e) **EFFECTIVE DATE.**—This section shall take effect
13 120 days after the date of the enactment of this Act.

14 **SEC. 1107. HOUSING BENEFITS FOR UNACCOMPANIED**
15 **TEACHERS REQUIRED TO LIVE AT GUANTA-**
16 **NAMO BAY NAVAL STATION, CUBA.**

17 Section 7(b) of the Defense Department Overseas
18 Teachers Pay and Personnel Practices Act (20 U.S.C.
19 905(b)) is amended—

20 (1) by inserting “(1)” after “(b)”; and

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

23 “(2)(A) A teacher assigned to teach at Guantanamo
24 Bay Naval Station, Cuba, who is not accompanied at such
25 station by any dependent—

1 “(i) shall be offered for lease any available mili-
2 tary family housing at such station that is suitable
3 for occupancy by the teacher and is not needed to
4 house members of the armed forces and dependents
5 accompanying them or other civilian personnel and
6 any dependents accompanying them; and

7 “(ii) for any period for which such housing is
8 leased to the teacher, shall receive a quarters allow-
9 ance in the amount determined under paragraph (1).

10 “(B) A teacher is entitled to the quarters allowance
11 in accordance with subparagraph (A)(ii) without regard
12 to whether other Government furnished quarters are avail-
13 able for occupancy by the teacher without charge to the
14 teacher.”.

15 **TITLE XII—MATTERS RELATING**
16 **TO OTHER NATIONS**
17 **Subtitle A—Cooperative Threat Re-**
18 **duction With States of the**
19 **Former Soviet Union**

20 **SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT RE-**
21 **DUCTION PROGRAMS AND FUNDS.**

22 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
23 poses of section 301 and other provisions of this Act, Co-
24 operative Threat Reduction programs are the programs
25 specified in section 1501(b) of the National Defense Au-

1 thORIZATION Act for Fiscal Year 1997 (Public Law 104–
2 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

3 (b) FISCAL YEAR 2003 COOPERATIVE THREAT RE-
4 Duction FUNDS DEFINED.—As used in this title, the
5 term “fiscal year 2003 Cooperative Threat Reduction
6 funds” means the funds appropriated pursuant to the au-
7 thorization of appropriations in section 301 for Coopera-
8 tive Threat Reduction programs.

9 (c) AVAILABILITY OF FUNDS.—Funds appropriated
10 pursuant to the authorization of appropriations in section
11 301 for Cooperative Threat Reduction programs shall be
12 available for obligation for three fiscal years.

13 **SEC. 1202. FUNDING ALLOCATIONS.**

14 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
15 \$416,700,000 authorized to be appropriated to the De-
16 partment of Defense for fiscal year 2003 in section
17 301(a)(23) for Cooperative Threat Reduction programs,
18 not more than the following amounts may be obligated for
19 the purposes specified:

20 (1) For strategic offensive arms elimination in
21 Russia, \$70,500,000.

22 (2) For strategic nuclear arms elimination in
23 Ukraine, \$6,500,000.

24 (3) For weapons of mass destruction infrastruc-
25 ture elimination in Ukraine, \$8,800,000.

1 (4) For weapons of mass destruction infrastruc-
2 ture elimination in Kazakhstan, \$9,000,000.

3 (5) For weapons transportation security in Rus-
4 sia, \$19,700,000.

5 (6) For weapons storage security in Russia,
6 \$40,000,000.

7 (7) For weapons of mass destruction prolifera-
8 tion prevention in the former Soviet Union,
9 \$40,000,000.

10 (8) For biological weapons proliferation preven-
11 tion activities in the former Soviet Union,
12 \$55,000,000.

13 (9) For chemical weapons destruction in Rus-
14 sia, \$133,600,000.

15 (10) For activities designated as Other Assess-
16 ments/Administrative Support, \$14,700,000.

17 (11) For defense and military contacts,
18 \$18,900,000.

19 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
20 FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Co-
21 operative Threat Reduction funds may be obligated or ex-
22 pended for a purpose other than a purpose listed in para-
23 graphs (1) through (11) of subsection (a) until 30 days
24 after the date that the Secretary of Defense submits to
25 Congress a report on the purpose for which the funds will

1 be obligated or expended and the amount of funds to be
2 obligated or expended. Nothing in the preceding sentence
3 shall be construed as authorizing the obligation or expend-
4 iture of fiscal year 2003 Cooperative Threat Reduction
5 funds for a purpose for which the obligation or expendi-
6 ture of such funds is specifically prohibited under this title
7 or any other provision of law.

8 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
9 AMOUNTS.—(1) Subject to paragraph (2), in any case in
10 which the Secretary of Defense determines that it is nec-
11 essary to do so in the national interest, the Secretary may
12 obligate amounts appropriated for fiscal year 2003 for a
13 purpose listed in any of the paragraphs in subsection (a)
14 in excess of the amount specifically authorized for such
15 purpose.

16 (2) An obligation of funds for a purpose stated in
17 any of the paragraphs in subsection (a) in excess of the
18 specific amount authorized for such purpose may be made
19 using the authority provided in paragraph (1) only after—

20 (A) the Secretary submits to Congress notifica-
21 tion of the intent to do so together with a complete
22 discussion of the justification for doing so; and

23 (B) 15 days have elapsed following the date of
24 the notification.

1 **SEC. 1203. AUTHORIZATION OF USE OF COOPERATIVE**
2 **THREAT REDUCTION FUNDS FOR PROJECTS**
3 **AND ACTIVITIES OUTSIDE THE FORMER SO-**
4 **VIET UNION.**

5 (a) COOPERATIVE THREAT REDUCTION PROGRAMS
6 AND FUNDS.—For purposes of this section:

7 (1) Cooperative Threat Reduction programs
8 are—

9 (A) the programs specified in section
10 1501(b) of the National Defense Authorization
11 Act for Fiscal Year 1997 (Public Law 104–201;
12 110 Stat. 2731; 50 U.S.C. 2362 note); and

13 (B) any other similar programs, as des-
14 ignated by the Secretary of Defense, to address
15 critical emerging proliferation threats in the
16 states of the former Soviet Union that jeop-
17 ardize United States national security.

18 (2) Cooperative Threat Reduction funds, for a
19 fiscal year, are the funds authorized to be appro-
20 priated for Cooperative Threat Reduction programs
21 for that fiscal year.

22 (b) AUTHORIZATION OF USE OF CTR FUNDS FOR
23 THREAT REDUCTION ACTIVITIES OUTSIDE THE FORMER
24 SOVIET UNION.—(1) Notwithstanding any other provision
25 of law and subject to the succeeding provisions of this sec-
26 tion, the Secretary of Defense may obligate and expend

1 Cooperative Threat Reduction funds for fiscal year 2003,
2 or Cooperative Threat Reduction funds for a fiscal year
3 before fiscal year 2003 that remain available for obligation
4 as of the date of the enactment of this Act, for prolifera-
5 tion threat reduction projects and activities outside the
6 states of the former Soviet Union if the Secretary deter-
7 mines that such projects and activities will—

8 (A) assist the United States in the resolution of
9 critical emerging proliferation threats; or

10 (B) permit the United States to take advantage
11 of opportunities to achieve long-standing United
12 States nonproliferation goals.

13 (2) The amount that may be obligated under para-
14 graph (1) in any fiscal year for projects and activities de-
15 scribed in that paragraph may not exceed \$50,000,000.

16 (c) AUTHORIZED USES OF FUNDS.—The authority
17 under subsection (b) to obligate and expend Cooperative
18 Threat Reduction funds for a project or activity includes
19 authority to provide equipment, goods, and services for the
20 project or activity, but does not include authority to pro-
21 vide cash directly to the project or activity.

22 (d) SOURCE AND REPLACEMENT OF FUNDS USED.—
23 (1) The Secretary shall, to the maximum extent prac-
24 ticable, ensure that funds for projects and activities under
25 subsection (b) are derived from funds that would otherwise

1 be obligated for a range of Cooperative Threat Reduction
2 programs, so that no particular Cooperative Threat Re-
3 duction program is the exclusive or predominant source
4 of funds for such projects and activities.

5 (2) If the Secretary obligates Cooperative Threat Re-
6 duction funds under subsection (b) in a fiscal year, the
7 first budget of the President that is submitted under sec-
8 tion 1105(a) of title 31, United States Code, after such
9 fiscal year shall set forth, in addition to any other amounts
10 requested for Cooperative Threat Reduction programs in
11 the fiscal year covered by such budget, a request for Coop-
12 erative Threat Reduction funds in the fiscal year covered
13 by such budget in an amount equal to the amount so obli-
14 gated. The request shall also set forth the Cooperative
15 Threat Reduction program or programs for which such
16 funds would otherwise have been obligated, but for obliga-
17 tion under subsection (b).

18 (3) Amounts authorized to be appropriated pursuant
19 to a request under paragraph (2) shall be available for
20 the Cooperative Threat Reduction program or programs
21 set forth in the request under the second sentence of that
22 paragraph.

23 (e) LIMITATION ON OBLIGATION OF FUNDS.—Except
24 as provided in subsection (f), the Secretary may not obli-
25 gate and expend Cooperative Threat Reduction funds for

1 a project or activity under subsection (b) until 30 days
2 after the date on which the Secretary submits to the con-
3 gressional defense committees a report on the purpose for
4 which the funds will be obligated and expended, and the
5 amount of the funds to be obligated and expended.

6 (f) EXCEPTION.—(1) The Secretary may obligate and
7 expend Cooperative Threat Reduction funds for a project
8 or activity under subsection (b) without regard to sub-
9 section (e) if the Secretary determines that a critical
10 emerging proliferation threat warrants immediate obliga-
11 tion and expenditure of such funds.

12 (2) Not later than 72 hours after first obligating
13 funds for a project or activity under paragraph (1), the
14 Secretary shall submit to the congressional defense com-
15 mittees a report containing a detailed justification for the
16 obligation of funds. The report on a project or activity
17 shall include the following:

18 (A) A description of the critical emerging pro-
19 liferation threat to be addressed, or the long-stand-
20 ing United States nonproliferation goal to be
21 achieved, by the project or activity.

22 (B) A description of the agreement, if any,
23 under which the funds will be used, including wheth-
24 er or not the agreement provides that the funds will

1 not be used for purposes contrary to the national se-
2 curity interests of the United States.

3 (C) A description of the contracting process, if
4 any, that will be used in the implementation of the
5 project or activity.

6 (D) An analysis of the effect of the obligation
7 of funds for the project or activity on ongoing Coop-
8 erative Threat Reduction programs.

9 (E) An analysis of the need for additional or
10 follow-up threat reduction assistance, including
11 whether or not the need for such assistance justifies
12 the establishment of a new cooperative threat reduc-
13 tion program or programs to account for such assist-
14 ance.

15 (F) A description of the mechanisms to be used
16 by the Secretary to assure that proper audits and
17 examinations of the project or activity are carried
18 out.

19 (g) REPORT ON ESTABLISHMENT OF NEW COOPERA-
20 TIVE THREAT REDUCTION PROGRAMS.—(1) If the Sec-
21 retary employs the authority in subsection (b) in any two
22 fiscal years, the Secretary shall submit to Congress a re-
23 port on the advisability of establishing one or more new
24 cooperative threat reduction programs to account for
25 projects and activities funded using such authority.

1 (2) The report required by paragraph (1) shall be
2 submitted along with the budget justification materials in
3 support of the Department of Defense budget (as sub-
4 mitted with the budget of the President under section
5 1105(a) of title 31, United States Code) in the first budg-
6 et submitted after the end of the two consecutive fiscal
7 years referred to in that paragraph.

8 **SEC. 1204. WAIVER OF LIMITATIONS ON ASSISTANCE**
9 **UNDER PROGRAMS TO FACILITATE COOPER-**
10 **ATIVE THREAT REDUCTION AND NON-**
11 **PROLIFERATION.**

12 (a) ASSISTANCE UNDER COOPERATIVE THREAT RE-
13 Duction Act of 1993.—Section 1203 of the Cooperative
14 Threat Reduction Act of 1993 (title XII of Public Law
15 103–160; 107 Stat. 1778; 22 U.S.C. 5952) is amended
16 by adding at the end the following new subsection:

17 “(e) WAIVER OF RESTRICTIONS.—(1) The restric-
18 tions in subsection (d) shall cease to apply to a state for
19 a year if the President submits to the Speaker of the
20 House of Representative and the President pro tempore
21 of the Senate a written certification that the waiver of
22 such restrictions in such year is important to the national
23 security interests of the United States, together with a re-
24 port containing the following:

1 “(A) A description of the activity or activities
2 that prevent the President from certifying that the
3 state is committed to the matters set forth in sub-
4 section (d) in such year as otherwise provided for in
5 that subsection.

6 “(B) A description of the strategy, plan, or pol-
7 icy of the President for promoting the commitment
8 of the state to such matters, notwithstanding the
9 waiver.

10 “(2) The matter included in the report under para-
11 graph (1) shall be submitted in unclassified form, but may
12 include a classified annex.”.

13 (b) ADMINISTRATION OF RESTRICTIONS ON ASSIST-
14 ANCE.—Subsection (d) of that section is amended—

15 (1) by striking “any year” and inserting “any
16 fiscal year”; and

17 (2) by striking “that year” and inserting “such
18 fiscal year”.

19 (c) ELIGIBILITY REQUIREMENTS UNDER FREEDOM
20 SUPPORT ACT.—Section 502 of the FREEDOM Support
21 Act (Public Law 102–511; 106 Stat. 3338; 22 U.S.C.
22 5852) is amended—

23 (1) by striking “Funds” and inserting “(a)
24 ELIGIBILITY.—Except as provided in subsection (b),
25 funds”; and

1 (2) by adding at the end the following new sub-
2 section:

3 “(b) WAIVER OF ELIGIBILITY REQUIREMENTS.—(1)
4 Funds may be obligated for a fiscal year under subsection
5 (a) for assistance or other programs and activities for an
6 independent state of the former Soviet Union that does
7 not meet one or more of the requirements for eligibility
8 under paragraphs (1) through (4) of that subsection if the
9 President certifies in writing to the Congress that the
10 waiver of such requirements in such fiscal year is impor-
11 tant to the national security interests of the United States.

12 “(2) At the time of the exercise of the authority in
13 paragraph (1) with respect to an independent state of the
14 former Soviet Union for a fiscal year, the President shall
15 submit to the congressional defense committees a report
16 on the following:

17 “(A) A description of the activity or activities
18 that prevent the President from certifying that the
19 state is committed to each matter in subsection (a)
20 in such fiscal year to which the waiver under para-
21 graph (1) applies.

22 “(B) A description of the strategy, plan, or pol-
23 icy of the President for promoting the commitment
24 of the state to each such matter, notwithstanding
25 the waiver.

1 “(3) In this subsection, the term ‘congressional de-
2 fense committees’ means—

3 “(A) the Committee on Armed Services and the
4 Committee on Appropriations of the Senate; and

5 “(B) the Committee on Armed Services and the
6 Committee on Appropriations of the House of Rep-
7 resentatives.”.

8 (d) **EFFECTIVE DATE.**—The amendments made by
9 this section shall take effect on October 1, 2002.

10 **SEC. 1205. RUSSIAN TACTICAL NUCLEAR WEAPONS.**

11 (a) **FINDINGS.**—The Congress makes the following
12 findings:

13 (1) Al Qaeda and other terrorist organizations,
14 in addition to rogue states, are known to be working
15 to acquire weapons of mass destruction, and particu-
16 larly nuclear warheads.

17 (2) The largest and least secure potential
18 source of nuclear warheads for terrorists or rogue
19 states is Russia’s arsenal of nonstrategic or “tac-
20 tical” nuclear warheads, which according to unclassi-
21 fied estimates numbers from 7,000 to 12,000 war-
22 heads. Security at Russian nuclear weapon storage
23 sites is insufficient, and tactical nuclear warheads
24 are more vulnerable to terrorist or rogue state acqui-
25 sition due to their smaller size, greater portability,

1 and greater numbers compared to Russian strategic
2 nuclear weapons.

3 (3) Russia's tactical nuclear warheads were not
4 covered by the START treaties or the recent Mos-
5 cow Treaty. Russia is not legally bound to reduce its
6 tactical nuclear stockpile and the United States has
7 no inspection rights regarding Russia's tactical nu-
8 clear arsenal.

9 (b) SENSE OF THE SENATE.—(1) One of the most
10 likely nuclear weapon attack scenarios against the United
11 States would involve detonation of a stolen Russian tac-
12 tical nuclear warhead smuggled into the country.

13 (2) It is a top national security priority of the United
14 States to accelerate efforts to account for, secure, and re-
15 duce Russia's stockpile of tactical nuclear warheads and
16 associated fissile material.

17 (3) This imminent threat warrants a special non-
18 proliferation initiative.

19 (c) REPORT.—Not later than 30 days after enact-
20 ment of this Act, the President shall report to Congress
21 on efforts to reduce the particular threats associated with
22 Russia's tactical nuclear arsenal and the outlines of a spe-
23 cial initiative related to reducing the threat from Russia's
24 tactical nuclear stockpile.

1 **Subtitle B—Other Matters**

2 **SEC. 1211. ADMINISTRATIVE SUPPORT AND SERVICES FOR**
3 **COALITION LIAISON OFFICERS.**

4 (a) **AUTHORITY.**—Chapter 6 of title 10, United
5 States Code, is amended by adding at the end the fol-
6 lowing new section:

7 **“§ 169. Administrative support and services for coali-**
8 **tion liaison officers**

9 “(a) **AUTHORITY.**—The Secretary of Defense may
10 provide administrative services and support for the per-
11 formance of duties by any liaison officer of another nation
12 involved in a coalition while the liaison officer is assigned
13 temporarily to the headquarters of a combatant command,
14 component command, or subordinate operational com-
15 mand of the United States in connection with the planning
16 for or conduct of a coalition operation.

17 “(b) **TRAVEL, SUBSISTENCE, AND OTHER EX-**
18 **PENSES.**—The Secretary may pay the travel, subsistence,
19 and similar personal expenses of a liaison officer of a de-
20 veloping country in connection with the assignment of that
21 liaison officer to the headquarters of a combatant com-
22 mand as described in subsection (a) if the assignment is
23 requested by the commander of the combatant command.

24 “(c) **REIMBURSEMENT.**—To the extent that the Sec-
25 retary determines appropriate, the Secretary may provide

1 the services and support authorized under subsections (a)
2 and (b) with or without reimbursement from (or on behalf
3 of) the recipients.

4 “(d) DEFINITIONS.—In this section:

5 “(1) The term ‘administrative services and sup-
6 port’ includes base or installation support services,
7 office space, utilities, copying services, fire and po-
8 lice protection, and computer support.

9 “(2) The term ‘coalition’ means an ad hoc ar-
10 rangement between or among the United States and
11 one or more other nations for common action.”.

12 (b) CLERICAL AMENDMENT.—The table of sections
13 at the beginning of such chapter 6 is amended by adding
14 at the end the following new item:

“169. Administrative support and services for coalition liaison officers.”.

15 **SEC. 1212. USE OF WARSAW INITIATIVE FUNDS FOR TRAVEL**
16 **OF OFFICIALS FROM PARTNER COUNTRIES.**

17 Section 1051(b) of title 10, United States Code, is
18 amended—

19 (1) in paragraph (1), by striking “paragraph
20 (2)” and inserting “paragraphs (2) and (3)”;

21 (2) by redesignating paragraph (3) as para-
22 graph (4); and

23 (3) by inserting after paragraph (2) the fol-
24 lowing new paragraph (3):

1 “(3) In the case of defense personnel of a country
2 that is participating in the Partnership for Peace program
3 of the North Atlantic Treaty Organization (NATO), ex-
4 penses authorized to be paid under subsection (a) may be
5 paid in connection with travel of personnel to the territory
6 of any of the countries participating in the Partnership
7 for Peace program or of any of the NATO member coun-
8 tries.”.

9 **SEC. 1213. SUPPORT OF UNITED NATIONS-SPONSORED EF-**
10 **FORTS TO INSPECT AND MONITOR IRAQI**
11 **WEAPONS ACTIVITIES.**

12 (a) **LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-**
13 **CAL YEAR 2003.**—The total amount of the assistance for
14 fiscal year 2003 that is provided by the Secretary of De-
15 fense under section 1505 of the Weapons of Mass Destruc-
16 tion Control Act of 1992 (22 U.S.C. 5859a) as activities
17 of the Department of Defense in support of activities
18 under that Act may not exceed \$15,000,000.

19 (b) **EXTENSION OF AUTHORITY TO PROVIDE ASSIST-**
20 **ANCE.**—Subsection (f) of section 1505 of the Weapons of
21 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
22 is amended by striking “2002” and inserting “2003”.

1 **SEC. 1214. ARCTIC AND WESTERN PACIFIC ENVIRON-**
2 **MENTAL COOPERATION PROGRAM.**

3 (a) IN GENERAL.—(1) Subchapter II of chapter 138
4 of title 10, United States Code, is amended by adding at
5 the end the following new section:

6 **“§ 2350m. Arctic and Western Pacific Environmental**
7 **Cooperation Program**

8 “(a) AUTHORITY TO CONDUCT PROGRAM.—The Sec-
9 retary of Defense may, with the concurrence of the Sec-
10 retary of State, conduct on a cooperative basis with coun-
11 tries located in the Arctic and Western Pacific regions a
12 program of environmental activities provided for in sub-
13 section (b) in such regions. The program shall be known
14 as the ‘Arctic and Western Pacific Environmental Co-
15 operation Program’.

16 “(b) PROGRAM ACTIVITIES.—(1) Except as provided
17 in paragraph (2), activities under the program under sub-
18 section (a) may include cooperation and assistance on en-
19 vironmental matters in the Arctic and Western Pacific re-
20 gions among elements of the Department of Defense and
21 the military departments or agencies of countries located
22 in such regions.

23 “(2) Activities under the program may not include
24 activities relating to the following:

1 “(A) The conduct of any peacekeeping exercise
2 or other peacekeeping-related activity with the Rus-
3 sian Federation.

4 “(B) The provision of housing.

5 “(C) The provision of assistance to promote en-
6 vironmental restoration.

7 “(D) The provision of assistance to promote job
8 retraining.

9 “(c) LIMITATION ON FUNDING FOR PROJECTS
10 OTHER THAN RADIOLOGICAL PROJECTS.—Not more than
11 20 percent of the amount made available for the program
12 under subsection (a) in any fiscal year may be available
13 for projects under the program other than projects on ra-
14 diological matters.

15 “(d) ANNUAL REPORT.—(1) Not later than March
16 1, 2003, and each year thereafter, the Secretary of De-
17 fense shall submit to Congress a report on activities under
18 the program under subsection (a) during the preceding fis-
19 cal year.

20 “(2) The report on the program for a fiscal year
21 under paragraph (1) shall include the following:

22 “(A) A description of the activities carried out
23 under the program during that fiscal year, including
24 a separate description of each project under the pro-
25 gram.

1 “(B) A statement of the amounts obligated and
2 expended for the program during that fiscal year,
3 set forth in aggregate and by project.

4 “(C) A statement of the life cycle costs of each
5 project, including the life cycle costs of such project
6 as of the end of that fiscal year and an estimate of
7 the total life cycle costs of such project upon comple-
8 tion of such project.

9 “(D) A statement of the participants in the ac-
10 tivities carried out under the program during that
11 fiscal year, including the elements of the Depart-
12 ment of Defense and the military departments or
13 agencies of other countries.

14 “(E) A description of the contributions of the
15 military departments and agencies of other countries
16 to the activities carried out under the program dur-
17 ing that fiscal year, including any financial or other
18 contributions to such activities.”.

19 (2) The table of sections at the beginning of that sub-
20 chapter is amended by adding at the end the following
21 new item:

 “2350m. Arctic and Western Pacific Environmental Cooperation Program.”.

22 (b) REPEAL OF SUPERSEDED AUTHORITY ON ARCTIC
23 MILITARY COOPERATION PROGRAM.—Section 327 of the
24 Strom Thurmond National Defense Authorization Act for

1 Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1965)
2 is repealed.

3 **SEC. 1215. DEPARTMENT OF DEFENSE HIV/AIDS PREVEN-**
4 **TION ASSISTANCE PROGRAM.**

5 (a) **EXPANSION OF PROGRAM.**—The Secretary of De-
6 fense is authorized to expand, in accordance with this sec-
7 tion, the Department of Defense program of HIV/AIDS
8 prevention educational activities undertaken in connection
9 with the conduct of United States military training, exer-
10 cises, and humanitarian assistance in sub-Saharan African
11 countries.

12 (b) **ELIGIBLE COUNTRIES.**—The Secretary may
13 carry out the program in all eligible countries. A country
14 shall be eligible for activities under the program if the
15 country—

16 (1) is a country suffering a public health crisis
17 (as defined in subsection (e)); and

18 (2) participates in the military-to-military con-
19 tacts program of the Department of Defense.

20 (c) **PROGRAM ACTIVITIES.**—The Secretary shall pro-
21 vide for the activities under the program—

22 (1) to focus, to the extent possible, on military
23 units that participate in peace keeping operations;
24 and

1 and Technology Cooperation of the Department of State
2 shall monitor the implementation of the 1979 United
3 States-China Agreement on Cooperation in Science and
4 Technology and its protocols (in this section referred to
5 as the “Agreement”), and keep a systematic account of
6 the protocols thereto. The Office shall coordinate the ac-
7 tivities of all agencies of the United States Government
8 that carry out cooperative activities under the Agreement.

9 (b) GUIDELINES.—The Secretary of State shall en-
10 sure that all activities conducted under the Agreement and
11 its protocols comply with applicable laws and regulations
12 concerning the transfer of militarily sensitive and dual-use
13 technologies.

14 (c) REPORTING REQUIREMENT.—

15 (1) IN GENERAL.—Not later than April 1,
16 2004, and every two years thereafter, the Secretary
17 of State, shall submit a report to Congress, in both
18 classified and unclassified form, on the implementa-
19 tion of the Agreement and activities thereunder.

20 (2) REPORT ELEMENTS.—Each report under
21 this subsection shall provide an evaluation of the
22 benefits of the Agreement to the Chinese economy,
23 military, and defense industrial base and shall in-
24 clude the following:

1 (A) An accounting of all activities con-
2 ducted under the Agreement since the previous
3 report, and a projection of activities to be un-
4 dertaken in the next two years.

5 (B) An estimate of the costs to the United
6 States to administer the Agreement within the
7 period covered by the report.

8 (C) An assessment of how the Agreement
9 has influenced the policies of the People's Re-
10 public of China toward scientific and techno-
11 logical cooperation with the United States.

12 (D) An analysis of the involvement of Chi-
13 nese nuclear weapons and military missile spe-
14 cialists in the activities of the Joint Commis-
15 sion.

16 (E) A determination of the extent to which
17 the activities conducted under the Agreement
18 have enhanced the military and industrial base
19 of the People's Republic of China, and an as-
20 sessment of the impact of projected activities
21 for the next two years, including transfers of
22 technology, on China's economic and military
23 capabilities.

1 (F) Any recommendations on improving
2 the monitoring of the activities of the Commis-
3 sion by the Secretaries of Defense and State.

4 (3) CONSULTATION PRIOR TO SUBMISSION OF
5 REPORTS.—The Secretary of State shall prepare the
6 report in consultation with the Secretaries of Com-
7 merce, Defense, and Energy, the Directors of the
8 National Science Foundation and the Federal Bu-
9 reau of Investigation, and the intelligence commu-
10 nity.

Passed the Senate June 27, 2002.

Attest:

Secretary.

107TH CONGRESS
2D SESSION

S. 2515

AN ACT

To authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.