



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
1600 DEFENSE PENTAGON  
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APR 10 2000

GENERAL COUNSEL

The Honorable Al Gore  
President of the Senate  
Washington, D.C. 20510

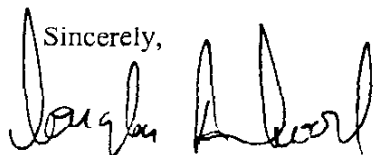
Dear Mr. President:

The Department of Defense proposes the enclosed legislation, "To make a technical correction to uniformed services pay tables as enacted in the National Defense Authorization Act for Fiscal Year 2000 and that become effective July 1, 2000." This proposal is part of the departmental legislative program for the Second Session of the 106th Congress and we urge its prompt enactment.

This is a technical amendment necessary to correct two errors in footnotes to the basic pay rate tables enacted at section 601(c) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 645). One footnote establishes the rate of basic pay for the Chairman and Vice Chairman of the Joint Chiefs of Staff and the senior officer of each of the Armed Forces, and the other footnote establishes the rate of basic pay for the senior enlisted member of each of the Armed Forces. The tables will take effect on July 1, 2000. Each of these two footnotes should include the January 1, 2000, rate, rather than the lower erroneous rate of pay that appears. Without this amendment, the affected rates will decrease on July 1, 2000. Although the senior officers will not experience a pay decrease because their pay rates are already capped at a lower level, the senior enlisted members will actually have their pay decreased. In addition, the rate of pay for the senior enlisted members establishes the limit on the amount of an officer's basic pay that is not subject to income tax whenever the officer is entitled to the benefit of the combat zone tax exclusion. Thus, without this amendment, there will be a decrease in the amount of basic pay that may be excluded from income tax by an officer entitled to the combat zone tax exclusion.

If these errors are not corrected before the tables become effective on July 1, 2000, a retroactive correction will cause certain members to suffer temporary pay decreases and cause the Department to incur administrative costs to make retroactive pay adjustments.

The Office of Management and Budget advises that there is no objection, from the standpoint of the Administration's program, to the presentation of this initiative for your consideration and the consideration of the Congress.

Sincerely,  


Douglas A. Dworkin  
Acting General Counsel

Enclosures:  
Draft Bill  
Sectional Analysis





GENERAL COUNSEL

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1600 DEFENSE PENTAGON  
WASHINGTON, D. C. 20301-1600

The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

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# A B I L L

To make a technical correction to uniformed services pay tables as enacted in the National Defense Authorization Act for Fiscal Year 2000 and that become effective July 1, 2000.

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

3           **SECTION 1. CORRECTION TO FOOTNOTE TWO TO COMMISSIONED OFFICERS**  
4                           **PAY RATES.**

5           The table for Commissioned Officers at the end of section 601(c) of the National Defense  
6           Authorization Act for Fiscal Year 2000 (Public Law 106-65;113 Stat. 646) is amended in  
7           footnote 2 by striking “\$12,441.00” and inserting “\$12,488.70”; and

8           **SEC. 2. CORRECTION TO FOOTNOTE TWO TO ENLISTED MEMBERS PAY**  
9                           **RATES.**

10           The table for Enlisted Members at the end of section 601(c) of the National Defense  
11           Authorization Act for Fiscal Year 2000 (Public Law 106-65;113 Stat. 648) is amended in  
12           footnote 2 by striking “\$4,701.00” and inserting “\$4,719.00”.

### **Sectional Analysis**

This bill would modify the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 646) by changing the basic pay for members 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 from \$12,441.00 to \$12,488.70. This change is a technical correction. Since the pay of these officers is capped under other provisions of the law, there will be no change in the actual pay received. The table is fixed but there is no actual change in pay.

The bill also would change the basic pay for members 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 from \$4,701.00 to \$4,719.00. This change would authorize the correct pay to be made to these individuals on July 1, 2000. The change also would effect the combat zone tax exclusion for officers serving in a designated area (26 U.S.C. 112). Currently such tax exclusions apply in Bosnia, Kosovo, and the Persian Gulf Region. All enlisted pay is excluded from tax in such areas. Officer pay is excluded up to the pay of the highest ranking enlisted member. The highest pay for enlisted members currently is \$4,719.00. Without the technical correction offered by this legislation, there would be a reduction in the amount that could be excluded for such officers.