

A B I L L

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2002, and for other purposes.

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

SECTION 1. SHORT TITLE.

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

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- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-Wide Activities.
- Sec. 105. Defense Inspector General.
- Sec. 106. Defense Health Program.

SEC. 101. ARMY.

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

- (1) For aircraft, \$1,925,491,000.
- (2) For missiles, \$1,859,634,000.
- (3) For weapons and tracked combat vehicles, \$2,276,746,000.
- (4) For ammunition, \$1,193,365,000.
- (5) For other procurement, \$3,961,737,000.
- (6) For chemical agents and munitions destruction, \$1,153,557,000 for—
 - (A) the destruction of lethal chemical weapons in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) and
 - (B) the destruction of chemical warfare material of the United States that is not covered by section 1412 of such Act.

SEC. 102. NAVY AND MARINE CORPS.

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

(1) For aircraft, \$8,252,543,000.

(2) For weapons, including missiles and torpedoes, \$1,433,475,000.

(3) For shipbuilding and conversion, \$9,344,121,000.

(4) For other procurement, \$4,097,576,000.

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

(c) NAVY AND MARINE CORPS AMMUNITION.--Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement of ammunition for the Navy and Marine Corps in the amount of \$457,099,000.

SEC. 103. AIR FORCE.

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

(1) For aircraft, \$10,744,458,000.

(2) For missiles, \$3,233,536,000.

(3) For procurement of ammunition, \$865,344,000.

(4) For other procurement, \$8,158,521,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2002 for defense-wide procurement in the amount of \$1,603,927,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Defense Inspector General in the amount of \$1,800,000.

SEC. 106. DEFENSE HEALTH PROGRAM.

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

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Authorization of Appropriations.

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, \$6,693,920,000.

(2) For the Navy, \$11,123,389,000.

(3) For the Air Force, \$14,343,982,000.

(4) For Defense-wide research, development, test, and evaluation, \$15,268,142,000, of which \$217,355,000 is authorized for the Director of Operational Test and Evaluation.

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

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and Maintenance Funding.

Sec. 302. Working Capital Funds.

Sec. 303. Armed Forces Retirement Home.

Sec. 304. Acquisition of Logistical Support for Security Forces.

Sec. 305. Contract Authority for Defense Working Capital Funds.

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

follows:

- (1) For the Army, \$21,191,680,000.
- (2) For the Navy, \$26,961,382,000.
- (3) For the Marine Corps, \$2,892,314,000.
- (4) For the Air Force, \$26,146,770,000.
- (5) For the Defense-wide activities, \$12,518,631,000.
- (6) For the Army Reserve, \$1,787,246,000.
- (7) For the Naval Reserve, \$1,003,690,000.
- (8) For the Marine Corps Reserve, \$144,023,000.
- (9) For the Air Force Reserve, \$2,029,866,000.
- (10) For the Army National Guard, \$3,677,359,000.
- (11) For the Air National Guard, \$3,867,361,000.
- (12) For the Defense Inspector General, \$150,221,000.
- (13) For the United States Court of Appeals for the Armed Forces, \$9,096,000.
- (14) For Environmental Restoration, Army, \$389,800,000.
- (15) For Environmental Restoration, Navy, \$257,517,000.
- (16) For Environmental Restoration, Air Force, \$385,437,000.
- (17) For Environmental Restoration, Defense-wide, \$23,492,000.
- (18) For Environmental Restoration, Formerly Used Defense Sites, \$190,255,000.
- (19) For Overseas Humanitarian, Disaster, and Civic Aid programs, \$49,700,000.
- (20) For Drug Interdiction and Counter-drug Activities, Defense-wide, \$820,381,000.
- (21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, \$25,000,000.

(22) For the Defense Health Program, \$17,565,750,000.

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

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

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

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, \$1,951,986,000.

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

SEC. 303. ARMED FORCES RETIREMENT HOME.

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

SEC. 304. ACQUISITION OF LOGISTICAL SUPPORT FOR SECURITY FORCES.

Section 5 of the Multinational Force and Observers Participation Resolution (Public Law 97-132; 95 Stat. 1695; 22 U.S.C. 3424) is amended by adding at the end the following new subsection:

"(d) The United States may use contractors or other means to provide logistical support to the Multinational Force and Observers under this section in lieu of providing such support through a logistical support unit comprised of members of the armed forces. Notwithstanding subsections (a) and (b) and section 7(b), support by a contractor or other means under this

subsection may be provided without reimbursement, whenever the President determines that such action enhances or supports the national security interests of the United States."

SEC. 305. CONTRACT AUTHORITY FOR DEFENSE WORKING CAPITAL FUNDS.

Contract authority in the amount of \$427,100,000, to remain available until September 30, 2002, is hereby authorized and appropriated to the Defense Working Capital Fund for the procurement, lease-purchase with substantial private sector risk, capital or operating multiple-year lease, of a capital asset, multiple-year time charter of a commercial craft or vessel and associated services.

Subtitle B—Environmental Provisions

Sec. 310. Reimburse EPA for Certain Costs in Connection with Hooper Sands Site, in South Berwick, Maine.

Sec. 311. Extension of Pilot Program for the Sale of Air Pollution Emission Reduction Incentives.

Sec. 312. Elimination of Report on Contractor Reimbursement Costs.

**SEC. 310. REIMBURSE EPA FOR CERTAIN COSTS IN CONNECTION WITH
HOOPER SANDS SITE, IN SOUTH BERWICK, MAINE.**

(a) **AUTHORITY TO REIMBURSE EPA.**—Using funds described in subsection (b), the Secretary of the Navy may pay \$1,005,478.00 to the Hooper Sands Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency in full for the Remaining Past Response Costs incurred by the agency for actions taken pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601, et seq.) at the Hooper Sands site in South Berwick, Maine, pursuant to an Interagency Agreement entered into by the Department of the Navy and the Environmental Protection Agency in January 2001.

(b) **SOURCE OF FUNDS.**—Any payment under subsection (a) shall be made using the amounts authorized to be appropriated by paragraph (15) of section 301 to the Environmental

Restoration, Navy account, established by section 2703(a)(3) of title 10, United States Code.

**SEC. 311. EXTENSION OF PILOT PROGRAM FOR THE SALE OF AIR POLLUTION
EMISSION REDUCTION INCENTIVES**

Section 351(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law. 105-85; 111 Stat. 1629, 1692) is amended to read as follows:

"(2) The Secretary may carry out the pilot program during the period beginning on the date of enactment of this Act through September 30, 2003."

**SEC. 312. ELIMINATION OF REPORT ON CONTRACTOR REIMBURSEMENT
COSTS.**

Section 2706 of title 10, United States Code, is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 315. Costs Payable to the Department of Defense and Other Federal Agencies for Services Provided to the Defense Commissary Agency.

Sec. 316. Reimbursement for Non-Commissary Use of Commissary Facilities.

Sec. 317. Commissary Contracts and Other Agencies and Instrumentalities.

Sec. 318. Operation of Commissary Stores.

**SEC. 315. COSTS PAYABLE TO THE DEPARTMENT OF DEFENSE AND OTHER
FEDERAL AGENCIES FOR SERVICES PROVIDED TO THE DEFENSE
COMMISSARY AGENCY.**

Section 2482(b)(1) of title 10, United States Code, is amended by striking "However, the Defense Commissary Agency may not pay for any such service provided by the United States Transportation Command any amount that exceeds the price at which the service could be procured through full and open competition, as such term is defined in section 4(6) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(6))." and inserting "The Defense Commissary Agency may not pay for any service provided by a Defense working capital fund activity which

exceeds the price at which the service could be procured through full and open competition by the Defense Commissary Agency, as such term is defined in section 4(6) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(6)). In determining the cost for providing such service the Defense Commissary Agency may pay a Defense working capital fund activity those administrative and handling costs it would be required to pay for the provision of such services had the Defense Commissary Agency acquired them under full and open competition. Under no circumstances will any costs associated with mobilization requirements, maintenance of readiness, or establishment or maintenance of infrastructure to support such mobilization or readiness requirements, be included in rates charged the Defense Commissary Agency."

SEC. 316. REIMBURSEMENT FOR NON-COMMISSARY USE OF COMMISSARY FACILITIES.

(a) **IN GENERAL.**—Chapter 147 of title 10, United States Code, is amended by inserting at the beginning of the chapter the following new section:

"§ 2481. Reimbursement for non-commissary use of commissary facilities

"If a commissary facility acquired, constructed, or improved (in whole or in part) with commissary surcharge revenues is used for non-commissary purposes, the Secretary of the military department concerned shall reimburse the commissary surcharge revenues for the commissary's share of the depreciated value of the facility."

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter 147 is amended by inserting before the item relating to section 2482 the following new item:

"2481. Reimbursement for non-commissary use of commissary facilities."

SEC. 317. COMMISSARY CONTRACTS AND OTHER AGENCIES AND INSTRUMENTALITIES.

Section 2482(b) of title 10, United States Code, is amended—

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

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

“(2) Where the Secretary of Defense authorizes the Defense Commissary Agency to sell limited exchange merchandise as commissary store inventory under section 2486(b)(11) of this title, the Defense Commissary Agency shall enter into a contract or other agreement to obtain such merchandise available from the Armed Service Exchanges, provided that such merchandise shall be obtained at a cost of no more than the exchange retail price less the amount of commissary surcharge authorized to be collected by section 2486 of this title. If such merchandise is procured by the Defense Commissary Agency from other than the Armed Service Exchanges, the limitations provided in section 2486(e) of this title apply.”.

SEC. 318. OPERATION OF COMMISSARY STORES.

Section 2482(a) of title 10, United States Code, is amended by striking “A contract with a private person” and all that remains to the end of the subsection.

Subtitle D—Other Matters

Sec. 320. Reimbursement for Reserve Intelligence Support.

Sec. 321. Disposal of Obsolete and Excess Materials Contained in the National Defense Stockpile.

SEC. 320. REIMBURSEMENT FOR RESERVE INTELLIGENCE SUPPORT.

(a) Appropriations available to the Department of Defense for operations and maintenance may be used to reimburse National Guard and Reserve units or organizations for the pay, allowances and other expenses which are incurred by such National Guard and Reserve units or organizations when members of the National Guard or Reserve provide intelligence, including counterintelligence, support to Combatant Commands, Defense Agencies and Joint Intelligence

Activities, including the activities and programs included within the National Foreign Intelligence Program, the Joint Military Intelligence Program, and the Tactical Intelligence and Related Activities aggregate.

(b) Nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

**SEC. 321. DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN
THE NATIONAL DEFENSE STOCKPILE.**

Subject to the conditions specified in section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. §98h-1(c)), the President may dispose of the following obsolete and excess materials contained in the National Defense Stockpile in the following quantities:

Bauxite, Refractory, 40,000 short tons.

Chromium Metal, 3,512 short tons.

Iridium, 25,140 troy ounces.

Jewel Bearings, 30,273,221 pieces.

Manganese, Ferro HC, 209,074 short tons.

Palladium, 11 troy ounces.

Quartz Crystal, 216,648 pounds.

Tantalum Metal Ingot, 120,228 pounds contained tantalum.

Tantalum Metal Powder, 36,020 pounds contained tantalum.

Thorium Nitrate, 600,000 pounds.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End Strengths for Active Forces.

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

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

- (1) The Army, 480,000.
- (2) The Navy, 376,000.
- (3) The Marine Corps, 172,600.
- (4) The Air Force, 358,800.

Subtitle B—Reserve Forces

Sec. 405. End Strengths for Selected Reserve.

Sec. 406. End Strengths for Reserves on Active Duty in Support of the Reserves.

Sec. 407. End Strengths for Military Technicians (Dual Status).

Sec. 408. Fiscal Year 2002 Limitation on Number of Non-Dual Status Technicians.

Sec. 409. Authorized Strengths: Reserve Officers and Senior Enlisted Members on Active Duty or Full-time National Guard Duty for Administration of the Reserves or National Guard.

Sec. 410. Increase in Authorized Strengths for Air Force Officers on Active Duty in the Grade of Major.

SEC. 405. END STRENGTHS FOR SELECTED RESERVE.

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

- (1) The Army National Guard of the United States, 350,000.
- (2) The Army Reserve, 205,000.
- (3) The Naval Reserve, 87,000.
- (4) The Marine Corps Reserve, 39,558.
- (5) The Air National Guard of the United States, 108,400.
- (6) The Air Force Reserve, 74,700.
- (7) The Coast Guard Reserve, 8,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected

Reserve of any reserve component shall be proportionately reduced by—

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

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.

**SEC. 406. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF
THE RESERVES.**

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

- (1) The Army National Guard of the United States, 22,974.
- (2) The Army Reserve, 13,108.
- (3) The Naval Reserve, 14,811.

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

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

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

SEC. 407. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The Reserve Components of the Army and the Air Force are authorized strengths for military technicians (dual status) as of September 30, 2002, as follows:

(1) For the Army Reserve, 5,999.

(2) For the Army National Guard of the United States, 23,128.

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

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

**SEC. 408. FISCAL YEAR 2002 LIMITATION ON NUMBER OF NON-DUAL STATUS
TECHNICIANS.**

The number of civilian employees who are non-dual status technicians of a reserve component of the Army or Air Force as of September 30, 2002, may not exceed the following:

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

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

(3) For the Air Force Reserve, 0.

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

**SEC. 409. AUTHORIZED STRENGTHS: RESERVE OFFICERS AND SENIOR
ENLISTED MEMBERS ON ACTIVE DUTY OR FULL-TIME NATIONAL
GUARD DUTY FOR ADMINISTRATION OF THE RESERVES OR
NATIONAL GUARD.**

(a) IN GENERAL.—Section 12011 of title 10, United States Code, is amended by amending the body of the section to read as follows:

“(a) CEILINGS FOR FULL-TIME RESERVE COMPONENT FIELD GRADE OFFICERS.— The number of reserve officers of the reserve components of the Army, Navy, Air Force, and Marine Corps who may be on active duty in the pay grades of O-4, O-5, O-6 for duty described in sections 10211, 10302 through 10305, 12310, or 12402 of this title, or full-time National Guard duty (other than for training) under section 502(f) of title 32, or section 708 of title 32, may not, at the end of any fiscal year, exceed a number for that grade and reserve component in accordance with the following tables:

“Army National Guard

AGR Population	O-4 (MAJ)	O-5 (LTC)	O-6COL)
20,000	1,500	850	325
22,000	1,650	930	350
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411

“U.S. Army Reserve

AGR Population	O-4 (MAJ)	O-5 (LTC)	O-6 (COL)
10,000	1,390	740	230
11,000	1,529	803	242
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336

“U.S. Naval Reserve

AGR Population	O-4 (LCDR)	O-5 (CDR)	O-6 (CAPT)
10,000	807	447	141
11,000	867	467	153
12,000	924	485	163
13,000	980	503	173
14,000	1,035	521	183
15,000	1,088	538	193
16,000	1,142	555	203
17,000	1,195	565	213
18,000	1,246	575	223
19,000	1,291	585	233
20,000	1,334	595	242
21,000	1,364	603	250
22,000	1,384	610	258
23,000	1,400	615	265
24,000	1,410	620	270

“U.S. Marine Corps Reserve

AGR Population	O-4 (MAJ)	O-5 (LTCOL)	O-6 (COL)
1,100	106	56	20
1,200	110	60	21
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35

“Air National Guard

AGR Population	O-4 (MAJ)	O-5 (LT COL)	O-6 (COL)
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323

14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380

“U.S. Air Force Reserve

AGR Population	O-4 (MAJ)	O-5 (LT COL)	O-6 (COL)
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300

“(b) GRADE SUBSTITUTIONS FOR LOWER GRADE CEILINGS.—Whenever the number of officers serving in any grade for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for any lower grade.

“(c) DETERMINATION OF AUTHORIZED CEILINGS.— If the total number of members serving in the grades prescribed in the above tables is between any two consecutive numbers in the first column of the appropriate table, the corresponding authorized strengths for each of the grades shown in that table, for that component, are determined by mathematical interpolation between the respective numbers of the two strengths. If the total numbers of members serving on AGR duty in the first column are greater or less than the figures listed in the first column of the

appropriate table, the Secretary concerned shall fix the corresponding strengths for the grades shown in that table at the same proportion as reflected in the nearest limit shown in the table.

“(d) SECRETARIAL WAIVER.—Upon determination by the Secretary of Defense that such action is in the national interest, the Secretary may increase the number of reserve officers that may be on active duty or full-time National Guard duty in a controlled grade authorized pursuant to subsection (a) for the current fiscal year for any of the Reserve components by a number equal to not more than 5% of the authorized strength in that controlled grade.”.

(b) IN GENERAL.—Section 12012 of title 10, United States Code, is amended by amending the body of the section to read as follows:

“(a) CEILINGS FOR FULL-TIME RESERVE COMPONENT SENIOR ENLISTED MEMBERS.—The number of enlisted members in pay grades of E-8 and E-9 for who may be on active duty under section 10211 or 12310, or on full-time National Guard duty under the authority of section 502(f) of title 32 (other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard may not, at the end of any fiscal year, exceed a number determined in accordance with the following tables:

“Army National Guard

AGR Population	E-8 (MSG)	E-9 (SGM)
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743

42,000	1,945	743
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“U.S. Army Reserve

AGR Population	E-8 (MSG)	E-9 (SGM)
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278

“U.S. Naval Reserve

AGR Population	E-8 (SCPO)	E-9 (MCPO)
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325

“U.S. Marine Corps Reserve

AGR Population	E-8 (1ST SGT)	E-9 (SGTMAJ)
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26

“Air National Guard

AGR Population	E-8 (SMSGT)	E-9 (CMSGT)
5,000	1,020	405
6,000	1,070	435
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712

“U.S. Air Force Reserve

AGR Population	E-8 (SMSGT)	E-9 (CMSGT)
500	75	40
1,000	145	75

1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400

“(b) GRADE SUBSTITUTION FOR LOWER GRADE CEILINGS.—Whenever the number of members serving in pay grade E-9 for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for pay grade E-8.

“(c) DETERMINATION OF AUTHORIZED CEILINGS.— If the total number of members serving in the grades prescribed in the above tables is between any two consecutive numbers in the first column of the appropriate table, the corresponding authorized strengths for each of the grades shown in that table, for that component, are determined by mathematical interpolation between the respective numbers of the two strengths. If the total numbers of members serving on AGR duty in the first column are greater or less than the figures listed in the first column of the appropriate table, the Secretary concerned shall fix the corresponding strengths for the grades shown in that table at the same proportion as reflected in the nearest limit shown in the table.

“(d) SECRETARIAL WAIVER.—Upon determination by the Secretary of Defense that such action is in the national interest, the Secretary may increase the number of senior reserve enlisted members that may be on active duty or full-time National Guard duty in a controlled grade

authorized pursuant to subsection (a) for the current fiscal year for any of the Reserve components by a number equal to not more than 5% of the authorized strength in that controlled grade.”.

**SEC. 410. INCREASE IN AUTHORIZED STRENGTHS FOR AIR FORCE OFFICERS
ON ACTIVE DUTY IN THE GRADE OF MAJOR.**

The table in section 523(a)(1) of title 10, United States Code, is amended by striking the figures under the heading "Major" relating to the Air Force and inserting the following:

- “9,861
- “10,727
- “11,593
- “12,460
- “13,326
- “14,192
- “15,058
- “15,925
- “16,792
- “17,657
- “18,524
- “19,389
- “20,256
- “21,123
- “21,989
- “22,855
- “23,721
- “24,588

“25,454.”.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

- Sec. 501. Elimination of Certain Medical and Dental Requirements for Army Early-Deployers
- Sec. 502. Medical Deferment of Mandatory Retirement or Separation.
- Sec. 503. Officer in Charge; United States Navy Band.
- Sec. 504. Removal of Requirement for Certification for Certain Flag Officers to Retire in Their Highest Grade.
- Sec. 505. Three-Year Extension of Certain Force Drawdown Transition Authorities Relating to Personnel Management and Benefits.
- Sec. 506. Judicial Review of Selection Boards

SEC. 501. ELIMINATION OF CERTAIN MEDICAL AND DENTAL REQUIREMENTS

FOR ARMY EARLY-DEPLOYERS.

Section 1074a of title 10, United States Code, is amended—

- (1) by striking subsection (d); and
- (2) by redesignating subsection (e) as subsection (d).

SEC. 502 . MEDICAL DEFERMENT OF MANDATORY RETIREMENT OR

SEPARATION.

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

- (1) by inserting "(a)" at the beginning of the paragraph;
- (2) by striking "cannot" and inserting "may not"; and
- (3) by adding at the end the following new subparagraph (b):

"(b) An officer whose mandatory retirement or separation under this chapter or chapter 63 of this title is subject to deferral under this section, may be extended for a period not to exceed 30 days following completion of the evaluation requiring hospitalization or medical observation."

SEC. 503. OFFICER IN CHARGE; UNITED STATES NAVY BAND.

(a) **DETAIL AND GRADE.**—Chapter 565 of title 10, United States Code, is amended by inserting after section 6221 the following new section:

“§ 6221a. United States Navy Band: officer in charge

“An officer serving in a grade not below lieutenant commander may be detailed as Officer in Charge of the United States Navy Band. While so serving, an officer who holds a grade lower than captain shall hold the grade of captain if he is appointed to that grade by the President, by and with the advice and consent of the Senate. Such appointment may occur notwithstanding the limitation of subsection 5596(d) of this title.”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter 565 is amended by inserting after the item referring to section 6221 the following new item:

“6221a. United States Navy Band: officer in charge.”.

**SEC. 504. REMOVAL OF REQUIREMENT FOR CERTIFICATION FOR CERTAIN
FLAG OFFICERS TO RETIRE IN THEIR HIGHEST GRADE.**

Section 1370(c)(1) of title 10, United States Code, is amended—

(1) by striking “certifies in writing to the President and Congress” and inserting “determines in writing”; and

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

“The Secretary of Defense shall issue regulations to implement this paragraph.”.

**SEC. 505. THREE-YEAR EXTENSION OF CERTAIN FORCE DRAWDOWN
TRANSITION AUTHORITIES RELATING TO PERSONNEL
MANAGEMENT AND BENEFITS.**

(a) EXTENSION OF EARLY RETIREMENT AUTHORITY FOR ACTIVE DUTY MEMBERS.—

Section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1293 note) is amended by striking “October 1, 2001” and inserting “October 1, 2004”.

(b) EXTENSION OF AUTHORITY FOR SPECIAL SEPARATION BENEFIT AND VOLUNTARY EARLY SEPARATION INCENTIVE.—(1) Section 1174a(h)(1) of title 10, United States Code, is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) Section 1175(d)(3) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(c) EXTENSION OF AUTHORITY FOR SELECTIVE EARLY RETIREMENT BOARDS.—Section 638a(a) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(d) TIME-IN-GRADE REQUIREMENT FOR RETENTION OF GRADE UPON VOLUNTARY RETIREMENT.—(1) Section 1370(a)(2)(A) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) Section 1370(d)(5) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(e) MINIMUM COMMISSIONED SERVICE FOR VOLUNTARY RETIREMENT AS AN OFFICER.—

(1) ARMY.—Section 3911(b) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) NAVY.—Section 6323(a)(2) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(3) AIR FORCE.—Section 8911(b) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(f) TRAVEL, TRANSPORTATION, AND STORAGE BENEFITS.—(1) Section 404(c)(1)(C) of title 37, United States Code, is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) Section 404(f)(2)(B)(v) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(3) Section 406(a)(2)(B)(v) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(4) Section 406(g)(1)(C) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(5) Section 503(c)(1) of the National Defense Authorization Act for Fiscal Year 1991 (37 U.S.C. 406 note) is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(g) EDUCATIONAL LEAVE FOR PUBLIC AND COMMUNITY SERVICE.—Section 4463(f) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143a note) is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(h) TRANSITIONAL HEALTH BENEFITS.—Section 1145 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) in subsection (c)(1), by striking “December 31, 2001” and inserting “September 30, 2004”.

(3) in subsection (e), by striking “December 31, 2001” and inserting “September 30, 2004”.

(i) TRANSITIONAL COMMISSARY AND EXCHANGE BENEFITS.—Section 1146 of such title is amended by striking “December 31, 2001” both places it appears and inserting “September 30, 2004”.

(j) TRANSITIONAL USE OF MILITARY HOUSING.—Section 1147(a) of such title is amended—

(1) in paragraph (1), by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) in paragraph (2), by striking “December 31, 2001” and inserting “September 30, 2004”.

(k) CONTINUED ENROLLMENT OF DEPENDENTS IN DEFENSE DEPENDENTS EDUCATION SYSTEM.—Section 1407(c)(1) of the Defense Dependents’ Education Act of 1978 (20 U.S.C. 926(c)(1)) is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(l) FORCE REDUCTION TRANSITION PERIOD DEFINITION.—Section 4411 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(m) TEMPORARY SPECIAL AUTHORITY FOR FORCE REDUCTION PERIOD RETIREMENTS.—Section 4416(b)(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking “October 1, 2001” and inserting “October 1, 2004”.

(n) RETIRED PAY FOR NON-REGULAR SERVICE.—(1) Section 12731(f) of title 10, United States Code, is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(2) Section 12731a of such title is amended—

(A) in subsection (a)(1)(B), by striking “the end of the period described in subsection (b)” and inserting “October 1, 2004”.

(B) in subsection (b), by striking “December 31, 2001” and inserting “October 1, 2004”.

(o) AFFILIATION WITH GUARD AND RESERVE UNITS; WAIVER OF CERTAIN LIMITATIONS.—Section 1150(a) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

(p) RESERVE MONTGOMERY GI BILL.—Section 16133(b)(1)(B) of such title is amended by striking “December 31, 2001” and inserting “September 30, 2004”.

SEC. 506. REVIEW OF ACTIONS OF SELECTION BOARDS.

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

“§ 1558. Exclusive remedies in cases involving selection boards

“(a) CORRECTION OF MILITARY RECORDS.—The Secretary concerned may correct a person's military records in accordance with a recommendation made by a special board. Any such correction shall be effective, retroactively, as of the effective date of the action taken on a report of a previous selection board that resulted in the action corrected in the person's military records.

“(b) RELIEF ASSOCIATED WITH CORRECTIONS OF CERTAIN ACTIONS.— (1) The Secretary concerned shall ensure that a person receives relief under paragraph (2) or (3), as the person may elect, if the person—

“(A) was separated or retired from an armed force, or transferred to the retired reserve or to inactive status in a reserve component, as a result of a recommendation of a selection board; and

“(B) becomes entitled to retention on or restoration to active duty or active status in a reserve component as a result of a correction of the person's military records under subsection (a).

“(2)(A) With the consent of a person referred to in paragraph (1), the person shall be retroactively and prospectively restored to the same status, rights, and entitlements (less appropriate offsets against back pay and allowances) in the person's armed force as the person would have had if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, as a result of an action corrected under subsection (a). An action under this subparagraph is subject to subparagraph (B).

“(B) Nothing in subparagraph (A) shall be construed to permit a person to be on active duty or in an active status in a reserve component after the date on which the person would have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, in an action of a selection board that is corrected under subsection (a).

“(3) If the person does not consent to a restoration of status, rights, and entitlements under paragraph (2), the person shall receive back pay and allowances (less appropriate offsets) and service credit for the period beginning on the date of the person's separation, retirement, or transfer to the retired reserve or to inactive status in a reserve component, as the case may be, and ending on the earlier of—

“(A) the date on which the person would have been so restored under paragraph (2), as determined by the Secretary concerned; or

“(B) the date on which the person would otherwise have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be.

“(c) FINALITY OF UNFAVORABLE ACTION.—If a special board makes a recommendation not to correct the military records of a person regarding action taken in the case of that person on the basis of a previous report of a selection board, the action previously taken on that report shall be considered as final as of the date of the action taken on that report.

“(d) REGULATIONS.—(1) The Secretary concerned may prescribe regulations to carry out this section (other than subsection (e)) with respect to the armed force or armed forces under the jurisdiction of the Secretary.

“(2) The Secretary may prescribe in the regulations the circumstances under which consideration by a special board may be provided for under this section, including the following:

“(A) The circumstances under which consideration of a person's case by a special board is contingent upon application by or for that person.

“(B) Any time limits applicable to the filing of an application for consideration.

“(3) Regulations prescribed by the Secretary of a military department under this

subsection shall be subject to the approval of the Secretary of Defense.

“(e) JUDICIAL REVIEW.—(1) A person challenging for any reason the action or recommendation of a selection board, or the action taken by the Secretary concerned on the report of a selection board, is not entitled to relief in any judicial proceeding unless the person has first been considered by a special board under this section or the Secretary concerned has denied such consideration.

“(2) A court of the United States may review a determination by the Secretary concerned under this section not to convene a special board. A court may set aside such determination only if it finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law. If a court sets aside a determination not to convene a special board, it shall remand the case to the Secretary concerned, who shall provide for consideration of the person by a special board under this section.

“(3) A court of the United States may review the recommendation of a special board convened under this section and any action taken by the Secretary concerned on the report of such special board. A court may set aside such recommendation or action, as the case may be, only if it finds that the recommendation or action was contrary to law or involved a material error of fact or a material administrative error. If a court sets aside the recommendation of a special board, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the person by another special board. If a court sets aside the action of the Secretary concerned on the report of a special board, it shall remand the case to the Secretary concerned for a new action on the report of the special board.

“(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding any other provision of law, but

subject to subsection (g), the remedies provided under this section are the only remedies available to a person for correcting an action or recommendation of a selection board regarding that person or an action taken on the report of a selection board regarding that person.

“(g) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a special board on the basis of the invalidity.

“(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.

“(h) TIMELINESS OF ACTION.—(1) For the purposes of subsection (e)—

“(A) If, not later than six months after receipt of a complete application for consideration by a special board, the Secretary concerned shall have neither convened a special board nor denied consideration by a special board, the Secretary shall be deemed to have been denied such consideration.

“(B) If, not later than one year after the convening of a special board, the Secretary concerned shall not have taken final action on the report of such board, the Secretary shall be deemed to have denied relief to the person applying for consideration by the board.

“(2) Under regulations prescribed in accordance with subsection (d), the Secretary concerned may exclude an individual application from the time limits prescribed in this subsection if the Secretary determines that the application warrants a longer period of

consideration. The authority of the Secretary of a military department under this paragraph may not be delegated.

“(i) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.

“(j) DEFINITIONS—In this section:

“(1) The term ‘special board’—

“(A) means a board that the Secretary concerned convenes under any authority to consider whether to recommend a person for appointment, enlistment, reenlistment, assignment, promotion, retention, separation, retirement, or transfer to inactive status in a reserve component instead of referring the records of that person for consideration by a previously convened selection board which considered or should have considered that person;

“(B) includes a board for the correction of military or naval records convened under section 1552 of this title, if designated as a special board by the Secretary concerned; and

“(C) does not include a promotion special selection board convened under section 628 or 14502 of this title.

“(2) The term ‘selection board’—

“(A) means a selection board convened under section 573(c), 580, 580a, 581, 611(b), 637, 638, 638a, 14101(b), 14701, 14704, or 14705 of this title, and any other board convened by the Secretary concerned under any authority to recommend persons for appointment, enlistment, reenlistment, assignment, promotion, or retention in the

armed forces or for separation, retirement, or transfer to inactive status in a reserve component for the purpose of reducing the number of persons serving in the armed forces; and

“(B) does not include--

“(i) a promotion board convened under section 573(a), 611(a), or 14101(a) of this title;

“(ii) a special board;

“(iii) a special selection board convened under section 628 of this title; or

“(iv) a board for the correction of military records convened under section 1552 of this title.”.

(b) CLERICAL AMENDMENT.— The table of sections at the beginning of such chapter 79 is amended by adding at the end the following:

“1558. Exclusive remedies in cases involving selection boards .”.

(c) SPECIAL SELECTION BOARDS.—Section 628 of such title is amended—

(1) by redesignating subsection (g) as subsection (j); and

(2) by inserting after subsection (f) the following new subsections:

“(g) LIMITATIONS OF OTHER JURISDICTION.—No official or court of the United States may—

“(1) consider any claim based to any extent on the failure of an officer or former officer of the armed forces to be selected for promotion by a promotion board until—

“(A) the claim has been referred by the Secretary concerned to a special selection board convened under this section and acted upon by that board and the report of the board has been approved by the President; or

“(B) the claim has been rejected by the Secretary concerned without consideration by a special selection board; or

“(2) except as provided in subsection (h), grant any relief on such a claim unless the officer or former officer has been selected for promotion by a special selection board convened under this section to consider the officer's claim and the report of the board has been approved by the President.

“(h) JUDICIAL REVIEW.—(1) A court of the United States may review a determination by the Secretary concerned under subsection (a)(1) or (b)(1) not to convene a special selection board. If a court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law, it shall remand the case to the Secretary concerned, who shall provide for consideration of the officer or former officer by a special selection board under this section.

“(2) A court of the United States may review the action of a special selection board convened under this section on a claim of an officer or former officer and any action taken by the President on the report of the board. If a court finds that the action was contrary to law or involved a material error of fact or a material administrative error, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the officer or former officer by another special selection board.

“(i) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a selection board on the basis of the invalidity.

“(2) Nothing in this section limits the authority of the Secretary of a military department to correct a military record under section 1552 of this title.”.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the date of the enactment of this Act and, except as provided in paragraph (2), shall apply with respect to any proceeding pending on or after that date without regard to whether a challenge to an action of a selection board of any of the Armed Forces being considered in such proceeding was initiated before, on, or after that date.

(2) The amendments made by this section shall not apply with respect to any action commenced in a court of the United States before the date of the enactment of this Act.

Subtitle B—Reserve Component Personnel Policy

- Sec. 511. Retirement of Reserve Personnel.
- Sec. 512. Amendment to Reserve PERSTEMPO Definition.
- Sec. 513. Individual Ready Reserve Physical Examination Requirement.
- Sec. 514. Benefits and Protections for Members in a Funeral Honors Duty Status.
- Sec. 515. Funeral Honors Duty Performed by Members of the National Guard.
- Sec. 516. Strength and Grade Ceiling Accounting for Reserve Component Members on Active Duty in Support of a Contingency Operation.
- Sec. 517. Reserve Health Professionals Stipend Program Expansion.
- Sec. 518. Reserve Officers on Active Duty for a Period of Three Years or Less.
- Sec. 519. Active Duty End Strength Exemption for National Guard and Reserve Personnel Performing Funeral Honors Functions.
- Sec. 520. Clarification of Functions That May Be Assigned to Active Guard and Reserve Personnel on Full-

Time National Guard Duty.

Sec. 521. Authority for Temporary Waiver of the Requirement for a Baccalaureate Degree for Promotion of Certain Reserve Officers of the Army.

Sec. 522. Authority of the President to Suspend Certain Laws Relating to Promotion, Retirement and Separation; Duties.

SEC. 511. RETIREMENT OF RESERVE PERSONNEL.

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

(b) RETIREMENT FOR FAILURE OF SELECTION OF PROMOTION.—(1) Section 14513 of such title 10 is amended—

(A) in the heading, by inserting “or retirement” after “Separation”; and

(B) in paragraph (2), by striking “and applies” and inserting “ unless the officer requests not to be transferred to the Retired Reserve” before the semicolon.

(2) The table of sections at the beginning of chapter 1407 of such title 10 is amended by striking the item relating to section 14513 and inserting the following new item:

“14513. Separation or retirement for failure of selection for promotion.”.

(c) RETIREMENT FOR YEARS OF SERVICE OR AFTER SELECTION FOR EARLY REMOVAL.—Section 14514 of such title 10 is amended—

(1) in paragraph (1), by striking “and applies” and inserting “ unless the officer requests not to be transferred to the Retired Reserve” before the semicolon; and

(2) in paragraph (2), by striking “does not apply for such transfer” and inserting “has requested not to be transferred to the Retired Reserve” after “is not qualified or”.

(d) RETIREMENT FOR AGE.—Section 14515 of such title 10 is amended—

(1) in paragraph (1), by striking “and applies” and inserting “unless the officer requests not to be transferred to the Retired Reserve” before the semicolon; and

(2) in paragraph (2), by striking “does not apply for transfer” and inserting “has requested not to be transferred” following “is not qualified or”.

(e) DISCHARGE OR RETIREMENT OF WARRANT OFFICERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1207 of such title 10 is amended by adding at the end the following new section:

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

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

“(1) be transferred to the Retired Reserve, if the warrant officer is so qualified for such transfer, unless the warrant officer requests not to be transferred to the Retired Reserve; or

“(2) if the warrant officer is not qualified for such transfer or requests not to be transferred to the Retired Reserve, be discharged.”.

(2) The table of sections at the beginning of such chapter 1207 of title 10 is amended by adding at the end the following new item:

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

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

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

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

“(1) be transferred to the Retired Reserve, if the member is so qualified for such transfer, unless the member requests not to be transferred to the Retired Reserve; or

“(2) if the member is not qualified for such transfer or requests not to be transferred to the Retired Reserve, be discharged.”.

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

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

SEC. 512. AMENDMENT TO RESERVE PERSTEMPO DEFINITION.

Section 991(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting “active” before “service” and adding at the end the following new sentence:

“For the purpose of this definition, the housing in which a member of a reserve component resides is either the housing the member normally occupies when on garrison duty or the member’s permanent civilian residence.”;

(2) by striking paragraph (2);

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

(4) in paragraph (3) (as redesignated), by striking “in paragraphs (1) and (2).” and inserting “in paragraph (1).”.

SEC. 513. INDIVIDUAL READY RESERVE PHYSICAL EXAMINATION

REQUIREMENT.

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

- (1) in subsection (a), by striking “Ready Reserve” and inserting “Selected Reserve”;
- (2) by redesignating subsection (b) as subsection (c); and
- (3) by inserting after subsection (a) the following new subsection:

“(b) As determined by the Secretary concerned, each member of the Individual Ready Reserve or Inactive National Guard shall be provided a physical examination, if required—

“(1) to determine the member’s fitness for military duty; or

“(2) for promotion, attendance at a military school or other career progression requirements.”.

SEC. 514. BENEFITS AND PROTECTIONS FOR MEMBERS IN A FUNERAL

HONORS DUTY STATUS.

(a) PERSONS SUBJECT TO THE UNIFORMED CODE OF MILITARY JUSTICE.—Section 802 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting "or in a funeral honors duty status" after "on inactive-duty training"; and

(2) in subsection (d)(2)(B), by inserting "or in a funeral honors duty status" after "on inactive-duty training".

(b) BENEFITS FOR DEPENDENTS OF A DECEASED RESERVE COMPONENT

MEMBER.—Section 1061 of such title 10 is amended—

(1) in subsection (b)(1), by striking "or" the first time it appears and inserting ", or funeral honors duty" before the semicolon; and

(2) in subsection (b)(2), by striking "or" the first time it appears and inserting ", or funeral honors duty" before the period.

(c) PAYMENT OF A DEATH GRATUITY.—(1) Section 1475(a) of such title 10 is amended—

(A) by redesignating paragraphs (3), (4) and (5) as paragraphs (4), (5) and (6), respectively;

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

"(3) a Reserve of an armed force who dies while performing funeral honors duty;" and

(C) in paragraph (4) (as redesignated in subsection (c)(1)) by—

(i) striking "or" both time it appears;

(ii) inserting "or funeral honors duty" after "Public Health Service);";

(iii) inserting a comma before and after "inactive duty training" the second time it appears in the sentence; and

(iv) inserting "or funeral honors duty" before the semicolon.

(2) Section 1476(a) of such title 10 is amended—

(A) in paragraph (1)(A), by striking "or";

(B) in paragraph (1)(B), by striking the period and inserting "; or";

(C) by adding at the end of paragraph (1) the following new subparagraph:

"(C) funeral honors duty."; and

(D) in paragraph (2)(A), by striking "or" the first time it appears and inserting ", or funeral honors duty" after "inactive-duty training".

(d) **MILITARY AUTHORITY FOR MEMBERS OF THE COAST GUARD RESERVE.**—Section 704 of title 14, United States Code, is amended by—

(1) striking "or" the first time it appears in the second sentence; and

(2) inserting ", or funeral honors duty" after "inactive-duty training".

(e) **BENEFITS FOR MEMBERS OF THE COAST GUARD RESERVE.**—Section 705(a) of such title 14 is amended by inserting "on funeral honors duty," after "on inactive-duty training,".

(f) **DEFINITIONS.**—Section 101 of title 38, United States Code, is amended —(1) in paragraph (24), by striking "and" following "aggravated in the line of duty," and inserting ", and any period of funeral honors duty during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty" before the period; and

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

"(34) The term "Funeral Honors Duty" means—

"(A) duty prescribed for Reserves by the Secretary concerned under section 12503 of title 10 to prepare for or perform funeral honors functions at the funeral of a veteran;

"(B) in the case of members of the Army National Guard or Air National Guard of any State, duty under section 115 of title 32 to prepare for or perform funeral honors functions at the funeral of a veteran; and

"(C) Authorized travel to and from such duty.".

SEC. 515. FUNERAL HONORS DUTY PERFORMED BY MEMBERS OF THE NATIONAL GUARD.

Section 1491(b) of title 10, United States Code, is amended by inserting after paragraph

(2) the following new paragraph:

“(3) A member of the Army National Guard of the United States or Air National Guard of the United States who serves as a member of a funeral honors detail while serving in a duty status authorized under state law shall be considered to be a member of the armed forces for the purpose of fulfilling the two member funeral honors detail requirement in paragraph (2).”.

**SEC. 516. STRENGTH AND GRADE CEILING ACCOUNTING FOR RESERVE
COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A
CONTINGENCY OPERATION.**

(a) ACTIVE DUTY STRENGTH ACCOUNTING.—Section 115(c) of title 10, United States Code, is amended—

(1) in subparagraph (1), by striking “and” at the end of the subparagraph;

(2) in subparagraph (2), by striking the period and adding “; and” at the end of the subparagraph; and

(3) by adding the following new subparagraph:

“(3) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by a number equal to the number of members of the reserve components on active duty under section 12301(d) of this title in support of a contingency operation as defined in section 101(a)(13) of this title.”.

(b) INCREASE IN AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E-8 AND E-9 ON ACTIVE DUTY UNDER CERTAIN CIRCUMSTANCES.—Section 517 of such title 10 is amended at the end by adding the following new paragraph:

“(d) The Secretary of Defense may increase the authorized daily average number of

enlisted members on active duty in an armed force in pay grades E-8 and E-9 in a fiscal year pursuant to subsection (a) by the number of enlisted members of a reserve component in that armed force in the pay grades of E-8 and E-9 on active duty under section 12301(d) of this title in support of a contingency operation as defined in section 101(a)(13) of this title.”.

(c) INCREASE IN AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O-4, O-5 AND O-6 ON ACTIVE DUTY UNDER CERTAIN CIRCUMSTANCES.—Section 523 of such title 10 is amended—

(1) in paragraphs (a)(1) and (a)(2), by striking “subsection (c)” and inserting “subsections (c) and (e)”; and

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

“(e) The Secretary of Defense may increase the authorized total number of commissioned officers serving on active duty at the end of any fiscal year pursuant to subsection (a) by the number of commissioned officers of a reserve component of the Army, Navy, Air Force, or Marine Corps on active duty under section 12301(d) of this title in support of a contingency operation as defined in section 101(a)(13) of this title.”.

(d) INCREASE IN AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY UNDER CERTAIN CIRCUMSTANCES.—Section 526(a) of such title 10 is amended by—

(1) striking “the” the first time it appears;

(2) inserting “(1) Except as provided in paragraph (2), the” following “LIMITATIONS.—”;

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

(4) inserting after subparagraph (D) (as redesignated by section (d)(3)) the following new paragraph:

“(2) The Secretary of Defense may increase the number of general and flag officers on active duty pursuant to paragraph (1) by the number of reserve component general and flag officers on active duty under section 12301(d) of this title in support of a contingency operation as defined in section 101(a)(13) of this title.”.

SEC. 517. RESERVE HEALTH PROFESSIONALS STIPEND PROGRAM

EXPANSION.

(a) PURPOSE OF PROGRAM.—Section 16201(a) of title 10, United States Code, is amended to read as follows:

“(a) ESTABLISHMENT OF PROGRAM.—For the purposes of obtaining adequate numbers of commissioned officers in the reserve components who are qualified in health professions, the Secretary of each military department may establish and maintain a program to provide financial assistance under this chapter to persons engaged in training that leads to a degree in medicine or dentistry, and to a health professions specialty critically needed in wartime. Under such a program, the Secretary concerned may agree to pay a financial stipend to persons engaged in health care education and training in return for a commitment to subsequent service in the Ready Reserve.”

(b) MEDICAL AND DENTAL STUDENT STIPEND.—Section 16201 of such title 10 is amended by—

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

(2) inserting the following new subsection:

“(b) MEDICAL AND DENTAL SCHOOL STUDENTS.—(1) Under the stipend program under this chapter, the Secretary of the military department concerned may enter into an agreement with a person who—

“(A) is eligible to be appointed as an officer in a Reserve component;

“(B) is enrolled or has been accepted for enrollment in an institution in a course of study that results in a degree in medicine or dentistry;

“(C) signs an agreement that, unless sooner separated, the person will—

“(i) complete the educational phase of the program;

“(ii) accept a reappointment or redesignation within his reserve component, if tendered, based upon his health profession, following satisfactory completion of the educational and intern programs; and

“(iii) participate in a residency program; and

“(D) if required by regulations prescribed by the Secretary of Defense, agrees to apply for, if eligible, and accept, if offered, residency training in a health profession skill which has been designated by the Secretary of Defense as a critically needed wartime skill.

“(2) Under the agreement—

“(A) the Secretary of the military department concerned shall agree to pay the participant a stipend, in the amount determined under subsection (f), for the period or the remainder of the period the student is satisfactorily progressing toward a degree in medicine or dentistry while enrolled in an accredited medical or dental school;

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

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

“(D) the participant shall agree to serve, upon successful completion of the program, one year in the Selected Reserve for each six months, or part thereof, for which the stipend is provided. In the case of a participant who enters into a subsequent agreement under subsection (c) and successfully completes residency training in a specialty designated by the Secretary of Defense as a specialty critically needed by the military department in wartime, the requirement to serve in the Selected Reserve may be reduced to one year for each year, or part thereof, for which the stipend was provided while enrolled in medical or dental school.”

(c) WARTIME CRITICAL SKILLS.—Section 16201(c), (as redesignated by section (b)), is amended—

(1) by inserting “WARTIME” following “CRITICAL” in the heading; and

(2) in paragraph (1)(B) by inserting “or has been appointed as a medical or dental officer in the Reserve of the armed force concerned” before the semicolon at the end of the paragraph.

(d) SERVICE OBLIGATION REQUIREMENT.—Subparagraph (2)(D) of subsection (c), (as redesignated by section (b)), and subparagraph (2)(D) of subsection (d), (as redesignated by section (b)), are amended by striking “two years in the Ready Reserve for each year,” and

inserting “one year in the Ready Reserve for each six months,”.

(e) CLERICAL AMENDMENTS.—Subparagraphs (2)(A) of subsection (c), (as redesignated by section (b)), and subparagraph (2)(A) of subsection (d), (as redesignated by section (b)), are amended by striking “subsection (e)” and inserting “subsection (f)”.

SEC. 518. RESERVE OFFICERS ON ACTIVE DUTY FOR A PERIOD OF THREE YEARS OR LESS.

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

“(D) on active duty under section 12301(d) of this title, other than as provided under subparagraph (C), provided the call or order to active duty, as prescribed in regulations of the Secretary concerned, specifies a period of three years or less and continued placement on the reserve active-status list;”.

(b) RETROACTIVE APPLICATION.—(1) Officers who were placed on the reserve active-status list under section 641(1)(D), as amended by section 521 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398; 114 Stat. 1654A-108), may be considered, as determined by the Secretary concerned, to have been on the active-duty list during the period beginning on the date of enactment of Public Law 106-398 through the date of enactment of this Act.

(2) Officers who were placed on the active duty list on or after October 30, 1997, may, at the discretion of the Secretary concerned, be placed on the reserve active-status list upon enactment of this Act, provided they otherwise meet the conditions specified in section 641(1)(D) as amended by this Act.

**SEC. 519. ACTIVE DUTY END STRENGTH EXEMPTION FOR NATIONAL GUARD
AND RESERVE PERSONNEL PERFORMING FUNERAL HONORS
FUNCTIONS.**

Section 115(d) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

“(10) Members of reserve components on active duty to prepare for and to perform funeral honors functions for funerals of veterans in accordance with section 1491 of this title.

“(11) Members on full-time National Guard duty to prepare for and to perform funeral honors functions for funerals of veterans in accordance with section 1491 of this title.”.

**SEC. 520. CLARIFICATION OF FUNCTIONS THAT MAY BE ASSIGNED TO
ACTIVE GUARD AND RESERVE PERSONNEL ON FULL-TIME
NATIONAL GUARD DUTY.**

Section 12310(b) of title 10, United States Code, is amended by inserting ", or a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32 in connection with functions referred to in subsection (a)," after "on active duty as described in subsection (a)".

**SEC. 521. AUTHORITY FOR TEMPORARY WAIVER OF THE REQUIREMENT
FOR A BACCALAUREATE DEGREE FOR PROMOTION OF CERTAIN
RESERVE OFFICERS OF THE ARMY.**

Section 516 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 1920, 2008) is amended—

(1) in subsection (a), by striking "(a) WAIVER AUTHORITY FOR ARMY OCS

GRADUATES.—" and "before the date of the enactment of this Act"; and

(2) in subsection (b), by striking "2000" and inserting "2003".

**SEC. 522. AUTHORITY OF THE PRESIDENT TO SUSPEND CERTAIN LAWS
RELATING TO PROMOTION, RETIREMENT AND SEPARATION;
DUTIES.**

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

“(c) Active duty members whose mandatory separations or retirements incident to section 1251 or sections 632-637 of this title are delayed pursuant to invocation of this section, will be afforded up to 90 days following termination of the suspension before being separated of retired.”.

Subtitle C—Education and Training

Sec. 531. Authority for the Marine Corps University to Award the Degree of Master of Strategic Studies.

Sec. 532. Reserve Component Distributed Learning.

Sec. 533. Repeal of Limitation on Number of Junior Reserve Officers' Training Corps (JROTC) Units.

Sec. 534. Modification of the Nurse Officer Candidate Accession Program Restriction on Students
Attending Civilian Educational Institutions with Senior Reserve Officers' Training Programs.

Sec. 535. Defense Language Institute Foreign Language Center.

**SEC. 531. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE
DEGREE OF MASTER OF STRATEGIC STUDIES.**

(a) **AUTHORITY TO CONFER DEGREE.**—Upon the recommendation of the Director and faculty of the Marine Corps War College of the Marine Corps University, the President of the Marine Corps University may confer the degree of master of strategic studies upon graduates of the college who fulfill the requirements for the degree.

(b) **REGULATIONS.**—The Secretary of the Navy shall promulgate regulations under which

the Director of the faculty of the Marine Corps War College of the Marine Corps University shall administer the authority in subsection (a).

(c) EFFECTIVE DATE.—The authority to award degrees provided by subsection (a) shall become effective on the date on which the Secretary of Education determines that the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies are in accordance with generally applicable requirements for a degree of master of arts.

SEC. 532. RESERVE COMPONENT DISTRIBUTED LEARNING.

(a) COMPENSATION FOR DISTRIBUTED LEARNING.—Section 206(d) of title 37, United States Code, is amended to read as follows:

“(d) A member of a Reserve Component may be paid compensation under this section for the successful completion of courses of instruction undertaken by electronic, paper-based, or other distributed learning. Distributed Learning is structured learning that takes place without requiring the physical presence of an instructor. To be compensable, the instruction must be required by law, Department of Defense policy, or service regulation and may be accomplished either independently or as part of a group.”.

(b) DEFINITION OF INACTIVE-DUTY TRAINING.—Section 101(22) of title 37, United States Code, is amended by striking “, but does not include work or study in connection with a correspondence course of a uniformed service”.

SEC. 533. REPEAL OF LIMITATION ON NUMBER OF JUNIOR RESERVE OFFICERS’ TRAINING CORPS (JROTC) UNITS.

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

sentence.

SEC. 534. MODIFICATION OF THE NURSE OFFICER CANDIDATE ACCESSION PROGRAM RESTRICTION ON STUDENTS ATTENDING CIVILIAN EDUCATIONAL INSTITUTIONS WITH SENIOR RESERVE OFFICERS' TRAINING PROGRAMS.

Section 2130a of title 10, United States Code, is amended—

(1) in paragraph (a)(2), by striking “that does not have a Senior Reserve Officers’ Training Program established under section 2102 of this title;” and

(2) in paragraph (b)(1), by adding at the end “or that has a Senior Reserve Officers’ Training Program for which the student is ineligible.”.

SEC. 535. DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER.

(a) Subject to subsection (b), the Commandant of the Defense Language Institute Foreign Language Center (Institute) may confer an Associate of Arts degree in Foreign Language upon graduates of the Institute who fulfill the requirements for the degree.

(b) No degree may be conferred upon any student under this section unless the Provost certifies to the Commandant of the Institute that the student has satisfied all the requirements prescribed for such degree.

(c) The authority provided by subsection (a) shall be exercised under regulations prescribed by the Secretary of Defense.

Subtitle D—Decorations, Awards, and Commendations

Sec. 541. Authority for Award of the Medal of Honor to Humbert R. Versace for Valor During the Vietnam War.

Sec. 542. Issuance of Duplicate Medal of Honor.

Sec. 543. Repeal of Limitation on Award of Bronze Star to Members in Receipt of Special Pay.

SEC. 541. AUTHORITY FOR AWARD OF THE MEDAL OF HONOR TO HUMBERT

R. VERSACE FOR VALOR DURING THE VIETNAM WAR.

(a) **WAIVER OF TIME LIMITATIONS.**—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the military service, the President may award the Medal of Honor under section 3741 of that title to Humbert R. Versace for the acts of valor referred to in subsection (b).

(b) **ACTION DESCRIBED.**—The acts of valor referred to in subsection (a) are the actions of Humbert R. Versace between October 29, 1963, and September 26, 1965, while interned as a prisoner of war by the Vietnamese Communist National Liberation Front (Viet Cong) in the Republic of Vietnam.

SEC. 542. ISSUANCE OF DUPLICATE MEDAL OF HONOR.

(a) Section 3747 of title 10, United States Code, is amended—

(1) in the section heading, by adding at the end “; **issuance of duplicate medal of honor**”;

(2) by striking “Any medal of honor” and inserting “(a) **REPLACEMENT OF MEDALS.**—Any medal of honor”;

(3) by inserting “stolen,” before “lost or destroyed,”; and

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

“(b) **ISSUANCE OF DUPLICATE MEDAL OF HONOR.**—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Army may issue such person, without charge, one

duplicate medal of honor, with ribbons and appurtenances. Such duplicate shall be marked, in a manner the Secretary may determine, as a duplicate or for display purposes only. The issuance of a duplicate medal of honor under the authority of this subsection shall not constitute the award of more than one medal of honor within the meaning of section 3744(a) of this title."

(b) Section 6253 of such title is amended—

(1) in the section heading, by adding at the end “; **issuance of duplicate medal of honor**”;

(2) by striking “The Secretary of the Navy may replace” and inserting “(a) REPLACEMENT OF MEDALS.—The Secretary of the Navy may replace”;

(3) by inserting “stolen,” before “lost or destroyed”; and

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

“(b) ISSUANCE OF DUPLICATE MEDAL OF HONOR—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Navy may issue such person, without charge, one duplicate medal of honor, with ribbons and appurtenances. Such duplicate shall be marked, in a manner the Secretary may determine, as a duplicate or for display purposes only. The issuance of a duplicate medal of honor under the authority of this subsection shall not constitute the award of more than one medal of honor within the meaning of section 6247 of this title.”.

(c) Section 8747 of such title is amended—

(1) in the section heading, by adding at the end“; **issuance of duplicate medal of**

honor”;

(2) by striking “Any medal of honor” and inserting “(a) REPLACEMENT OF MEDALS.—Any medal of honor”;

(3) by inserting “stolen,” before “lost or destroyed,”; and

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

“(b) ISSUANCE OF DUPLICATE MEDAL OF HONOR.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Air Force may issue such person, without charge, one duplicate medal of honor, with ribbons and appurtenances. Such duplicate shall be marked, in a manner the Secretary may determine, as a duplicate or for display purposes only. The issuance of a duplicate medal of honor under the authority of this subsection shall not constitute the award of more than one medal of honor within the meaning of section 8744(a) of this title.”.

(d) CLERICAL AMENDMENTS.—(1) The item relating to section 3747 of such title in the table of sections at the beginning of chapter 357 of such title is amended to read as follows:

"3747. Medal of honor; distinguished-service cross; distinguished-service medal; silver star: replacement; issuance of duplicate medal of honor.”;

(2) The item relating to section 6253 of such title in the table of sections at the beginning of chapter 567 of such title is amended to read as follows:

"6253. Replacement; issuance of duplicate medal of honor.”; and

(3) The item relating to section 8747 of such title in the table of sections at the beginning of chapter 857 of such title is amended to read as follows:

"8747. Medal of honor; Air Force cross; distinguished-service cross; distinguished-service medal; silver star: replacement; issuance of duplicate medal of honor.".

SEC. 543. REPEAL OF LIMITATION ON AWARD OF BRONZE STAR TO MEMBERS IN RECEIPT OF SPECIAL PAY.

Section 1133 of title 10, United States Code, is repealed.

Subtitle E—Uniform Code of Military Justice

Sec. 551. Revision of Punitive UCMJ Article Regarding Drunken Operation of Vehicle, Aircraft, or Vessel.

SEC. 551. REVISION OF PUNITIVE UCMJ ARTICLE REGARDING DRUNKEN OPERATION OF VEHICLE, AIRCRAFT, OR VESSEL.

(a) STANDARD FOR DRUNKEN OPERATION OF VEHICLE, AIRCRAFT, OR

VESSEL.—Paragraph (2) of section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended by striking "0.10 grams or more of alcohol" and inserting "0.08 grams or more of alcohol" both places such term appears.

(b) EFFECTIVE DATE—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to offenses committed on or after that date.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in Basic Pay for Fiscal Year 2002.

Sec. 602. Partial Dislocation Allowance Authorized Under Certain Circumstances.

Sec. 603. Funeral Honors Duty Allowance for Retirees.

Sec. 604. Basic Pay Rate for Certain Reserve Commissioned Officers with Prior Service as an Enlisted Member or Warrant Officer.

Sec. 605. Family Separation Allowance.

Sec. 606. Housing Allowance for the Chaplain for the Corps of Cadets, United States Military Academy.

Sec. 607. Clarifying Amendment that Space-Required Travel for Annual Training Reserve Duty Does Not Obviate Transportation Allowances.

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2002 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2002, the rates of monthly basic pay for members of the uniformed services shall be as follows:

MONTHLY BASIC PAY*,**,***							
PAY GRADE	YEARS OF SERVICE (COMPUTED UNDER 37 U.S.C. 205)						
	<2	2	3	4	6	8	10
COMMISSIONED OFFICERS							
O-10	0	0	0	0	0	0	0
O-9	0	0	0	0	0	0	0
O-8	7180.20	7415.40	7571.10	7614.90	7809.30	8135.10	8210.70
O-7	5966.40	6371.70	6371.70	6418.20	6657.90	6840.30	7051.20
O-6	4422.00	4857.90	5176.80	5176.80	5196.60	5418.90	5448.60
O-5	3537.00	4152.60	4440.30	4494.30	4673.10	4673.10	4813.50
O-4	3023.70	3681.90	3927.60	3982.50	4210.50	4395.90	4696.20
O-3	2796.60	3170.40	3421.80	3698.70	3875.70	4070.10	4232.40
O-2	2416.20	2751.90	3169.50	3276.30	3344.10	3344.10	3344.10
O-1	2097.60	2183.10	2638.50	2638.50	2638.50	2638.50	2638.50
12	14	16	18	20	22	24	26
0	0	0	0	11601.90	11659.20	11901.30	12324.00
0	0	0	0	10147.50	10293.60	10504.80	10873.80
8519.70	8608.50	8874.30	9259.50	9614.70	9852.00	9852.00	9852.00
7261.80	7472.70	8135.10	8694.90	8694.90	8694.90	8694.90	8738.70
5448.60	5628.60	6305.70	6627.00	6948.30	7131.00	7316.10	7675.20
5073.30	5413.50	5755.80	5919.00	6079.80	6262.80	6262.80	6262.80
4930.20	5092.50	5255.70	5310.60	5310.60	5310.60	5310.60	5310.60
4441.20	4549.50	4549.50	4549.50	4549.50	4549.50	4549.50	4549.50
3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10
2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50

COMMISSIONED OFFICERS WITH OVER 4 YEARS ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER							
	<2	2	3	4	6	8	10
O-3E	0.00	0.00	0.00	3698.70	3875.70	4070.10	4232.40
O-2E	0.00	0.00	0.00	3276.30	3344.10	3450.30	3630.00
O-1E	0.00	0.00	0.00	2638.50	2818.20	2922.30	3028.50

12	14	16	18	20	22	24	26
4441.20	4617.00	4717.50	4855.20	4855.20	4855.20	4855.20	4855.20
3768.90	3872.40	3872.40	3872.40	3872.40	3872.40	3872.40	3872.40
3133.20	3276.30	3276.30	3276.30	3276.30	3276.30	3276.30	3276.30

WARRANT OFFICERS							
	<2	2	3	4	6	8	10
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
W-4	2889.60	3108.60	3198.00	3285.90	3437.10	3586.50	3737.70
W-3	2638.80	2862.00	2862.00	2898.90	3017.40	3152.40	3330.90
W-2	2321.40	2454.00	2569.80	2654.10	2726.40	2875.20	2984.40
W-1	2049.90	2217.60	2330.10	2402.70	2511.90	2624.70	2737.80
12	14	16	18	20	22	24	26
0.00	0.00	0.00	0.00	4965.60	5136.00	5307.00	5478.60
3885.30	4038.00	4184.40	4334.40	4480.80	4632.60	4782.00	4935.30
3439.50	3558.30	3693.90	3828.60	3963.60	4098.30	4233.30	4368.90
3093.90	3200.40	3318.00	3438.90	3559.80	3680.10	3801.30	3801.30
2850.00	2963.70	3077.10	3189.90	3275.10	3275.10	3275.10	3275.10
ENLISTED MEMBERS							
	<2	2	3	4	6	8	10
E-9	0.00	0.00	0.00	0.00	0.00	0.00	3423.90
E-8	0.00	0.00	0.00	0.00	0.00	2858.10	2940.60
E-7	1986.90	2169.00	2251.50	2332.50	2417.40	2562.90	2645.10
E-6	1701.00	1870.80	1953.60	2033.70	2117.40	2254.50	2337.30
E-5	1561.50	1665.30	1745.70	1828.50	1912.80	2030.10	2110.20
E-4	1443.60	1517.70	1599.60	1680.30	1752.30	1752.30	1752.30
E-3	1303.50	1385.40	1468.50	1468.50	1468.50	1468.50	1468.50
E-2	1239.30	1239.30	1239.30	1239.30	1239.30	1239.30	1239.30
E-1 >4⁺	1105.50	1105.50	1105.50	1105.50	1105.50	1105.50	1105.50
E-1 <4⁺⁺	1022.70	0.00	0.00	0.00	0.00	0.00	0.00
12	14	16	18	20	22	24	26
3501.30	3599.40	3714.60	3830.40	3944.10	4098.30	4251.30	4467.00
3017.70	3110.10	3210.30	3314.70	3420.30	3573.00	3724.80	3937.80
2726.40	2808.00	2892.60	2975.10	3057.30	3200.40	3292.80	3526.80
2417.40	2499.30	2558.10	2602.80	2602.80	2602.80	2602.80	2602.80
2193.30	2193.30	2193.30	2193.30	2193.30	2193.30	2193.30	2193.30
1752.30	1752.30	1752.30	1752.30	1752.30	1752.30	1752.30	1752.30
1468.50	1468.50	1468.50	1468.50	1468.50	1468.50	1468.50	1468.50
1239.30	1239.30	1239.30	1239.30	1239.30	1239.30	1239.30	1239.30
1105.50	1105.50	1105.50	1105.50	1105.50	1105.50	1105.50	1105.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Basic pay for O-7 to O-10 is limited to the rate of basic pay for level III of the Executive Schedule. Basic pay for O-6 and below is limited to level V of the Executive Schedule.

**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, basic pay for this grade is \$13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

***While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is \$5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

+Applies to personnel who have served 4 months or more on active duty.

++Applies to personnel who have served less than 4 months on active duty.

SEC. 602. PARTIAL DISLOCATION ALLOWANCE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES.

(a) AUTHORIZATION OF PARTIAL DISLOCATION ALLOWANCE.—Section 407 of title 37, United States Code is amended—

(1) by redesignating subsections (c) through (g) as subsections (d) through (h), respectively;

(2) in subsections (a)(1) and (b)(1), by striking "subsection (c)" and inserting "subsection (d)";

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

"(c) PARTIAL DISLOCATION ALLOWANCE.—(1) Under regulations prescribed by the Secretary concerned, a member ordered to occupy or to vacate Government family housing for the convenience of the Government (including pursuant to the privatization or renovation of housing), and not pursuant to a permanent change of station, may be paid a partial dislocation allowance of \$500.

“(2) Effective on the same date that the monthly rates of basic pay for members are increased for a subsequent calendar year, the Secretary of Defense shall adjust the rate for the partial dislocation allowance for that calendar year by the percentage equal to the percentage increase in the rate of basic pay for that

calendar year.

“(3) Payments made under this subsection are not subject to the fiscal year limitations in subsection (e).”; and

(4) in subsection (d)(1) as redesignated by paragraph (1), by striking at the beginning "The amount" and inserting "Except as provided in subsection (c), the amount".

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

SEC. 603. FUNERAL HONORS DUTY ALLOWANCE FOR RETIREES.

Section 435 of title 37, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end “or a retired member of the armed forces who performs at least two hours of duty preparing for or performing honors at the funeral of a veteran”; and

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

“(d) CONCURRENT PAYMENT.—Notwithstanding any other provision of law, the allowance paid to a retired member of the armed forces under subsection (a) shall be in addition to any other compensation authorized under title 10, title 37, and title 38 to which the retired member may be entitled.”.

SEC. 604. BASIC PAY RATE FOR CERTAIN RESERVE COMMISSIONED OFFICERS WITH PRIOR SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER.

Section 203(d) of title 37, United States Code, is amended by inserting “, or who earns a

total of more than 1,460 points credited under section 12732(a)(2) of title 10 while serving as a warrant officer or as a warrant officer and enlisted member” following “or as a warrant officer and enlisted member”.

SEC. 605. FAMILY SEPARATION ALLOWANCE.

Section 427(c) of title 37, United States Code, is amended by amending the first sentence to read as follows:

“A member who elects to serve an unaccompanied tour of duty because dependent movement to the permanent station is denied for certified medical reasons is entitled to an allowance under subsection (a)(1)(A). In all other cases, a member who elects to serve a tour unaccompanied by his dependents at a permanent station to which movement of his dependents is authorized at the expense of the United States under section 406 of this title is not entitled to an allowance under subsection (a)(1)(A).”.

**SEC. 606. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR THE CORPS OF
CADETS, UNITED STATES MILITARY ACADEMY.**

Section 4337 of title 10, United States Code, is amended by striking the second sentence and inserting "Notwithstanding any other provision of law, the chaplain is entitled to the same basic allowance for housing allowed to a lieutenant colonel, and to fuel and light for quarters in kind."

**SEC. 607. CLARIFYING AMENDMENT THAT SPACE-REQUIRED TRAVEL FOR
ANNUAL TRAINING RESERVE DUTY DOES NOT OBTAIN
TRANSPORTATION ALLOWANCES.**

Section 18505(a) of title 10, United States Code, is amended by striking “annual training

duty or” each time such term appears.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. Authorize the Secretary of the Navy to Prescribe Submarine Duty Incentive Pay Rates.
- Sec. 612. Extension of Authorities Relating to Payment of Other Bonuses and Special Pays.
- Sec. 613. Extension of Certain Bonuses and Special Pay Authorities for Nurse Officer Candidates, Registered Nurses, Nurse Anesthetists, and Dental Officers.
- Sec. 614. Extension of Authorities Relating to Nuclear Officer Special Pays.
- Sec. 615. Extension of Special and Incentive Pays.
- Sec. 616. Accession Bonus for Officers in Critical Skills.
- Sec. 617. Critical Wartime Skill Requirement for Eligibility for the Individual Ready Reserve Bonus.
- Sec. 618. Hazardous Duty Incentive Pay: Maritime Board and Search.

SEC. 611. AUTHORIZE THE SECRETARY OF THE NAVY TO PRESCRIBE SUBMARINE DUTY INCENTIVE PAY RATES.

(a) IN GENERAL.—Section 301c of title 37, United States Code, is amended by striking subsection (b) and inserting the following:

“(b) A member who meets the requirements prescribed in subsection (a) is entitled to monthly submarine duty incentive pay in an amount prescribed by the Secretary of the Navy, but not more than \$1,000 per month.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2002.

SEC. 612. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2001" and inserting "September 30, 2003".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title 37 is amended by striking "December 31, 2001" and inserting "September 30, 2003".

(c) ENLISTMENT BONUS.—Section 309(e) of such title 37 is amended by striking

"December 31, 2001" and inserting "September 30, 2003".

(d) **RETENTION BONUS FOR MEMBERS QUALIFIED IN A CRITICAL MILITARY SKILL.**—Section 323(i) of such title 37 is amended by striking "December 31, 2001" and inserting "September 30, 2003".

SEC. 613. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, NURSE ANESTHETISTS, AND DENTAL OFFICERS.

(a) **NURSE OFFICER CANDIDATE ACCESSION PROGRAM.**—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2001" and inserting "September 30, 2003".

(b) **ACCESSION BONUS FOR REGISTERED NURSES.**—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 2001" and inserting "September 30, 2003".

(c) **INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.**—Section 302e(a)(1) of such title 37 is amended by striking "December 31, 2001" and inserting "September 30, 2003".

(d) **ACCESSION BONUS FOR DENTAL OFFICERS.**—Section 302h(a)(1) of such title 37 is amended by striking "September 30, 2002" and inserting "September 30, 2003".

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO NUCLEAR OFFICER SPECIAL PAYS.

(a) **SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.**—Section 312(e) of title 37, United States Code, is amended by striking "December 31, 2001" and inserting "December 31, 2003".

(b) **NUCLEAR CAREER ACCESSION BONUS.**—Section 312b(c) of such title 37 is amended

by striking "December 31, 2001" and inserting "December 31, 2003".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title 37 is amended by striking "December 31, 2001" and inserting "December 31, 2003".

SEC. 615. EXTENSION OF SPECIAL AND INCENTIVE PAYS.

(a) SPECIAL PAY FOR RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section of 308h(g) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 2001" and inserting "December 31, 2002".

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking "January 1, 2002" and inserting "January 1, 2003".

SEC. 616. ACCESSION BONUS FOR OFFICERS IN CRITICAL SKILLS.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by inserting after section 323 the following new section:

“§324. Special Pay: officer critical skills accession bonus

"(a) ACCESSION BONUS AUTHORIZED.—Under regulations prescribed by the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operated as a service in the Navy, and subject to the limitations in subsection (b), an individual who executes a written agreement to accept a commission as an officer of an armed force and serve on active duty in an officer critical skill for the period specified in the agreement may be paid an accession bonus not to exceed \$20,000 upon acceptance of the written agreement by the Secretary concerned.

“(b) LIMITATION ON ELIGIBILITY FOR BONUS.—An individual may not be paid a bonus under subsection (a) if the individual has received, or is receiving, an accession bonus for the same period of service under subsections 302d, 302h, or 312b.

"(c) PRORATION.—The term of an agreement and the amount of the payment under subsection (a) may be prorated.

"(d) PAYMENT METHOD.—Upon acceptance of the written agreement by the Secretary concerned, the total amount payable pursuant to the agreement under subsection (a) becomes fixed and may be paid by the Secretary in either a lump sum or installments.

"(e) REPAYMENT.—(1) If an individual who has entered into an agreement under subsection (a) has received all or part of a bonus under this section fails to accept an appointment or to commence or complete the total period of active duty in the designated critical skill specified in the agreement, the Secretary concerned may require the individual to repay the

United States, on a pro rata basis and to the extent that the Secretary determines conditions and circumstances warrant, any or all sums paid to the individual under this section.

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

“(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of a written agreement entered into under subsection (a) does not discharge the individual signing the agreement from a debt arising under such agreement or under paragraph (1).

"(f) DEFINITION.—In this section, the term "officer critical skill" means a skill designated as critical with respect to accession of officers to the skill by the Secretary of Defense, or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

"(g) TERMINATION OF BONUS AUTHORITY.—No bonus may be paid under this section with respect to any agreement to continue on active duty in the armed forces entered into after September 30, 2003, and no agreement under this section may be entered into after that date."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title 37 is amended by inserting after the item relating to section 323 the following new item:

"324. Special Pay: officer critical skills accession bonus."

**SEC. 617. CRITICAL WARTIME SKILL REQUIREMENT FOR ELIGIBILITY FOR
THE INDIVIDUAL READY RESERVE BONUS.**

Section 308h(a)(1) of title 37, United States Code, is amended—

(1) by striking “a combat or combat support skill of”; and

(2) by inserting “is qualified in a skill or specialty designated by the Secretary concerned

as critically short to meet wartime requirements and” after “and who”.

SEC. 618. HAZARDOUS DUTY INCENTIVE PAY: MARITIME BOARD AND

SEARCH.

Section 301(a) of title 37, United States Code, is amended by inserting after paragraph (11) the following new paragraph:

“(12) involving regular participation as a member of a team conducting visit, board, search, and seizure operations as defined by the Secretary concerned, aboard vessels in support of maritime interdiction operations as designated by such Secretary.”.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Funded Student Travel: Exchange Programs.

Sec. 622. Payment of Vehicle Storage Costs in Advance.

Sec. 623. Travel and Transportation Allowances for Family Members to Attend the Burial of a Deceased Member of the Armed Forces.

Sec. 624. Shipment of Privately Owned Vehicles When Executing CONUS Permanent Change of Station Moves.

SEC. 621. FUNDED STUDENT TRAVEL: EXCHANGE PROGRAMS.

Section 430 of title 37, United States Code, is amended—

(1) in subsection (a)(3), by inserting "(or a school outside the United States if the dependent is attending that school for less than one year under a program approved by the school in the continental United States at which the dependent is enrolled)" after “United States”; and

(2) in subsection (b)—

(A) in paragraph (1), by inserting "(or a school outside the United States if the dependent is attending that school for less than one year under a program approved by the school in the continental United States at which the dependent is enrolled)" after “United States” the first place it appears; and

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

"(3) The transportation allowance under paragraph (1) for a dependent child who is attending a school outside the United States for less than one year under a program approved by the school in the continental United States at which the dependent is enrolled shall not exceed the allowance the member would be paid for a trip between the school in the continental United States and the member's duty station outside the continental United States and return."

SEC. 622. PAYMENT OF VEHICLE STORAGE COSTS IN ADVANCE.

Section 2634(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) Storage costs payable under this subsection may be paid in advance."

SEC. 623. TRAVEL AND TRANSPORTATION ALLOWANCES FOR FAMILY

**MEMBERS TO ATTEND THE BURIAL OF A DECEASED MEMBER OF
THE ARMED FORCES.**

(a) CONSOLIDATION OF AUTHORITIES.—Section 411f of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "ALLOWANCES AUTHORIZED.—(1)" after "(a)"; and

(B) by inserting at the end following new paragraph:

"(2) If a dependent of a deceased member who is authorized travel and transportation allowances under this section is unable to travel unattended to the burial ceremonies of the deceased member—

"(A) because of—

"(i) age;

"(ii) physical condition; or

"(iii) other justifiable reason, as determined under uniform regulations prescribed by the Secretaries concerned; and

"(B) there is no other dependent qualified for travel and transportation allowances under this section available and qualified to serve as an attendant for the dependent while traveling to and attending the burial ceremonies, an attendant may be paid round-trip travel and transportation allowances under this section.";

(2) in subsection (b)(1)—

(A) by striking "(b)(1) Except as provided in paragraph (2)" and inserting "(b) LIMITATION ON ALLOWANCES.—(1) Except as provided in paragraphs (2) and (3)"; and

(B) by inserting before the period at the end, the following: "and the time necessary for such travel"; and

(3) in subsection (b)(2), by striking "be extended to accommodate" and inserting "not exceed the rates for 2 days and";

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

"(3) If a deceased member is interred in a cemetery maintained by the American Battle Monuments Commission, the allowances authorized under this section may be provided to and from such cemetery and may not exceed the rates for 2 days and time necessary for such travel."; and

(5) by amending subsection (c) to read as follows:

"(c) DEFINITIONS.—(1) In this section, the term "dependents" means—

"(A) the surviving spouse (including a remarried surviving spouse) of the deceased member and any child of the deceased member as defined in section 401(a)(2);

"(B) if no person described in subparagraph (A) is paid travel and transportation allowances under this section, the parents (as defined in section 401(b)(2)) of the deceased member; or

"(C) if no person described in subparagraphs (A) or (B) is paid travel and transportation allowances under this section, then—

"(i) the person who directs the disposition of the remains of the deceased member under section 1482(c) of title 10, United States Code, and two additional persons selected by that person who are closely related to the deceased member; or

"(ii) in the case of a deceased member whose remains are commingled and buried in a common grave in a national cemetery, the person who would have been designated under section 1482(c) of such title to direct the disposition of the remains if individual identification had been made and two additional persons selected by that person who are closely related to the deceased member.

"(2) In this section, the term "burial ceremonies" includes—

"(A) an interment of casketed or cremated remains;

"(B) a placement of cremated remains in a columbarium:

"(C) a memorial service for which reimbursement is authorized under section 1482(e)(2) of title 10; and

"(D) a burial of commingled remains that cannot be individually identified in a common grave in a national cemetery.".

(b) CONFORMING AMENDMENTS.—(1) Section 1482 of title 10, United States Code, is amended by striking subsection (d) and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) The Funeral Transportation and Living Expense Benefits Act of 1974 (37 U.S.C. 406 note; Public Law 93-257) is repealed.

SEC. 624. SHIPMENT OF PRIVATELY OWNED VEHICLES WHEN EXECUTING CONUS PERMANENT CHANGE OF STATION MOVES.

Section 2634(h)(1) of title 10, United States Code, is amended by inserting before the period at the end “, or when the Secretary concerned determines that the transport of a vehicle upon transfer is advantageous and cost-effective to the government”.

Subtitle D—Other

- Sec. 631. Montgomery GI Bill-Selected Reserve Eligibility Period.
- Sec. 632. Improved Disability Benefits for Certain Reserve Component Members.
- Sec. 633. Acceptance of Scholarships by Officers Participating in the Funded Legal Education Program.

SEC. 631. MONTGOMERY GI BILL—SELECTED RESERVE ELIGIBILITY PERIOD.

Section 16133(a) of title 10, United States Code, is amended by striking “10-year” and inserting “14-year”.

SEC. 632. IMPROVED DISABILITY BENEFITS FOR CERTAIN RESERVE COMPONENT MEMBERS.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a(a)(3) of title 10, United States Code, is amended by inserting before the period: “, or if otherwise authorized under

applicable regulations”.

(b) **MEDICAL AND DENTAL CARE FOR DEPENDENTS.**—Section 1076(a)(2)(C) of such title 10 is amended by inserting before the period: “, or if otherwise authorized under applicable regulations”.

(c) **ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.**—(1) Section 1204(2)(B)(iii) of such title 10 is amended by inserting before the semicolon: “, or if otherwise authorized under applicable regulations”.

(2) Section 1206(2)(C) of such title 10 is amended by inserting before the semicolon: “, or if otherwise authorized under applicable regulations”.

(d) **RECOVERY, CARE, AND DISPOSITION OF REMAINS.**—Section 1481(a)(2)(D) of such title 10 is amended by inserting before the semicolon: “, or if otherwise authorized under applicable regulations”.

(e) **ENTITLEMENT TO BASIC PAY.**—(1) Section 204(g)(1)(D) of title 37, United States Code, is amended by inserting before the period: “, or if otherwise authorized under applicable regulations”.

(2) Section 204(h)(1)(D) of title such 37 is amended by inserting before the period: “, or if otherwise authorized under applicable regulations”.

(f) **COMPENSATION FOR INACTIVE-DUTY TRAINING.**—Section 206(a)(3)(C) of such title 37 is amended by inserting before the period: “, or if otherwise authorized under applicable regulations”.

**SEC. 633. ACCEPTANCE OF SCHOLARSHIPS BY OFFICERS PARTICIPATING
IN THE FUNDED LEGAL EDUCATION PROGRAM.**

(a) **ACCEPTANCE OF SCHOLARSHIP.**—Section 2004 of title 10, United States Code, is

amended by adding at the end the following new subsection:

"(g) An officer detailed at a law school under this section also may accept a fellowship, scholarship, or grant under section 2603 of this title. Any service obligation incurred under section 2603 shall be served consecutively with the service obligation incurred under subsection (b)(2)(C).".

(b) CONFORMING AMENDMENT.—Section 2603 of such title 10 is amended by adding at the end the following new subsection:

"(c) A member who accepts a fellowship, scholarship, or grant in accordance with subsection (a) also may be detailed at a law school under section 2004 of this title. Any service obligation incurred under section 2004 shall be served consecutively with the service obligation incurred under subsection (b).".

TITLE VII—ACQUISITION POLICY AND ACQUISITION MANAGEMENT

Subtitle A—Acquisition Policy

- Sec. 701. Acquisition Milestone Changes.
- Sec. 702. Clarification of Inapplicability of the Requirement for Core Logistics Capabilities Standards to the Nuclear Refueling of an Aircraft Carrier.
- Sec. 703. Depot Maintenance Utilization Waiver.

SEC. 701. ACQUISITION MILESTONE CHANGES.

(a) SYSTEM DEVELOPMENT AND DEMONSTRATION.— Section 2366(c) of title 10, United States Code, is amended—

(1) in paragraph (1) by striking "engineering and manufacturing development" and inserting "system development and demonstration"; and

(2) in paragraph (2) by striking "engineering and manufacturing development" and inserting "system development and demonstration".

(b) MILESTONE B.—Section 2400 of title 10, United States Code, is amended—

(1) in subsections (a)(1)(A), (a)(2), (a)(4) and (a)(5), by striking "milestone II" each place it appears and inserting "milestone B."

(2) in subsection (a)(2), by striking "engineering and manufacturing development" and inserting "system development and demonstration."

(c) SYSTEM DEVELOPMENT AND DEMONSTRATION.— Section 2432 of title 10, United States Code, is amended in subsections (b)(3)(A), (c)(3)(A) and (h)(1), by striking "engineering and manufacturing development" each place it appears and inserting "system development and demonstration."

(d) Section 2434 of title 10, United States Code, is amended in subsection (a), by striking "engineering and manufacturing development" and inserting "system development and demonstration."

(e) SYSTEM DEVELOPMENT AND DEMONSTRATION AND FULL RATE PRODUCTION.— Section 2435 of Title 10, United States Code, is amended—

(1) in subsection (b) by striking "engineering and manufacturing development" and inserting "system development and demonstration."

(2) in subsection (c)(1), by striking "demonstration and validation" and inserting "system development and demonstration."

(3) in subsection (c)(2) by striking "engineering and manufacturing development" and inserting "production and deployment."

(4) in subsection (c)(3) by striking "production and deployment" and inserting "full rate production."

(f) MILESTONE DESIGNATORS.—Section 8102(b) of Public Law 106-259 is amended—

(1) by striking "milestone I" and inserting "milestone B."

(2) by striking “milestone II” and inserting “milestone C.”

(3) by striking “milestone III” and inserting “full rate production.”.

(g) MILESTONE DESIGNATORS.—Section 811(c) of Public Law 106-398, is amended—

(1) by striking “Milestone I” and inserting “Milestone B.”

(2) by striking “Milestone II” and inserting “Milestone C.”

(3) by striking “Milestone III” and inserting “full rate production”.

SEC. 702. CLARIFICATION OF INAPPLICABILITY OF THE REQUIREMENT FOR CORE LOGISTICS CAPABILITIES STANDARDS TO THE NUCLEAR REFUELING OF AN AIRCRAFT CARRIER.

Section 2464(a)(3) of title 10, United States Code, is amended—

(1) by striking "nuclear aircraft carriers,"; and

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

“Core logistics capabilities identified under paragraphs (1) and (2) shall not include nuclear refueling of an aircraft carrier.”.

SEC. 703. DEPOT MAINTENANCE UTILIZATION WAIVER.

Section 2466(c) of title 10, United States Code, is amended by striking “the waiver is” and inserting "a depot is fully utilized within existing resources and, where multiple depots are capable of performing the same maintenance activities that the utilization of another such depot is uneconomical, or that the waiver is otherwise".

Subtitle B—Acquisition Workforce

Sec. 705 Acquisition Workforce Qualifications.

Sec. 706. Tenure Requirement for Critical Acquisition Positions.

SEC. 705. ACQUISITION WORKFORCE QUALIFICATIONS.

(a) AMENDMENTS TO AUTHORITY.—Section 1724 of title 10, United States Code, is

amended—

(1) in subsection (a)—

(A) by striking "(a) CONTRACTING OFFICERS.—The Secretary of Defense shall require that in order to qualify to serve in an acquisition position as a contracting officer with authority to award or administer contracts for amounts above the simplified acquisition threshold referred to in section 2304(g) of this title, a person must (except as provided in subsections (c) and (d))—" and inserting "(a) CONTRACTING OFFICERS.—The Secretary of Defense shall require that, with the exception of the Contingency Contracting Force identified in paragraph (c), in order to qualify to serve in an acquisition position as a contracting officer with authority to award or administer contracts for amounts above the simplified acquisition threshold referred to in section 2304(g) of this title, a person must (except as provided in subsections (e) and (f))—" and

(B) in paragraph (3)(A), by inserting a comma between “business” and “finance”;

(2) by striking subsections (c) and (d); and

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

"(c) CONTINGENCY CONTRACTING FORCE.—(1) Notwithstanding subsections (a) and (b), the Secretary of Defense may establish a Contingency Contracting Force consisting of employees and members of the armed forces whose mission, as determined by the Secretary, is to deploy in support of contingency operations and other Department of Defense operations.

"(2) The Secretary of Defense shall establish qualification requirements for such Contingency Contracting Force, to include—

"(A) completion of at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education, or similar educational institution as determined by the Secretary, in any of the following disciplines: accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, and organization and management;

"(B) passing an examination considered by the Secretary of Defense to demonstrate skills, knowledge, or abilities comparable to that of an individual who has completed at least 24 semester credit hours (or the equivalent) of study in any of the disciplines listed in subparagraph (A); or

"(C) any combination of (A) and (B) equaling 24 semester hours or the equivalent as determined by the Secretary; and

"(D) such additional education and experience requirements as the Secretary may prescribe.

"(d) DEVELOPMENTAL OPPORTUNITIES.—Notwithstanding other provisions of law, the Secretary of Defense may establish one or more programs for the purpose of recruiting, selecting, appointing, educating, qualifying, and developing the careers of personnel to meet the requirements in subparagraphs (A) and (B) of subsection (a)(3) above for contracting positions in the Department of Defense covered by this section; may appoint individuals to developmental positions in those programs; and may separate from the civil service any person appointed under this subsection who, as determined by the Secretary, fails to complete satisfactorily any program developed pursuant to this subsection. To qualify for any developmental program under this subsection, an individual must have met one of the following requirements:

“(1) Been awarded a baccalaureate degree from an accredited educational

institution authorized to grant baccalaureate degrees.

“(2) Completed at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education in any of the disciplines of accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, and organization and management.

"(e) EXCEPTION.—(1) The requirements imposed under subsection (a) or (b) shall not apply to an employee or member who—

"(A) served as a contracting officer with authority to award or administer contracts in excess of the simplified acquisition threshold in the Executive agency on or before September 30, 2000;

"(B) served, on or before September 30, 2000, in a position in an Executive agency either as an employee in the GS-1102 series or as a member of the armed force in similar occupational specialty; or

"(C) is determined by the Secretary of Defense to be a member of the Contingency Contracting Force.

"(2) The requirements imposed under subsection (a) or (b) of this section shall not apply to an employee for purposes of qualifying to serve in the position in which the employee was serving on October 1, 1993, or any other position in the same or lower grade and involving the same or lower level of responsibilities as the position in which the employee was serving on such date.

"(3) To qualify for the exceptions in subparagraphs (A) or (B) of paragraph (1) of this subsection, a civilian employee must have met one of the following requirements, or have been granted a waiver under subsection (f), on or before September 30, 2000—

"(A) received a baccalaureate degree from an accredited educational institution authorized to grant baccalaureate degrees;

"(B) completed at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education in any of the following disciplines: accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, and organization and management;

"(C) passed an examination considered by the Secretary of Defense to demonstrate skills, knowledge, or abilities comparable to that of an individual who has completed at least 24 semester credit hours (or the equivalent) of study in any of the disciplines listed in subparagraph (B); or

"(D) on October 1, 1991, had at least 10 years of experience in acquisition positions, in comparable positions in other government agencies or the private sector, or in similar positions in which an individual obtains experience directly relevant to the field of contracting.

"(f) WAIVER.—The acquisition career program board concerned may waive any or all of the requirements of subsections (a) and (b) with respect to an individual if the board certifies that the individual possesses significant potential for advancement to levels of greater responsibility and authority, based on demonstrated job performance and qualifying experience. With respect to each waiver granted under this subsection, the board shall set forth in a written document the rationale for its decision to waive such requirements. The document shall be submitted to and retained by the Director of Acquisition Education, Training, and Career Development."

(b) CLERICAL AMENDMENT.—Section 1732(c)(2) of such title 10 is amended by inserting a comma between “business” and “finance”.

SEC. 706. TENURE REQUIREMENT FOR CRITICAL ACQUISITION POSITIONS.

Section 1734 of title 10, United States Code, is amended—

(1) in paragraph (a)(1), by inserting "as a program manager, deputy program manager, or senior contracting official of a major system, as that term is defined in section 2302(5) of this title, and any person assigned to such other critical acquisition position as the Secretary of Defense may prescribe by regulation," after "critical acquisition position".

(2) in paragraph (a)(2), by inserting "as a program manager, deputy program manager, or senior contracting official of a major system, as that term is defined in section 2302(5) of this title, and any person assigned to such other critical acquisition position as the Secretary of Defense may prescribe by regulation," after "critical acquisition position".

Subtitle C—General Contracting Procedures and Limitations

- Sec. 710. Amendment of Law Applicable to Contracts for Architectural and Engineering Services and Construction Design.
- Sec. 711. Streamlining Procedures for the Purchase of Certain Goods.
- Sec. 712. Repeal of the Requirement for the Limitations on the Use of Air Force Civil Engineering Supply Function Contracts.
- Sec. 713. One-Year Extension of Commercial Items Test Program.
- Sec. 714. Modification of Limitation on Retirement or Dismantlement of Strategic Nuclear Delivery Systems.

SEC. 710. AMENDMENT OF LAW APPLICABLE TO CONTRACTS FOR ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.

Section 2855 of title 10, United States Code, is amended—

- (1) in subsection (a) by striking the subsection designator "(a)"; and
- (2) by striking subsection (b).

SEC. 711. STREAMLINING PROCEDURES FOR THE PURCHASE OF CERTAIN GOODS.

Section 2534(g)(2) of title 10, United States Code, is amended by inserting before the

period at the end:

"unless the head of a contracting activity determines—

"(A) that the amount of the purchase is \$25,000 or less;

"(B) the precision level of the ball or roller bearings is rated lower than Annual Bearing Engineering Committee (ABEC) 5 or Roller Bearing Engineering Committee (RBEC) 5, or their equivalent;

"(C) at least two manufacturers in the national technology and industrial base capable of producing the ball or roller bearings decline to respond to a request for quotation for the required items; and

"(D) the bearings are neither miniature nor instrument ball bearings, i.e. rolling contact ball bearings with a basic outside diameter (exclusive of flange diameters) of 30 millimeters or less."

SEC. 712. REPEAL OF THE REQUIREMENT FOR LIMITATIONS ON THE USE OF AIR FORCE CIVIL ENGINEERING SUPPLY FUNCTION CONTRACTS.

Section 345 of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261, 112 Stat. 1978) is repealed.

SEC. 713. ONE-YEAR EXTENSION OF COMMERCIAL ITEMS TEST PROGRAM.

Section 4202(e) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 184, 652 is amended by striking "January 1, 2002" and inserting "January 1, 2003."

SEC. 714. MODIFICATION OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public

Law 105-85; 111 Stat. 1948), as amended by section 1501(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 806), is further amended by striking paragraph (1)(D).

Subtitle D—Military Construction General Provisions

- Sec. 715. Exclusion of Unforeseen Environmental Hazard Remediation from the Limitation on Cost Increases for Military Construction and Family Housing Construction Projects.
- Sec. 716. Increase of Overseas Minor Construction Threshold Using Operations and Maintenance Funds.
- Sec. 717. Leasebacks of Base Closure Property.
- Sec. 718. Alternative Authority For Acquisition and Improvement of Military Housing.
- Sec. 719. Annual Report to Congress on Design And Construction.

SEC. 715. EXCLUSION OF UNFORESEEN ENVIRONMENTAL HAZARD

REMEDiation FROM THE LIMITATION ON COST INCREASES FOR MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION PROJECTS.

Subsection 2853(d) of title 10, United States Code, is amended—

- (1) by inserting "(1)" immediately following "apply to"; and
- (2) by inserting immediately before the period at the end "; or (2) the costs associated with environmental hazard remediation such as asbestos removal, radon abatement, lead-based paint removal or abatement, and any other legally required environmental hazard remediation, provided that such remediation requirements could not be reasonably anticipated at the time of budget submission".

SEC. 716. INCREASE OF OVERSEAS MINOR CONSTRUCTION THRESHOLD USING OPERATIONS AND MAINTENANCE FUNDS.

Section 2805 of title 10, United States Code, amended —

- (1) in subsection (b)(1), by striking "\$500,000" and inserting "\$750,000";
- (2) in subsection (c)(1)(A), by striking "\$1,000,000" and inserting "\$1,500,000";

and

(3) in subsection (c)(1)(B), by striking "\$500,000" and inserting "\$750,000".

SEC. 717. LEASEBACKS OF BASE CLOSURE PROPERTY.

(a) 1990 LAW.—Section 2905(b)(4)(E) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended as follows:

(1) in clause (iii), by striking "A" and inserting "Except as provided in clause (v) below, a"

(2) by adding at the end the following new clause (v):

"(v) Notwithstanding clause (iii) or chapter 137 of title 10, United States Code, where the department or agency concerned leases a substantial portion of the installation, the department or agency may obtain, at a rate no higher than that charged to non-Federal tenants, facility services for the leased property and common area maintenance from the redevelopment authority or the redevelopment authority's assignee as a provision of a lease under clause (i). Facility services and common area maintenance shall not include municipal services that the state or local government is required by law to provide to all landowners in its jurisdiction without direct charge, or firefighting or security-guard functions."

(b) 1988 LAW.—Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act of (Public Law 100-526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph (J):

"(J)(i) The Secretary may transfer real property at an installation approved for

closure or realignment under this title (including property at an installation approved for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) Except as provided in clause (v) below, a lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.

"(v) Notwithstanding clause (iii) or chapter 137 of title 10, United States Code, where the department or agency concerned leases a substantial portion of the installation, the department or agency may obtain, at a rate no higher than that charged to non-Federal tenants, facility services for the leased property and common area maintenance from the redevelopment authority or the redevelopment authority's assignee as a provision of a

lease under clause (i). Facility services and common area maintenance shall not include municipal services that the state or local government is required by law to provide to all landowners in its jurisdiction without direct charge, or firefighting or security-guard functions."

**SEC. 718. ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT
OF MILITARY HOUSING.**

(a) IN GENERAL.—Subchapter IV of Chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

**“§ 2886. Reimbursement of funds related to the execution of military family housing
privatization projects**

“The Secretary of Defense may, during the first year of an initiative under this Subchapter, transfer funds from appropriations available for the operation and maintenance of family housing to appropriations available for the pay of military personnel in such amounts as are necessary to offset additional housing allowance costs incurred as a result of such initiative.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter IV of chapter 169 of title 10 is amended by inserting after the item relating to section 2885 the following:

“2886. Reimbursement of funds related to the execution of military family housing privatization projects.”.

SEC. 719. ANNUAL REPORT TO CONGRESS ON DESIGN AND CONSTRUCTION.

(a) IN GENERAL.—Section 2861 of title 10, United States Code is repealed.

(b) CLERICAL AMENDMENT.— the table of sections at the beginning of subchapter III of chapter 169 of such title 10 is amended by striking the item referring to section 2861.

TITLE VIII—DEPARTMENT OF DEFENSE ORGANIZATION AND POSITIONS

Subtitle A—Department of Defense Organizations and Positions

Sec. 801. Organizational Alignment Change for Director for Expeditionary Warfare.

Sec. 802. Consolidation of Authorities Relating to Department of Defense Regional Centers for Security Studies.

Sec. 803. Change of Name for Air Mobility Command.

Sec. 804. Transfer of Intelligence Positions in Support of the National Imagery and Mapping Agency.

SEC. 801. ORGANIZATIONAL ALIGNMENT CHANGE FOR DIRECTOR FOR EXPEDITIONARY WARFARE.

Section 5038(a) of title 10, United States Code, is amended by striking "Office of the Deputy Chief of Naval Operations for Resources, Warfare Requirements, and Assessments" and inserting "Office of the Deputy Chief of Naval Operations for Warfare Requirements and Programs".

SEC. 802. CONSOLIDATION OF AUTHORITIES RELATING TO DEPARTMENT OF DEFENSE REGIONAL CENTERS FOR SECURITY STUDIES.

(a) IN GENERAL.—Chapter 6 of title 10, United States Code, is amended, by adding at the end the following new section:

“§ 169. Regional centers for security studies

“(a) AUTHORITY TO ESTABLISH, OPERATE AND TERMINATE REGIONAL CENTERS.—The Secretary of Defense may establish, operate and terminate regional centers for security studies to serve as forums for bilateral and multilateral communication and military and civilian exchanges. Such regional centers shall use professional military education, civilian defense education, and related academic and other activities, as the Secretary deems appropriate, to pursue such communication and exchanges. The Secretary of Defense annually, in writing, shall evaluate the performance and value to the United States of each such regional center and determine whether to continue to operate such regional center.

“(b) ACCEPTANCE OF GIFTS AND CONTRIBUTIONS.—The Secretary may accept, hold,

administer, and use gifts and contributions of money, personal property (including loans of property), and services for the purpose of defraying the costs or enhancing the operations of one or more of the Regional Centers, and may pay all reasonable expenses in connection with the conveyance or transfer of any such gifts. Contributions of money and proceeds from the sale of property accepted by the Secretary under this subsection shall be credited to funds available for the operation or support of the Center or Centers intended to benefit from such contribution and shall remain available until expended. No gift or contribution may be accepted under this subsection from a foreign state, or instrumentality or national thereof, or organization domiciled therein, nor anyone acting on behalf of any of them.

“(c) LIMITATION.—The Secretary may not accept a gift or donation under subsection (b) if the acceptance of the gift or donation would compromise or appear to compromise—

“(1) the ability of the Department of Defense, any employee of the Department or members of the armed forces to carry out the responsibility or duty of the Department in a fair and objective manner; or

“(2) the integrity of any program of the Department of Defense or any person involved in such a program.

“(d) ADMINISTRATION.—The Secretary may take the following actions in furtherance of the mission of Regional Centers operated under this section:

“(1) EMPLOYMENT AND COMPENSATION OF FACULTY AND STAFF.—Notwithstanding the provisions of title 5, United States Code, regarding appointment, pay and classification, the Secretary may employ such civilian directors, faculty and staff members for Regional Centers operated under this section as the Secretary determines necessary.

“(2) WAIVER OF COSTS.—The Secretary may waive reimbursement of the cost of conferences, seminars, courses of instruction or similar educational activities of such Regional Centers for foreign participants if the Secretary determines that attendance of such personnel without reimbursement is in the national security interests of the United States.

“(3) PAYMENT OF EXPENSES.—In addition to waiver of reimbursement of costs described in paragraph (2), the Secretary of Defense may pay the travel, subsistence, and similar personal expenses of foreign participants in connection with the attendance of such personnel at conferences, seminars, courses of instruction, or similar educational activities of such Regional Centers if the Secretary determines that payment of such expenses is in the national security interest of the United States.

“(e) REPORT TO CONGRESS.—The Secretary shall report annually to the appropriate committees of Congress on the status, objectives, operations and foreign participation of the Regional Centers.

“(f) DEFINITIONS.—In this section:

“(1) The term 'Appropriate committees of Congress' means the Committees on Armed Services of the Senate and of the House of Representatives.

“(2) The term 'Contribution' means a contribution, gift or donation of funds, materials (including research materials), property or services (including lecture services and faculty services), but does not include a contribution made pursuant to chapter 138 of this title.”.

(g) CONFORMING AMENDMENTS.—(1) Section 1306 of the National Defense Authorization Act for Fiscal Year 1995, (Public Law 103-337; 108 Stat. 2892) is repealed.

(2) Section 1065 of the National Defense Authorization Act for Fiscal Year 1997, (Public Law 104-201; 110 Stat. 2653) is amended as follows—

(A) by striking subsections (a) and (b); and

(B) by striking the subsection designator "(c)".

(3) Section 1595 of title 10, United States Code, is amended as follows—

(A) in subsection (c), by striking paragraphs (3) and (5);

(B) by redesignating subparagraph (c)(4) as subparagraph (c)(3); and

(C) by striking subsection (e).

(4) Section 2611 of title 10, United States Code, is repealed.

(h) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 155 of such title 10 is amended by striking the item relating to section 2611; and

(2) the table of sections at the beginning of chapter 6 of such title 10 is amended, by adding at the end the following new item:

"169. Regional Centers for Security Studies".

SEC. 803. CHANGE OF NAME FOR AIR MOBILITY COMMAND.

(a) Section 2544(d) of title 10, United States Code, is amended by striking “Military Airlift Command” and inserting “Air Mobility Command”.

(b) Section 2545(a) of such title 10 is amended by striking “Military Airlift Command” and inserting “Air Mobility Command”.

(c) Section 8074 of such title 10 is amended by striking subsection (c).

(d) Section 430(c) of title 37, United States Code, is amended by striking “Military Airlift Command” and inserting “Air Mobility Command”.

(e) Section 432(b) of such title 37 is amended by striking “Military Airlift Command”

and inserting “Air Mobility Command”.

**SEC. 804. TRANSFER OF INTELLIGENCE POSITIONS IN SUPPORT OF THE
NATIONAL IMAGERY AND MAPPING AGENCY.**

Section 1606 of title 10, United States Code, is amended by striking "517" and inserting "544".

Subtitle B—Reports

Sec. 811. Amendment to National Guard and Reserve Component Equipment: Annual Report to Congress.

Sec. 812. Elimination of Triennial Report on the Roles and Missions of the Armed Forces.

Sec. 813. Change in Due Date of Commercial Activities Report.

**SEC. 811. AMENDMENT TO NATIONAL GUARD AND RESERVE COMPONENT
EQUIPMENT: ANNUAL REPORT TO CONGRESS.**

Section 10541 of title 10, United States Code, is amended to read as follows:

“(a) The Secretary of Defense shall submit to the Congress each year, not later than March 1, a written report concerning the equipment of the National Guard and the Reserve components of the armed forces, to include the U.S. Coast Guard Reserve. This report shall cover the current fiscal year and three succeeding years. The focus should be on major items of equipment which address large dollar-value requirements, critical Reserve component shortages and major procurement items. Specific major items of equipment shall include ships, aircraft, combat vehicles and key combat support equipment.

“(b) Each annual report under this section should include the following:

“(1) Major items of equipment required and on-hand in the inventories of each Reserve component.

“(2) Major items of equipment which are expected to be procured from commercial sources or transferred from the Active component to the Reserve components of each Service.

“(3) Major items of equipment in the inventories of each Reserve component which are substitutes for a required major item of equipment.

“(4) A narrative explanation of the plan of the Secretary concerned to equip each Reserve component, including an explanation of the plan to equip units of the Reserve components that are short major items of equipment at the outset of war or a contingency operation.

“(5) A narrative discussing the current status of the compatibility and interoperability of equipment between the Reserve components and the active forces, the effect of that level of compatibility or interoperability on combat effectiveness, and a plan to achieve full equipment compatibility and interoperability.

“(6) A narrative discussing modernization shortfalls and maintenance backlogs within the Reserve components and the effect of those shortfalls on combat effectiveness.

“(7) A narrative discussing the overall age and condition of equipment currently in the inventory of each Reserve component.

“(c) Each report under this section shall be expressed in the same format and with the same level of detail as the information presented in the Future Years Defense Program Procurement Annex prepared by the Department of Defense.”.

SEC. 812. ELIMINATION OF TRIENNIAL REPORT ON THE ROLES AND MISSIONS OF THE ARMED FORCES.

(a) REPEAL OF REQUIREMENT FOR REPORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Section 153 of title 10, United States Code, is amended—

(1) in subsection (a), by striking the catchline and section designator “(a) PLANNING; ADVICE; POLICY FORMULATION.—“; and

(2) by striking subsection (b).

(b) ROLES AND MISSIONS AS PART OF DEFENSE QUADRENNIAL REVIEW.—Subsection 118(e) of such title 10 is amended by inserting after the first sentence the following two new sentences:

“The Chairman shall also include his assessment of the assignment of functions (or roles and missions) to the Armed Forces and recommendations for change the Chairman considers necessary to achieve the maximum efficiency of the Armed Forces. This roles and missions assessment should consider the unnecessary duplication of effort among the armed forces and changes in technology that can be applied effectively to warfare.”.

SEC. 813. CHANGE IN DUE DATE OF COMMERCIAL ACTIVITIES REPORT.

Section 2461(g), title 10, United States Code is amended by striking "February 1" and inserting "June 30".

Subtitle C—Other Matters

Sec. 821. Documents, Historical Artifacts, and Obsolete or Surplus Materiel: Loan , Donation, or Exchange.

Sec. 822. Charter Air Transportation of Members of the Armed Forces.

**SEC. 821. DOCUMENTS, HISTORICAL ARTIFACTS, AND OBSOLETE OR
SURPLUS MATERIEL: LOAN, DONATION, OR EXCHANGE.**

(a) IN GENERAL.—Section 2572 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "subsection (c)" and inserting "subsection (c)(1)";

(2) in subsection (b), by striking "subsection (c)" and inserting "subsection (c)(2)";

and

(3) in subsection (c)—

(A) by striking "(c) This section" and inserting "(c)(1) Subsection (a)"; and

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

"(2) Subsection (b) applies to the following types of property held by a military department or the Coast Guard: books, manuscripts, works of art, historical artifacts, drawings, plans, models, and obsolete or surplus materiel."

(b) CONFORMING AMENDMENT.—The heading of such section is amended by striking "condemned or obsolete combat" and inserting "obsolete or surplus".

SEC. 822. CHARTER AIR TRANSPORTATION OF MEMBERS OF THE ARMED FORCES.

Section 2640 of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by striking "an" after "contract with" and inserting "a domestic or foreign";

(2) in subsection (b)(5), by striking "check-rides" and inserting "cockpit safety observations";

(3) in subsection (e), by striking "Military Airlift Command" and inserting "Air Mobility Command";

(4) in subsection (g), by striking "in an emergency"; and

(5) in subsection (j)(1), by striking "air carrier,"

TITLE IX—GENERAL PROVISIONS

Subtitle A—Matters Relating to Other Nations

Sec. 901. Test and Evaluation Initiatives.

Sec. 902. Cooperative Research and Development Projects: Allied Countries.

Sec. 903. Recognition of Assistance from Foreign Nationals.

Sec. 904. Personal Service Contracts in Foreign Areas.

SEC. 901. TESTS AND EVALUATION INITIATIVES.

(a) AUTHORITY TO ENGAGE IN COOPERATIVE TESTS AND EVALUATION AT U.S. AND FOREIGN RANGES AND OTHER FACILITIES WHERE TESTING MAY BE CONDUCTED.—Chapter 138

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

"§ 23501. Agreements for the cooperative use of ranges and other facilities where testing may be conducted

"(a) **AUTHORITY TO ENTER INTO INTERNATIONAL AGREEMENTS.**—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a memorandum of understanding (or other formal agreement) with an eligible country or international organization for the purpose of reciprocal use of ranges and other facilities where testing of defense equipment may be conducted.

"(b) **GENERAL NATURE OF AGREEMENT.**—Formal agreements reached under subsection (a) shall require reciprocal use of test ranges and other facilities where testing may be conducted in the United States and at such ranges and facilities operated by an eligible country or international organization.

"(c) **PAYMENT OF COSTS.**—Any agreement for the reciprocal use of ranges and other facilities where testing may be conducted shall contain the following pricing principles for reciprocal application:

"(1) The price charged a recipient country for test and evaluation services furnished by the officers, employees, or governmental agencies of the supplying country or international organization, shall be the direct costs to the supplying country or international organization that are incurred as a result of the test and evaluation services acquired by the recipient country or international organization.

"(2) The recipient country or international organization may be charged for indirect costs related to the use of the range or other facility where testing may be conducted only as specified in the memorandum of understanding or other formal

agreement.

"(d) RETENTION OF FUNDS COLLECTED FROM ELIGIBLE COUNTRIES AND INTERNATIONAL ORGANIZATIONS.—Amounts collected under subsection (c) from an eligible country or international organization shall be credited to the appropriation accounts under which such costs were incurred.

"(e) DEFINITIONS.—In this section:

"(1) Direct cost means any item of cost that is easily and readily identified to a specific unit of work or output within the range or facility where such testing and evaluation occurred, that would not have been incurred if such testing and evaluation had not taken place. Direct cost may include labor, materials, facilities, utilities, equipment, supplies, and any other resources of the range or facility where such test and evaluation occurred, that is consumed or damaged during such test and evaluation, or maintained for the recipient country or international organization.

"(2) Indirect Costs means any item of cost that cannot readily, or directly, be identified to a specific unit of work or output. Indirect cost may include general and administrative expenses for the supporting base operations, manufacturing expenses, supervision, office supplies, utility, costs, etc.. Such costs are accumulated in a cost pool and allocated to customers appropriately.

“(f) DELEGATION OF AUTHORITY.—The Secretary may delegate to the Deputy Secretary of Defense and to the head of one designated office of his choosing the authority to determine the appropriateness of the amount of indirect costs included in such charges.”.

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

"23501. Agreements for the cooperative use of ranges and other facilities where testing may be conducted."

(c) AUTHORITY TO USE MAJOR RANGE AND TEST FACILITY INSTALLATIONS OF THE MILITARY DEPARTMENTS UNDER THE DEPARTMENT OF DEFENSE CONTRACT.—Section 2681(c) of title 10, United States Code, is amended—

(1) by inserting “(1)” after “(c)”; and

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

"(2) Notwithstanding the requirement for reimbursement of all direct costs under subparagraph (1), a contractor, using a Major Range and Test Facility Base installation in support of a Department of Defense requirement, may be provided access to and use of the Major Range and Test Facility Base Installations and charged for services for purposes of the contract utilizing the same criteria as would be applied to use of a Major Range and Test Facility Base Installation by an activity or agency of the Department of Defense. A contractor of a Department or agency of the Federal Government other than the Department of Defense shall be provided access to and use of a Major Range and Test Facility Base Installation and services in support of such contract at the discretion of the Secretary of Defense, and may be charged for access, use and services on the same basis as the Federal government Department or agency funding the contract."

SEC. 902. COOPERATIVE RESEARCH AND DEVELOPMENT PROJECTS:

ALLIED COUNTRIES.

Section 2350a of title 10, United States Code, is amended as follows:

(1) In the title for Section 2350a—by striking out "allied" and inserting "NATO ally, major non-NATO ally, other friendly foreign country, or NATO organization"

(2) Paragraph (a) is amended by striking "one or more major allies of the United States or NATO organizations" and inserting "the North Atlantic Treaty Organization (NATO) or with one or more member countries of that Organization, or with any major non-NATO ally or other friendly foreign country or NATO organization"

(3) Paragraph (b)(1) is amended—

(A) by striking "(1)";

(B) by striking "the North Atlantic Treaty Organization (NATO)" and inserting "NATO";

(C) by striking "its major non-NATO allies." and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization."

(4) Paragraph (b)(2) is amended by striking "The authority of the Secretary to make a determination under paragraph (1) may only be delegated to the Deputy Secretary of Defense or the Under Secretary of Defense for Acquisition and Technology." and inserting "The authority of the Secretary to make a determination under paragraph (1) may be delegated only to the Deputy Secretary of Defense and to one other official the Secretary so determines."

(5) Paragraph (d)(1) is amended by striking "the major allies of the United States" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(6) Paragraph (d)(2) is amended by striking "major ally of the United States" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(7) Paragraph (e)(1)(B)(2)(A) is amended by striking "one or more of the major allies of the United States." and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization."

(8) Paragraph (e)(1)(B)(2)(B) is amended by striking "one or more major allies of the United States or NATO organizations" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(9) Paragraph (e)(1)(B)(2)(C) is amended by striking "one or more major allies of the United States" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(10) Paragraph (e)(1)(B)(2)(D) is amended by striking "one or more major allies of the United States" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(11) Paragraph (f)(B)(1) is amended by striking "(1)".

(12) Paragraph (f)(B)(2) is amended by striking "The Secretary of Defense and the Secretary of State, whenever they consider such action to be warranted, shall jointly submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives a report—(A) enumerating those countries to be added to or deleted from the existing designation of countries designated as major non-NATO allies for purposes of this section; and (B) specifying the criteria used in determining the eligibility of a country to be designated as a major non-NATO ally for purposes of this section."

(13) Paragraph (g)(1)(A) is amended by striking "major allies of the United States and other friendly foreign countries." and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

(14) Paragraph (i) is amended by striking "(2) The term "major ally of the United States" means— (A) a member nation of the North Atlantic Treaty Organization (other than the United

States); or (B) a major non-NATO ally.”.

(15) Paragraph (i)(1) is amended by striking "one or more major allies of the United States or NATO organizations" and inserting "a NATO ally, a major non-NATO ally or other friendly foreign country or NATO organization".

SEC. 903. RECOGNITION OF ASSISTANCE FROM FOREIGN NATIONALS.

(a) IN GENERAL.—Chapter 57 of title 10, United States Code, is amended by inserting after section 1133 the following:

"§1134. Recognition of assistance from Foreign nationals.

"The Secretary of Defense may issue regulations, with the concurrence of the Secretary of State, authorizing members of the armed forces or civilian officers or employees of the Department of Defense to present to foreign nationals plaques, trophies, non-currency coins, certificates, and other suitable commemorative items or mementos to recognize achievements or performance, not involving combat, that assists the armed forces of the United States."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1133 the following new item:

"1134. Recognition of assistance from foreign nationals."

SEC. 904. PERSONAL SERVICE CONTRACTS IN FOREIGN AREAS.

Under such regulations as the Secretary of State, with the concurrence of the Secretary of Defense, may prescribe, the Department of State shall use authority available to the Department of State to enter into personal services contracts with individuals to perform services in support of the Department of Defense in foreign countries.

Subtitle B—Department of Defense Civilian Personnel

Sec. 911. Removal of Limits on the Use of Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay for Fiscal Years 2002 and 2003.

Sec. 912. Authority for Designated Civilian Employees Abroad to Act as a Notary.

- Sec. 913. Inapplicability of Requirement for Studies and Reports When All Directly Affected Department of Defense Civilian Employees Are Reassigned to Comparable Federal Positions.
- Sec. 914. Preservation of Civil Service Rights for Employees of the Former Defense Mapping Agency.
- Sec. 915. Financial Assistance to Certain Employees in Acquisition of Critical Skills.
- Sec. 916. Pilot Program for Payment of Retraining Expenses.

**SEC. 911. REMOVAL OF LIMITS ON THE USE OF VOLUNTARY EARLY
RETIREMENT AUTHORITY AND VOLUNTARY SEPARATION
INCENTIVE PAY FOR FISCAL YEARS 2002 AND 2003.**

Section 1153(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398, 114 Stat. 1654A-323) is amended—

- (1) in paragraph (1), by striking “(1) Subject to paragraph (2), the” and inserting “The”;
- (2) by striking paragraph (2); and
- (3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2).

**SEC. 912. AUTHORITY FOR DESIGNATED CIVILIAN EMPLOYEES ABROAD TO
ACT AS A NOTARY.**

(a) CLARIFICATION OF STATUS OF CIVILIAN ATTORNEYS ACTING AS A NOTARY.— Section 1044a(b)(2) of title 10, United States Code, is amended by striking "legal assistance officers" and inserting "legal assistance attorneys".

(b) AUTHORITY FOR DESIGNATED CIVILIAN EMPLOYEES ABROAD TO ACT AS A NOTARY.— Subsection (b)(4) of such section 1044a is amended by inserting "and, when outside the United States, all civilian employees of the armed forces of suitable training," after "duty status".

**SEC. 913. INAPPLICABILITY OF REQUIREMENT FOR STUDIES AND REPORTS
WHEN ALL DIRECTLY AFFECTED DEPARTMENT OF DEFENSE
CIVILIAN EMPLOYEES ARE REASSIGNED TO COMPARABLE
FEDERAL POSITIONS.**

Section 2461 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(i) **INAPPLICABILITY WHEN ALL DIRECTLY AFFECTED DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES ARE REASSIGNED TO COMPARABLE FEDERAL POSITIONS.**—The provisions of this section shall not apply when all directly affected Department of Defense civilian employees serving on permanent appointments are reassigned to comparable Federal positions for which they are qualified.”.

SEC. 914. PRESERVATION OF CIVIL SERVICE RIGHTS FOR EMPLOYEES OF THE FORMER DEFENSE MAPPING AGENCY.

Notwithstanding section 1612 of title 10, United States Code, the provisions of subchapters II and IV (sections 7511 through 7514 and sections 7531 through 7533, respectively) of chapter 75 of title 5, United States Code, continue to apply, for as long as the employee continues to serve as a Department of Defense employee in the National Imagery and Mapping Agency without a break in service, to each of those former Defense Mapping Agency employees who occupied positions established under title 5, United States Code, and who on October 1, 1996, became employees of the National Imagery and Mapping Agency under paragraph 1601(a)(1) of title 10, United States Code pursuant to Title XI of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2675, et seq.) and for whom the provisions of chapter 75 of title 5, United States Code, applied before October 1, 1996. Each such employee, at any time, may elect in writing to waive the provisions of this section, in which case such waiver shall be permanent as to that employee.

SEC. 915. FINANCIAL ASSISTANCE TO CERTAIN EMPLOYEES IN ACQUISITION OF CRITICAL SKILLS.

The Secretary of Defense may provide the Director, National Imagery and Mapping Agency, the authority to establish an undergraduate training program with respect to civilian employees of the National Imagery and Mapping Agency that is similar in purpose, conditions, content, and administration to the program which the Secretary of Defense is authorized to establish for civilian employees of the National Security Agency under section 16 of the National Security Agency Act of 1959 (50 U.S.C. 402 note).

SEC. 916. PILOT PROGRAM FOR PAYMENT OF RETRAINING EXPENSES.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§2410o. Pilot Program for Payment of Retraining Expenses

"(a) AUTHORITY.—The Secretary of Defense may establish a pilot program for the payment of retraining expenses in accordance with this section to facilitate the reemployment of eligible employees of the Department of Defense who are being involuntarily separated due to a reduction-in-force or due to relocation resulting from transfer of function, realignment, or change of duty station. Under the pilot program, the Secretary may pay retraining incentives to encourage non-Federal employers to hire and retain such employees.

"(b) ELIGIBLE EMPLOYEES.—For purposes of this section, an eligible employee is an employee of the Department of Defense, serving under an appointment without time limitation, who has been employed by the Department of Defense for a continuous period of at least 12 months and who has been given notice of separation pursuant to a reduction in force, except that such term does not include—

"(1) a re-employed annuitant under subchapter III of chapter 83 of title 5, United States Code, chapter 84 of such title, or another retirement system for employees of the

Government;

"(2) an employee who, upon separation from Federal service, is eligible for an immediate annuity under subchapter III of chapter 83 of title 5, United States Code, or subchapter II of chapter 84 of such title; or

"(3) an employee who is eligible for disability retirement under any of the retirement systems referred to in paragraph (1).

"(c) RETRAINING INCENTIVE.—(1) Under the pilot program, the Secretary may enter into an agreement with a non-Federal employer under which the non-Federal employer agrees—

"(A) to employ An eligible person referred to in subsection (a) for at least 12 months for a salary that is mutually agreeable to the employer and such person; and

"(B) to certify to the Secretary the cost incurred by the employer for any necessary training, as defined by the Secretary, provided to such eligible employee in connection with the employment by that employer.

"(2) The Secretary may pay a retraining incentive to the non-Federal employer upon the employee's completion of 12 months of continuous employment with that employer. Subject to this section, the Secretary shall prescribe the amount of the incentive.

"(3) The Secretary may pay a prorated amount of the full retraining incentive to the non-Federal employer for an employee who does not remain employed by the non-Federal employer for at least 12 months.

"(4) In no event may the amount of retraining incentive paid for the training of any one person under the pilot program exceed the amount certified for that person under

paragraph (1) or \$10,000, whichever is greater.

"(d) DURATION.—No incentive may be paid under the pilot program for training commenced after September 30, 2005.

"(e) DEFINITIONS.—The following definitions apply in this section:

"(1) The term "non-Federal employer" means an employer that is not an Executive Agency, as defined in section 105 of title 5, United States Code, or the legislative or judicial branch of the Federal Government.

"(2) "Reduction-in-force" and "transfer of function" shall have the same meaning as in chapter 35 of title 5, United States Code."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such Chapter 141 is amended by adding at the end the following new item:

"2410o. Pilot program for payment of retraining expenses."

Subtitle C—Other Matters

- Sec. 921. Authority to Ensure Demilitarization of Significant Military Equipment Formerly Owned by the Department of Defense.
- Sec. 922. Motor Vehicles: Documentary Requirements for Transportation for Military Personnel and Federal Employees on Change of Permanent Station.
- Sec. 923. Department of Defense Gift Initiatives.
- Sec. 924. Repeal of the Joint Requirements Oversight Council Semi-Annual Report.
- Sec. 925. Access to Sensitive Unclassified Information.
- Sec. 926. Water Rights Conveyance, Andersen Air Force Base, Guam.
- Sec. 927. Repeal of Requirement For Separate Budget Request For Procurement of Reserve Equipment.
- Sec. 928. Repeal of Requirement for Two-year Budget Cycle for the Department of Defense.

SEC. 921. AUTHORITY TO ENSURE DEMILITARIZATION OF SIGNIFICANT MILITARY EQUIPMENT FORMERLY OWNED BY THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 153 of title 10, United States Code, is amended by inserting after section 2572 the following new section:

“§2573. Continued Authority to Require Demilitarization of Significant Military

Equipment after Disposal.

“(a) **AUTHORITY TO REQUIRE DEMILITARIZATION.**—The Secretary of Defense may require any person in possession of significant military equipment formerly owned by the Department of Defense—

“(1) to demilitarize the equipment:

“(2) to have the equipment demilitarized by a third party; or

“(3) to return the equipment to the Government for demilitarization.

“(b) **COST AND VALIDATION OF DEMILITARIZATION.**—When the demilitarization of significant military equipment is carried out by the person in possession of the equipment pursuant to paragraph (1) or (2) of subsection (a), the person shall be solely responsible for all demilitarization costs, and the United States shall have the right to validate that the equipment has been demilitarized.

“(c) **RETURN OF EQUIPMENT TO GOVERNMENT.**—When the Secretary of Defense requires the return of significant military equipment for demilitarization by the Government, the Secretary shall bear all costs to transport and demilitarize the equipment. If the person in possession of the significant military equipment obtained the property in the manner authorized by law or regulation and the Secretary determines that the cost to demilitarize and return the property to the person is prohibitive, the Secretary shall reimburse the person for the purchase cost of the property and for the reasonable transportation costs incurred by the person to purchase the equipment.

“(d) **ESTABLISHMENT OF DEMILITARIZATION STANDARDS.**—The Secretary shall issue regulations to prescribe what constitutes demilitarization for each type of significant military equipment, with the objective of ensuring that the equipment does not pose a significant risk to

public safety and does not provide a significant weapon capability or military-unique capability and ensure that any person from whom private property is taken for public use under this section receives just compensation.

“(e) EXCEPTIONS.—This section does not apply—

“(1) when a person is in possession of significant military equipment formerly owned by the Department of Defense for the purpose of demilitarizing the equipment pursuant to a Government contract.

“(2) to small arms weapons issued under the Defense Civilian Marksmanship Program established in Title 36, United States Code.

“(3) to issues by the Department of Defense to museums where modified demilitarization has been performed in accordance with the Department of Defense Demilitarization Manual, DoD 4160.21-M-1; or

“(4) to other issues and un-demilitarized significant military equipment under the provisions of the provisions of the Department of Defense Demilitarization Manual, DoD 4160.21-M-1.

“(f) DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.—In this section, the term “significant military equipment” means—

“(1) an article for which special export controls are warranted under the Arms Export Control Act (22 U.S.C. 2751 et seq.) because of its capacity for substantial military utility or capability, as identified on the United States Munitions List maintained under section 121.1 of title 22, Code of Federal Regulations; and

“(2) any other article designated by the Department of Defense as requiring demilitarization before its disposal.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2572 the following new item:

“2573. Continued authority to require demilitarization of significant military equipment after disposal.”.

**SEC. 922. MOTOR VEHICLES: DOCUMENTARY REQUIREMENTS FOR
TRANSPORTATION FOR MILITARY PERSONNEL AND FEDERAL
EMPLOYEES ON CHANGE OF PERMANENT STATION.**

(a) MILITARY PERSONNEL.—Section 2634 of title 10, United States Code, is amended as follows:

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

(2) by inserting after subsection (e) the following new subsection;

"(f) Motor vehicles transported under this section are not subject to the provisions of the Anti Car Theft Act of 1992, as amended, or any implementing regulations. The Secretary of Defense (and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a Service in the Navy) will prescribe regulations designed to ensure members do not present for shipment stolen vehicles."

(b) CIVILIAN EMPLOYEES.—Section 5727 of title 5, United States Code, is amended as follows:

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

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

"(f) Motor vehicles transported under this section are not subject to the provisions of the Anti Car Theft Act of 1992, as amended, or any implementing

regulations. Regulations prescribed under section 5738 of this title will include provisions designed to ensure employees do not present for shipment stolen motor vehicles under subsection (b) of this section."

SEC. 923. DEPARTMENT OF DEFENSE GIFT INITIATIVES.

(a) LOAN OR GIFT OF OBSOLETE MATERIAL AND ARTICLES OF HISTORICAL INTEREST.—Section 7545 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting the following catchline after the subsection designator:

"ADDITIONAL ITEMS TO BE DONATED BY THE SECRETARY OF THE NAVY.—";

(B) by striking "books, manuscripts, works of art, drawings," and all that follows to the dash and inserting "obsolete combat or shipboard material not needed by the Department of the Navy, to";

(C) in paragraph (5), by striking "World War I or World War II" and inserting "a foreign war.";

(D) in paragraph (6), by striking "soldiers" and inserting "servicemen's"; and

(E) in paragraph (8), by inserting "or memorial" after "a museum"; and

(2) in subsection (b), by inserting the following catchline after the subsection designator: "MAINTENANCE OF THE RECORDS OF THE GOVERNMENT.—";

(3) in subsection (c), by inserting the following catchline after the subsection designator: "SECRETARIAL AUTHORITY TO MAKE GIFTS OR LOANS.—"; and

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

“(d) AUTHORITY TO TRANSFER A PORTION OF A VESSEL.—The Secretary may

lend, give or otherwise transfer any portion of the hull or superstructure of a vessel stricken from the Naval Vessel Register and designated for scrapping to a qualified organization listed under subsection (a). The terms and conditions of any agreement for the transfer of a portion of a vessel under this section shall include a requirement that the transferee will maintain the material conveyed in a condition that will not diminish the historical value of the material or bring discredit upon the Navy.”.

(b) LOAN, GIFT, OR EXCHANGE OF DOCUMENTS, HISTORICAL ARTIFACTS, AND CONDEMNED OR OBSOLETE COMBAT MATERIAL.—Section 2572(a)(1) of such title 10 is amended by striking the period after "A municipal corporation" and inserting ", county or other political subdivision of a state."

SEC. 924. REPEAL OF THE JOINT REQUIREMENTS OVERSIGHT COUNCIL SEMI-ANNUAL REPORT.

Section 916 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398; 114 Stat. 1654) is repealed.

SEC. 925. ACCESS TO SENSITIVE UNCLASSIFIED INFORMATION.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2332. Limited access to sensitive unclassified information by administrative support contractors

"(a) AUTHORITY.—Notwithstanding sections 552a of title 5, 2320 of title 10, and 1905 of title 18, United States Code, the Secretary of Defense may provide administrative support contractors with limited access to, and use of, sensitive unclassified information, provided that—

"(1) such disclosure is not otherwise prohibited by law;

"(2) access shall be limited to sensitive unclassified information that is necessary for the administrative support contractor to perform contractual duties;

"(3) administrative support contractors shall be subject to the same restrictions on using, reproducing, modifying, performing, displaying, releasing or disclosing such sensitive unclassified information as are applicable to employees of the United States; and

"(4) administrative support contractors shall be subject to the same civil and criminal penalties for unauthorized disclosure or use of such sensitive unclassified information as are applicable to employees of the United States.

"(b) DEFINITIONS.—The following definitions apply to this section:

"(1) The term "sensitive unclassified information" means all unclassified information for which disclosure to an administrative support contractor is prohibited by the Privacy Act (5 U.S.C. §552a); section 2320 of this title; or the Trade Secrets Act (18 U.S.C. §1905).

"(2) The term "administrative support contractor" means any officer or employee of a contractor or subcontractor who performs any of the following for or on behalf of the Department of Defense: secretarial or clerical support; provisioning or logistics support; data entry; document reproduction, scanning, or imaging; operation, management, or maintenance of paper-based or electronic mail rooms, file rooms, or libraries; installation, operation, management, or maintenance of internet or intranet systems, networks, or computer systems; and facilities or information security."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter 137 is amended by adding at the end the following new item:

"2332. Limited access to sensitive unclassified information by administrative support contractors."

SEC. 926. WATER RIGHTS CONVEYANCE, ANDERSEN AIR FORCE BASE, GUAM.

(a) **AUTHORITY TO CONVEY.**—In conjunction with the conveyance of a utility system under the authority of section 2688 of title 10, United States Code, and in accordance with all the requirements of that section, the Secretary of the Air Force may convey all right, title, and interest of the United States, or such lesser estate as the Secretary considers appropriate to serve the interests of the United States, in the water rights related to Andy South (also known as the Andersen Administrative Annex, MARBO (Marianas Bonins Base Command), and the Andersen Water Supply Annex (also known as the Tumon Water Well or the Tumon Maui Well), Air Force properties located on Guam.

(b) **ADDITIONAL REQUIREMENTS.**—The Secretary may exercise the authority contained in subsection (a) only if—

(1) the Secretary has determined that there exists adequate supplies of potable groundwater under Andersen Air Force Base that are sufficient to meet the current and long-term requirements of the installation for water;

(2) the Secretary has determined that such supplies of groundwater are economically obtainable; and,

(3) the Secretary requires the conveyee to provide a water system capable of meeting the water supply needs of Anderson Air Force Base, as determined by the Secretary.

(c) **INTERIM WATER SUPPLIES.**—If the Secretary determines that it is in the best interests of the United States to transfer title to the water rights and utility systems at Andy South and Andersen Water Supply Annex prior to placing into service a new replacement water system and

well field on Andersen Air Force Base, the Secretary may require that the United States have the primary right to all water produced from Andy South and Andersen Water Supply Annex until such new replacement water system and well field is placed into service and operates to the satisfaction of the Secretary. In exercising the authority of this subsection, the Secretary may retain a reversionary interest in the water rights and utility systems at Andy South and Andersen Water Supply Annex until such time as the new replacement water system and well field is placed into service and operates to the satisfaction of the Secretary.

(d) SALE OF EXCESS WATER AUTHORIZED.—(1) If the Secretary exercises the authority contained in subsection (a), he may provide in any such conveyance that the conveyee of the water system may sell to public or private entities such water from Andersen Air Force Base as the Secretary determines to be excess to the needs of the United States. In the event the Secretary authorizes the conveyee to resell water, the Secretary shall negotiate a reasonable return to the United States of the value of such excess water sold by the conveyee, which return the Secretary may receive in the form of reduced charges for utility services provided by the conveyee.

(2) If the Secretary cannot meet the requirements of subsection (c), and the Secretary determines to proceed with a water utility system conveyance under section 2688 of title 10, United States Code, without the conveyance of water rights, the Secretary may provide in any such conveyance that the conveyee of the water system may sell to public or private entities such water from Andy South and Andersen Water Supply Annex as the Secretary determines to be excess to the needs of the United States. The Secretary will negotiate a reasonable return to the United States of the value of such excess water sold by the conveyee, which return the Secretary may receive in the form of reduced charges for utility services provided by the conveyee.

(e) DEFINITIONS.—(1) For purposes of this section, "Andersen Air Force Base" means the

Main Base and Northwest Field.

(2) The water rights referred to in subsection (a) shall be considered as part of a "utility system" as that term is defined in section 2688(g)(2) of title 10, United States Code.

(f) APPLICATION OF THE OTHER LAND DISPOSAL ACTS.—The water rights related to Andy South and Andersen Water Supply Annex shall not be considered as real property for purposes of the Act of November 13, 2000, to amend the Organic Act of Guam, and for other purposes (Public Law 106-504; 114 Stat. 2309) and the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471, et seq.).

**SEC. 927. REPEAL OF REQUIREMENT FOR SEPARATE BUDGET REQUEST
FOR PROCUREMENT OF RESERVE EQUIPMENT.**

Section 114(e) of title 10, United States Code, is repealed.

**SEC. 928. REPEAL OF REQUIREMENT FOR TWO-YEAR BUDGET CYCLE FOR
THE DEPARTMENT OF DEFENSE.**

Section 1405 of the Department of Defense Authorization Act, 1986 (31 U.S.C. 1105 note) is repealed.