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MAY 09 2005

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

Dear Mr. Speaker:

The Department of Defense requests that the Congress enact the enclosed legislative proposals as part of the National Defense Authorization Bill for Fiscal Year 2006.

The purpose of each proposal is stated in the accompanying section-by-section analysis.

The Office of Management and Budget advises that there is no objection, from the standpoint of the Administration's program, to the presenting of these legislative proposals for your consideration of the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "WJ Haynes II".

William J. Haynes II

Enclosure:  
As Stated





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The Honorable Richard B. Cheney  
President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

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**SEC. \_\_\_\_ . TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN RECIPIENTS.**

1 (a) TRANSFERS BY GRANT.—The President is authorized to transfer vessels to foreign  
2 recipients on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C.  
3 2321j), as amended, as follows:

4 (1) GREECE.—To the Government of Greece, the OSPREY class minehunter  
5 coastal ship PELICAN (MHC-53).

6 (2) EGYPT.—To the Government of Egypt, the OSPREY class minehunter coastal  
7 ships CARDINAL (MHC-60) and RAVEN (MHC-61).

8 (3) PAKISTAN.—To the Government of Pakistan, the SPRUANCE class destroyer  
9 ship FLETCHER (DD-992).

10 (4) TURKEY.—To the Government of Turkey, the SPRUANCE class destroyer  
11 ship CUSHING (DD-985).

12 (b) TRANSFERS BY SALE.—The President is authorized to transfer vessels to foreign  
13 recipients on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761), as  
14 amended, as follows:

15 (1) INDIA.—To the Government of India, the AUSTIN class amphibious transport  
16 dock ship TRENTON (LPD-14).

17 (2) GREECE.—To the Government of Greece, the OSPREY class minehunter  
18 coastal ship HERON (MHC-52).

19 (3) TURKEY.—To the Government of Turkey, the SPRUANCE class destroyer  
20 ship O'BANNON (DD-987).

21 (c) ALTERNATIVE TRANSFER AUTHORITY.—In the event that a country to which a vessel  
22 transfer is authorized under subsection (a) or (b) declines to accept the transfer, the President is

1 authorized to transfer such vessel to another eligible country. Each such transfer shall be on a  
2 sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761), as amended, or a  
3 grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), as  
4 amended, and shall be subject to the normal Congressional notification procedures of those Acts.

5 (d) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE  
6 ARTICLES.—The value of a vessel transferred to another country on a grant basis pursuant to  
7 authority provided by subsection (a) or (c) shall not be counted against the aggregate value of  
8 excess defense articles transferred to countries in any fiscal year under section 516 of the Foreign  
9 Assistance Act of 1961 (22 U.S.C. 2321j), as amended.

10 (e) COSTS OF TRANSFERS.—Notwithstanding section 516(e)(1) of the Foreign Assistance  
11 Act of 1961 (22 U.S.C. 2321j(e)(1)), as amended, any expense incurred by the United States in  
12 connection with a transfer authorized under subsection (a) shall be charged to the recipient.

13 (f) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum  
14 extent practicable, the President shall require, as a condition of the transfer of a vessel under this  
15 section, that the country to which the vessel is transferred have such repair or refurbishment of  
16 the vessel as is needed, before the vessel joins the naval forces of that country, performed at a  
17 shipyard located in the United States, including a United States Navy shipyard.

18 (g) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section  
19 shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

### **Section-by-Section Analysis**

This section would authorize the President to sell three excess naval vessels to India, Greece and Turkey and to give away five excess naval vessels to Greece, Egypt, Pakistan and Turkey. Because these naval vessels displace in excess of 3,000 tons or are less than 20 years of age, section 7307(a) of title 10, United States Code, requires statutory approval for the transfers.

This section also would allow the President to transfer a vessel to another country if the original recipient declines to accept the proposed transfer without requiring the Department of Defense to request additional transfer authority.

These proposed transfers would improve the United States' political and military relationships with two close allies and coalition partners. They would support strategic engagement goals and regional security cooperation objectives. Active use of former naval vessels by coalition forces in support of regional priorities is more advantageous than retaining vessels in the Navy's inactive fleet and disposing of them by scrapping or another method.

The United States would incur no costs in transferring these naval vessels. The recipients would be responsible for all costs associated with the transfers, including maintenance, repairs, training, and fleet turnover costs.

The Department of Defense estimates that the sale of these vessels may net the United States \$46 million in Fiscal Year 2006.

**SEC. \_\_\_\_ . INCREASE IN AUTHORIZED NUMBER OF DEFENSE INTELLIGENCE  
SENIOR EXECUTIVE SERVICE EMPLOYEES.**

1           Section 1606(a) of title 10, United States Code, is amended by striking "544" and  
2           inserting "619 in 2006 and 694 in 2007".

**Section-by-Section Analysis**

This section would increase the maximum number of Defense Intelligence Senior Executive Service (DISES) employees by 150 over the next 2 years. This increase is required in order to provide senior leadership for the programs and activities of the Department's intelligence components, which include increased demand for intelligence support for the global war on terrorism, homeland defense, and other national security priorities; the Department of Defense's (DoD's) intelligence initiatives for improved all-source analysis, reform of the defense human intelligence program, development of information technology networks to support intelligence tasking, collection, analysis, and dissemination; and initiatives to improve coordination and communication throughout the intelligence community.

The current DISES authorization of 544 was set in section 1121 of the National Defense Authorization Act for Fiscal Year 2002. The number of Defense civilian intelligence authorizations increased from 37,500 in 2001 to 43,600 in 2005. DoD projects the authorization level will increase further to 50,000 in 2010. With an increase from 544 to 694 DISES, DISES as a percentage of the total civilian intelligence authorizations will remain relatively constant at 1.4 percent through 2010. The new DISES positions will be phased in over 2 years to ensure the positions are fully justified and well integrated at the agency level. No new funds are requested - components that fill the new positions will absorb the incremental cost in their civilian personnel accounts.

**SEC. \_\_\_\_ . MILITARY EXCHANGES: LOTTERY TICKETS.**

1 (a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at  
2 the end the following new section:

3 **"§ 2496. Military exchanges: lottery tickets**

4 "(a) AUTHORITY.—The Secretary of Defense may authorize the military exchanges to sell  
5 or exchange chances for any lottery authorized by State law and conducted under the authority of  
6 a State agency.

7 "(b) LIMITATIONS.—The authority in subsection (a) may be used only in States that have  
8 authorized lotteries. The Secretary may not authorize lottery ticket sales on a military reservation  
9 in competition with activities operated pursuant to the Randolph-Sheppard Act. The Secretary  
10 shall not use appropriated funds for any sales of lottery tickets."

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

13 "2496. Military exchanges: lottery tickets."

**Section-by-Section Analysis**

This section would permit the exchanges to generate earnings to replace slot machine income currently used by the Morale Welfare and Recreation programs projected to be lost as a result of the troop restationing policies in Europe and the Pacific. The income from the sales would insure continued quality of life enhancements.

The limitations portion of this section would prevent the Department of Defense from encroaching on lottery ticket sales already being provided under the existing authority granted to State Licensing Agencies for blind vendors under the Randolph-Sheppard Act. Presently, General Services Administration regulations and the Joint Ethics Regulation permit lottery ticket sales and purchases from blind vendors. Only slight modifications would be needed to include sales made by the exchanges. Moreover, this section would prevent the Secretary of Defense from using any appropriated funds for the sale of lottery tickets by the exchanges. Making the sale of lottery tickets subject to state control provides the necessary internal controls for the program.

**SEC. \_\_\_\_ . DENIAL OF MILITARY FUNERAL HONORS.**

(a) FUNERAL HONORS DETAIL.—Section 1491(a) of title 10, United States Code, is amended to read as follows:

"(a) AVAILABILITY OF FUNERAL HONORS DETAIL.—(1) The Secretary of Defense shall ensure that, upon request, a funeral honors detail is provided for the funeral of any veteran.

"(2) Notwithstanding paragraph (1), the Secretary shall not provide a funeral honors detail for the funeral of a veteran—

"(A)(i) who has been convicted of a Federal capital crime for which the person was sentenced to death or life imprisonment;

"(ii) who has been convicted of a State capital crime for which the person was sentenced to death or life imprisonment without parole; or

"(iii) who—

"(I) is found to have committed a Federal capital crime or a State capital crime, but

"(II) has not been convicted of such crime by reason of such person not being available for trial due to death or flight to avoid prosecution; or

"(B) described in section 985(a) of this title.

"(3) The Secretary is not required to provide a funeral honors detail for the funeral of a veteran when the circumstances surrounding the veteran's death would bring discredit upon the armed forces based on a conviction or commission of a Federal or State felony.

"(4) The provisions of paragraphs (2)(A) and (2)(B) shall not apply to persons who, having been convicted of a Federal capital crime or State capital crime, have been exonerated of having committed such crime."



(b) **MILITARY HONORS.**—Section 985(a) of such title is amended by adding at the end the following new sentence: "The Secretary concerned is not required to provide military honors at the funeral or burial of a person when the circumstances surrounding that person's death would bring discredit upon the armed forces based on a conviction or commission of a Federal or State felony."

(c) **CLERICAL AMENDMENTS.**—(1) The heading of section 985 of such title is amended to read as follows:

**"§ 985. Denial of certain burial-related benefits".**

(2) The table of sections at the beginning of chapter 49 of such title is amended by striking the item relating to section 985 and inserting the following:

"985. Denial of certain burial-related benefits."

### **Section-by-Section Analysis**

This section would expand the authority to deny funeral honors for a person when the circumstances surrounding that person's death would bring discredit upon the Armed Forces based on a conviction or commission of a Federal or State capital crime or felony. The Department of Defense currently has the authority to deny honors for individuals convicted of Federal or State capital crimes. This section would include denying honors for an individual killed while committing a capital crime or felony (*e.g.*, robbery, rape, dealing in drugs) or while serving a prison sentence for such an offense. When such individuals die, the news media often highlights their military service. The Armed Forces receive even more egregious publicity when such individuals receive honors at their funeral ceremony conducted on behalf of the Commander-in-Chief, the Service Chief and a grateful nation.

The inclusion of felonies as a reason for denying funeral honors would not affect the eligibility of persons for burial in a cemetery in the National Cemetery Administration, Arlington National Cemetery, the Soldiers' and Airmen's National Cemetery or in any other cemetery administered by the Secretary of a military department or the Secretary of Defense. Only the funeral honors ceremony would be denied. The purpose of this distinction is not to bring more grief to a family that is finalizing the veteran's burial arrangements, but to extend the prohibition for the provision of formal funeral details by uniformed military service members that "honor" those individuals who commit heinous crimes.