SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''John Warner National Defense Authorization Act for Fiscal Year 2007''.

(b) FINDINGS.—Congress makes the following findings:

(1) Senator John Warner of Virginia was elected a member of the United States Senate on November 7, 1978, for a full term beginning on January 3, 1979. He was subsequently appointed by the Governor of Virginia to fill a vacancy on January 2, 1979, and has served continuously since that date. He was appointed a member of the Committee on Armed Services in January 1979, and has served continuously on the Committee since that date, a period of nearly 28 years. Senator Warner's service on the Committee represents nearly half of its existence since it was established after World War II.

(2) Senator Warner came to the Senate and the Committee on Armed Services after a distinguished record of service to the Nation, including combat service in the Armed Forces and high civilian office.

(3) Senator Warner enlisted in the United States Navy upon graduation from high school in

1945, and served until the summer of 1946, when he was discharged as a Petty Officer 3rd Class. He then attended Washington and Lee University on the G.I. Bill. He graduated in 1949 and entered the University of Virginia Law School.

(4) Upon the outbreak of the Korean War in 1950, Senator Warner volunteered for active duty, interrupting his education to accept a commission in the United States Marine Corps. He served in combat in Korea as a ground officer in the First Marine Air Wing. Following his active service, he remained in the Marine Corps Reserve for several years, attaining the rank of captain.

(5) Senator Warner resumed his legal education upon returning from the Korean War and graduated from the University of Virginia Law School in 1953. He was selected by the late Chief Judge E. Barrett Prettyman of the United States Court of Appeals for the District of Columbia Circuit as his law clerk. After his service to Judge Prettyman, Senator Warner became an Assistant United States Attorney in the District of Columbia, and later entered private law practice.

(6) In 1969, the Senate gave its advice and consent to the appointment of Senator Warner as

Under Secretary of the Navy. He served in this position until 1972, when he was confirmed and appointed as the 61st Secretary of the Navy since the office was established in 1798. As Secretary, Senator Warner was the principal United States negotiator and signatory of the Incidents at Sea Executive Agreement with the Soviet Union, which was signed in 1972 and remains in effect today. It has served as the model for similar agreements between states covering the operation of naval ships and aircraft in international sea lanes throughout the world.

(7) Senator Warner left the Department of the Navy in 1974. His next public service was as Administrator of the American Revolution Bicentennial Commission. In this capacity, he coordinated the celebration of the Nation's founding, directing the Federal role in all 50 States and in over 20 foreign nations.

(8) Senator Warner has served as chairman of the Committee on Armed Services of the United States Senate from 1999 to 2001, and again since January 2003. He served as ranking minority member of the committee from 1987 to 1993, and again from 2001 to 2003. Senator Warner concludes his

service as chairman at the end of the 109th Congress, but will remain a member of the committee.

(9) This Act is the twenty-eighth annual authorization Act for the Department of Defense for which Senator Warner has taken a major responsibility as a member of the Committee on Armed Services of the United States Senate, and the fourteenth for which he has exercised a leadership role as chairman or ranking minority member of the committee.

(10) Senator Warner, as seaman, Marine officer, Under Secretary and Secretary of the Navy, and member, ranking minority member, and chairman of the Committee on Armed Services of the United States Senate, has made unique and lasting contributions to the national security of the United States.

(11) It is altogether fitting and proper that this Act, the last annual authorization Act for the national defense managed by Senator Warner in and for the United States Senate as chairman of the Committee on Armed Services, be named in his honor, as provided in subsection (a).

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

Sec. 111. Sense of Congress on future multiyear procurement authority for Family of Medium Tactical Vehicles.
Sec. 112. Multiyear procurement authority for MH-60R helicopters and mission equipment.
Sec. 113. Funding profile for Modular Force Initiative of the Army.
Sec. 114. Bridge to Future Networks program.
Sec. 115. Comptroller General report on the contract for the Future Combat Systems program.
Sec. 116. Priority for allocation of replacement equipment to operational units based on combat mission deployment schedule.

Subtitle C—Navy Programs

Sec. 121. CVN–21 class aircraft carrier procurement.
Sec. 122. Adherence to Navy cost estimates for CVN-21 class of aircraft carriers.
Sec. 123. Modification of limitation on total cost of procurement of CVN–77 aircraft carrier.
Sec. 124. Construction of first two vessels under the DDG–1000 Next-Generation Destroyer program.
Sec. 125. Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program.
Sec. 126. Cost limitation for San Antonio (LPD-17) class amphibious ship program.
Sec. 127. Multiyear procurement authority for V–22 tiltrotor aircraft program.
Sec. 128. Alternative technologies for future surface combatants.
Sec. 129. Sense of Congress regarding the size of the attack submarine force.
Sec. 130. Quality control in procurement of ship critical safety items and related services.

Subtitle D—Air Force Programs

Sec. 131. Bomber force structure.
Sec. 132. Strategic airlift force structure.
Sec. 133. Limitation on retirement of U–2 aircraft.
Sec. 134. Multiyear procurement authority for F–22A Raptor fighter aircraft.
Sec. 135. Limitation on retirement of KC-135E aircraft during fiscal year 2007.
Sec. 136. Limitation on retirement of F-117A aircraft during fiscal year 2007.
Sec. 137. Limitation on retirement of C–130E tactical airlift aircraft.
Sec. 138. Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006.
Sec. 139. Minuteman III intercontinental ballistic missile modernization.

Subtitle E—Joint and Multiservice Matters

Sec. 141. Clarification of limitation on initiation of new unmanned aerial vehicle systems.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Acquisition of, and independent cost analyses for, the Joint Strike Fighter propulsion system.
Sec. 212. Expansion and extension of authority to award prizes for advanced technology achievements.
Sec. 213. Defense Acquisition Challenge Program extension, enhancement, and modification to address critical cost growth threshold breaches in major defense acquisition programs.
Sec. 214. Future Combat Systems milestone review.

Sec. 215. Dedicated amounts for implementing or evaluating Navy shipbuilding technology proposals under Defense Acquisition Challenge Program.
Sec. 216. Independent estimate of costs of the Future Combat Systems.
Sec. 217. Funding of defense science and technology programs.
Sec. 218. Hypersonics development.
Sec. 219. Report on program for replacement of nuclear warheads on certain Trident sea-launched ballistic missiles with conventional warheads.

Subtitle C—Missile Defense Programs

Sec. 221. Fielding of ballistic missile defense capabilities.
Sec. 222. Limitation on use of funds for space-based interceptor.
Sec. 223. Policy of the United States on priorities in the development, testing, and fielding of missile defense capabilities.
Sec. 224. One-year extension of Comptroller General assessments of ballistic missile defense programs.
Sec. 225. Submittal of plans for test and evaluation of the operational capability of the Ballistic Missile Defense System.
Sec. 226. Annual reports on transition of ballistic missile defense programs to the military departments.

Subtitle D—Other Matters

Sec. 231. Policies and practices on test and evaluation to address emerging acquisition approaches.
Sec. 232. Extension of requirement for Global Research Watch Program.
Sec. 233. Sense of Congress on technology sharing of Joint Strike Fighter technology.
Sec. 234. Report on vehicle-based active protection systems for certain battlefield threats.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Other Department of Defense programs.

Subtitle B—Environmental Provisions

Sec. 311. Revision of requirement for unexploded ordnance program manager.
Sec. 312. Funding of cooperative agreements under environmental restoration program.
Sec. 313. Response plan for remediation of unexploded ordnance, discarded military munitions, and munitions constituents.
Sec. 314. Research on effects of ocean disposal of munitions.
Sec. 315. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
Sec. 316. Transfer of Government-furnished uranium stored at Sequoyah Fuels Corporation, Gore, Oklahoma.
Sec. 317. Extension of authority to grant exemptions to certain requirements.
Sec. 318. National Academy of Sciences study on human exposure to contaminated drinking water at Camp Lejeune, North Carolina.

Subtitle C—Program Requirements, Restrictions, and Limitations

Sec. 321. Limitation on financial management improvement and audit initiatives within the Department of Defense.
Sec. 322. Funds for exhibits for the national museums of the Armed Forces.
Sec. 323. Prioritization of funds for equipment readiness and strategic capability.
Sec. 324. Limitation on deployment of Marine Corps Total Force System to Navy.

Subtitle D—Workplace and Depot Issues

Sec. 331. Permanent exclusion of certain contract expenditures from percentage limitation on the performance of depot-level maintenance.
Sec. 332. Minimum capital investment for certain depots.
Sec. 333. Extension of temporary authority for contractor performance of security guard functions.

Subtitle E—Reports

Sec. 341. Report on Navy Fleet Response Plan.
Sec. 342. Report on Navy surface ship rotational crew programs.
Sec. 343. Report on Army live-fire ranges in Hawaii.
Sec. 344. Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations.
Sec. 345. Comptroller General report on readiness of Army and Marine Corps ground forces.
Sec. 346. Report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.
Sec. 347. Annual report on Personnel Security Investigations for Industry and National Industrial Security Program.
Sec. 348. Five-year extension of annual report on training range sustainment plan and training range inventory.
Sec. 349. Reports on withdrawal or diversion of equipment from reserve units for support of reserve units being mobilized and other units.

Subtitle F—Other Matters

Sec. 351. Department of Defense strategic policy on prepositioning of materiel and equipment.
Sec. 352. Authority to make Department of Defense horses available for adoption.
Sec. 353. Sale and use of proceeds of recyclable munitions materials.
Sec. 354. Recovery and transfer to Corporation for the Promotion of Rifle Practice and Firearms Safety of certain firearms, ammunition, and parts granted to foreign countries.
Sec. 355. Extension of Department of Defense telecommunications benefit program.
Sec. 356. Extension of availability of funds for commemoration of success of the Armed Forces in Operation Enduring Freedom and Operation Iraqi Freedom.
Sec. 357. Capital security cost sharing.
Sec. 358. Utilization of fuel cells as back-up power systems in Department of Defense operations.
Sec. 359. Improving Department of Defense support for civil authorities.
Sec. 360. Energy efficiency in weapons platforms.

Sec. 361. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.
Sec. 362. Provision of adequate storage space to secure personal property outside of assigned military family housing unit.
Sec. 363. Expansion of payment of replacement value of personal property damaged during transport at Government expense.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

Sec. 501. Military status of officers serving in certain intelligence community positions.
Sec. 502. Extension of age for mandatory retirement for active-duty general and flag officers.
Sec. 503. Increased mandatory retirement ages for reserve officers.
Sec. 504. Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army.
Sec. 505. Management of chief warrant officers.
Sec. 506. Extension of temporary reduction of time-in-grade requirement for eligibility for promotion for certain active-duty list officers in grades of first lieutenant and lieutenant (junior grade).
Sec. 507. Grade and exclusion from active-duty general and flag officer distribution and strength limitations of officer serving as Attending Physician to the Congress.
Sec. 508. Modification of qualifications for leadership of the Naval Postgraduate School.

Part II—Officer Promotion Policy

Sec. 511. Revisions to authorities relating to authorized delays of officer promotions.

Sec. 512. Consideration of adverse information by selection boards in recommendations on officers to be promoted.
Sec. 513. Expanded authority for removal from reports of selection boards of officers recommended for promotion to grades below general and flag grades.
Sec. 514. Special selection board authorities.
Sec. 515. Removal from promotion list of officers not promoted within 18 months of approval of list by the President.

PART III—JOINT OFFICER MANAGEMENT REQUIREMENTS

Sec. 516. Modification and enhancement of general authorities on management of officers who are joint qualified.
Sec. 517. Modification of promotion policy objectives for joint officers.
Sec. 518. Applicability of joint duty assignment requirements limited to graduates of National Defense University schools.
Sec. 519. Modification of certain definitions relating to jointness.

Subtitle B—Reserve Component Matters

PART I—RESERVE COMPONENT MANAGEMENT

Sec. 521. Recognition of former Representative G. V. 'Sonny' Montgomery for his 30 years of service in the House of Representatives.
Sec. 522. Revisions to reserve call-up authority.
Sec. 523. Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001.

PART II—AUTHORITIES RELATING TO GUARD AND RESERVE DUTY

Sec. 524. Title 10 definition of Active Guard and Reserve duty.
Sec. 525. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.
Sec. 526. Governor's authority to order members to Active Guard and Reserve duty.
Sec. 527. Expansion of operations of civil support teams.
Sec. 528. Modification of authorities relating to the Commission on the National Guard and Reserves.
Sec. 529. Additional matters to be reviewed by Commission on the National Guard and Reserves.

Subtitle C—Education and Training

PART I—SERVICE ACADEMIES

Sec. 531. Expansion of service academy exchange programs with foreign military academies.
Sec. 532. Revision and clarification of requirements with respect to surveys and reports concerning sexual harassment and sexual violence at the service academies.
Sec. 533. Department of Defense policy on service academy and ROTC graduates seeking to participate in professional sports before completion of their active-duty service obligations.

PART II—SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAMS

Sec. 535. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.
Sec. 536. Detail of commissioned officers as students at medical schools.
Sec. 537. Increase in maximum amount of repayment under education loan repayment for officers in specified health professions.
Sec. 538. Health Professions Scholarship and Financial Assistance Program for Active Service.

PART III—JUNIOR ROTC PROGRAM

Sec. 539. Junior Reserve Officers' Training Corps instructor qualifications.
Sec. 540. Expansion of members eligible to be employed to provide Junior Reserve Officers' Training Corps instruction.
Sec. 541. Expansion of Junior Reserve Officers' Training Corps program.
Sec. 542. Review of legal status of Junior ROTC program.

PART IV—OTHER EDUCATION AND TRAINING PROGRAMS

Sec. 543. Expanded eligibility for enlisted members for instruction at Naval Postgraduate School.

Subtitle D—General Service Authorities

Sec. 546. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).
Sec. 547. Clarification of nondisclosure requirements applicable to certain selection board proceedings.
Sec. 548. Report on extent of provision of timely notice of long-term deployments.

Subtitle E—Military Justice Matters

Sec. 551. Applicability of Uniform Code of Military Justice to members of the Armed Forces ordered to duty overseas in inactive duty for training status.
Sec. 552. Clarification of application of Uniform Code of Military Justice during a time of war.

Subtitle F—Decorations and Awards

Sec. 555. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.
Sec. 556. Review of eligibility of prisoners of war for award of the Purple Heart.
Sec. 557. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

Sec. 561. Authority for retention after separation from service of assistive technology and devices provided while on active duty.
Sec. 562. Transportation of remains of casualties dying in a theater of combat operations.

Sec. 563. Annual budget display of funds for POW/MIA activities of Department of Defense.
Sec. 564. Military Severely Injured Center.
Sec. 565. Comprehensive review on procedures of the Department of Defense on mortuary affairs.
Sec. 566. Additional elements of policy on casualty assistance to survivors of military decedents.
Sec. 567. Requirement for deploying military medical personnel to be trained in preservation of remains under combat or combat-related conditions.

Subtitle H—Impact Aid and Defense Dependents Education System

Sec. 571. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.
Sec. 572. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 573. Impact aid for children with severe disabilities.
Sec. 574. Plan and authority to assist local educational agencies experiencing growth in enrollment due to force structure changes, relocation of military units, or base closures and realignments.
Sec. 575. Pilot program on parent education to promote early childhood education for dependent children affected by military deployment or relocation of military units.

Subtitle I—Armed Forces Retirement Home

Sec. 578. Report on leadership and management of the Armed Forces Retirement Home.
Sec. 579. Report on Local Boards of Trustees of the Armed Forces Retirement Home.

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Sec. 581. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
Sec. 582. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
Sec. 583. Inclusion in annual Department of Defense report on sexual assaults of information on results of disciplinary actions.
Sec. 584. Report on provision of electronic copy of military records on discharge or release of members from the Armed Forces.
Sec. 585. Report on omission of social security account numbers from military identification cards.
Sec. 586. Report on maintenance and protection of data held by the Secretary of Defense as part of the Department of Defense Joint Advertising, Market Research and Studies (JAMRS) program.
Sec. 587. Comptroller General report on military conscientious objectors.

Subtitle K—Other Matters

Sec. 591. Modification in Department of Defense contributions to Military Retirement Fund.
Sec. 592. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.

Sec. 593. Dental Corps of the Navy Bureau of Medicine and Surgery.
Sec. 594. Permanent authority for presentation of recognition items for recruitment and retention purposes.
Sec. 595. Persons authorized to administer enlistment and appointment oaths.
Sec. 596. Military voting matters.
Sec. 597. Physical evaluation boards.
Sec. 598. Military ID cards for retiree dependents who are permanently disabled.
Sec. 599. United States Marine Band and United States Marine Drum and Bugle Corps.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

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Sec. 601. Fiscal year 2007 increase in military basic pay and reform of basic pay rates.
Sec. 602. Increase in maximum rate of basic pay for general and flag officer grades to conform to increase in pay cap for Senior Executive Service personnel.
Sec. 603. One-year extension of prohibition against requiring certain injured members to pay for meals provided by military treatment facilities.
Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
Sec. 606. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.
Sec. 607. Clarification of effective date of prohibition on compensation for correspondence courses.
Sec. 608. Extension of pilot program on contributions to Thrift Savings Plan for initial enlistees in the Army.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonus and special pay authorities for health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 615. Expansion of eligibility of dental officers for additional special pay.
Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 617. Expansion and enhancement of accession bonus authorities for certain officers in health care specialities.
Sec. 618. Authority to provide lump sum payment of nuclear officer incentive pay.
Sec. 619. Increase in maximum amount of nuclear career accession bonus.

Sec. 620. Increase in maximum amount of incentive bonus for transfer between Armed Forces.
Sec. 621. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.
Sec. 622. Accession bonus for members of the Armed Forces appointed as commissioned officers after completing officer candidate school.
Sec. 623. Modification of certain authorities applicable to the targeted shaping of the Armed Forces.
Sec. 624. Enhancement of bonus to encourage certain persons to refer other persons for enlistment in the Army.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Retired pay of general and flag officers to be based on rates of basic pay provided by law.
Sec. 642. Inapplicability of retired pay multiplier maximum percentage to certain service of members of the Armed Forces in excess of 30 years.
Sec. 643. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.
Sec. 644. Modification of eligibility for commencement of authority for optional annuities for dependents under the Survivor Benefit Plan.
Sec. 645. Study of training costs, manning, operations tempo, and other factors that affect retention of members of the Armed Forces with special operations designations.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 661. Treatment of price surcharges of certain merchandise sold at commissary stores.
Sec. 662. Limitations on lease of non-excess Department of Defense property for protection of morale, welfare, and recreation activities and revenue.
Sec. 663. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.
Sec. 664. Study and report regarding access of disabled persons to morale, welfare, and recreation facilities and activities.

Subtitle F—Other Matters

Sec. 670. Limitations on terms of consumer credit extended to servicemembers and dependents.
Sec. 671. Enhancement of authority to waive claims for overpayment of pay and allowances and travel and transportation allowances.
Sec. 672. Exception for notice to consumer reporting agencies regarding debts or erroneous payments pending a decision to waive, remit, or cancel.

Sec. 673. Expansion and enhancement of authority to remit or cancel indebtedness of members and former members of the Armed Forces incurred on active duty.
Sec. 674. Phased recovery of overpayments of pay made to members of the uniformed services.
Sec. 675. Joint family support assistance program.
Sec. 676. Special working group on transition to civilian employment of National Guard and Reserve members returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 677. Audit of pay accounts of members of the Army evacuated from a combat zone for inpatient care.
Sec. 678. Report on eligibility and provision of assignment incentive pay.
Sec. 679. Sense of Congress calling for payment to World War II veterans who survived Bataan Death March.

TITLE VII—HEALTH CARE PROVISIONS

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Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
Sec. 703. Improvements to descriptions of cancer screening for women.
Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
Sec. 705. Demonstration project on coverage of selected over-the-counter drugs under the pharmacy benefits program.
Sec. 706. Expanded eligibility of Selected Reserve members under TRICARE program.
Sec. 707. Relationship between the TRICARE program and employer-sponsored group health care plans.
Sec. 708. Temporary prohibition on increase in copayments under retail pharmacy system of pharmacy benefits program.

Subtitle B—Studies and Reports

Sec. 711. Department of Defense task force on the future of military health care.
Sec. 712. Study relating to chiropractic health care services.
Sec. 713. Comptroller General audits of Department of Defense health care costs and cost-saving measures.
Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
Sec. 715. Study on allowing dependents of activated members of reserve components to retain civilian health care coverage.
Sec. 716. Study of health effects of exposure to depleted uranium.
Sec. 717. Report and plan on services to military dependent children with autism.
Sec. 718. Comptroller General study on Department of Defense pharmacy benefits program.
Sec. 719. Review of Department of Defense medical quality improvement program.
Sec. 720. Report on distribution of hemostatic agents for use in the field.

Sec. 721. Longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.

Subtitle C—Planning, Programming, and Management

Sec. 731. Standardization of claims processing under TRICARE program and Medicare program.
Sec. 732. Requirements for support of military treatment facilities by civilian contractors under TRICARE.
Sec. 733. Standards and tracking of access to health care services for wounded, injured, or ill servicemembers returning to the United States from a combat zone.
Sec. 734. Disease and chronic care management.
Sec. 735. Additional elements of assessment of Department of Defense task force on mental health relating to mental health of members who were deployed in Operation Iraqi Freedom and Operation Enduring Freedom.
Sec. 736. Additional authorized option periods for extension of current contracts under TRICARE.
Sec. 737. Military vaccination matters.
Sec. 738. Enhanced mental health screening and services for members of the Armed Forces.

Subtitle D—Other Matters

Sec. 741. Pilot projects on early diagnosis and treatment of post traumatic stress disorder and other mental health conditions.
Sec. 742. Requirement to certify and report on conversion of military medical and dental positions to civilian medical and dental positions.
Sec. 743. Three-year extension of joint incentives program on sharing of health care resources by the Department of Defense and Department of Veterans Affairs.
Sec. 744. Training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury.
Sec. 745. Recognition of Representative Lane Evans upon his retirement from the House of Representatives.

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

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Sec. 801. Requirements management certification training program.
Sec. 802. Additional requirements relating to technical data rights.
Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.
Sec. 804. Biannual updates on implementation of acquisition reform in the Department of Defense.
Sec. 805. Additional certification requirements for major defense acquisition programs before proceeding to Milestone B.
Sec. 806. Original baseline estimate for major defense acquisition programs.
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Subtitle B—Acquisition Policy and Management

Sec. 811. Time-certain development for Department of Defense information technology business systems.
Sec. 812. Pilot program on time-certain development in acquisition of major weapon systems.
Sec. 813. Establishment of Panel on Contracting Integrity.
Sec. 814. Linking of award and incentive fees to acquisition outcomes.
Sec. 815. Report on defense instruction relating to contractor personnel authorized to accompany Armed Forces.
Sec. 816. Major automated information system programs.
Sec. 817. Internal controls for procurements on behalf of the Department of Defense by certain non-defense agencies.
Sec. 818. Determination of contract type for development programs.
Sec. 819. Three-year extension of requirement for reports on commercial price trend analyses of the Department of Defense.
Sec. 820. Government performance of critical acquisition functions.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 831. One-year extension of special temporary contract closeout authority.
Sec. 832. Limitation on contracts for the acquisition of certain services.
Sec. 833. Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack.
Sec. 834. Waivers to extend task order contracts for advisory and assistance services.

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Sec. 841. Assessment and annual report of United States defense industrial base capabilities and acquisitions of articles, materials, and supplies manufactured outside the United States.
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Sec. 851. Report on former Department of Defense officials employed by contractors of the Department of Defense.
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Sec. 853. Program manager empowerment and accountability.
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Sec. 855. Clarification of authority to carry out certain prototype projects.
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Sec. 905. Oversight by Office of Under Secretary of Defense for Acquisition, Technology, and Logistics of exercise of acquisition authority by combatant commanders and heads of Defense Agencies.
Sec. 906. Standardization of statutory references to ''national security system'' within laws applicable to Department of Defense.
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Sec. 2825. Consolidation of laws relating to transfer of Department of Defense real property within the Department of Defense and to other Federal agencies.
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Subtitle C—Base Closure and Realignment

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Sec. 2864. Modification of certain transportation projects.
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DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

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Sec. 3121. Report on Russian Surplus Fissile Materials Disposition Program.
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Sec. 3504. Vessel transfer authority.
Sec. 3505. United States Merchant Marine Academy graduates: service requirements.
Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.
Sec. 3507. Temporary authority to transfer obsolete combatant vessels to Navy for disposal.
Sec. 3508. Qualifying Reserve duty for receipt of student incentive payments.
Sec. 3509. Large passenger ship crew requirements.
Sec. 3510. Miscellaneous Maritime Administration provisions.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

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111. Sense of Congress on future multiyear procurement authority for Family of Medium Tactical Vehicles.
112. Multiyear procurement authority for MH-60R helicopters and mission equipment.
113. Funding profile for Modular Force Initiative of the Army.
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115. Comptroller General report on the contract for the Future Combat Systems program.
116. Priority for allocation of replacement equipment to operational units based on combat mission deployment schedule.

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121. CVN–21 class aircraft carrier procurement.

122. Adherence to Navy cost estimates for CVN–21 class of aircraft carriers.
123. Modification of limitation on total cost of procurement of CVN–77 aircraft carrier.
124. Construction of first two vessels under the DDG–1000 Next-Generation Destroyer program.
125. Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program.
126. Cost limitation for San Antonio (LPD-17) class amphibious ship program.
127. Multiyear procurement authority for V–22 tiltrotor aircraft program.
128. Alternative technologies for future surface combatants.
129. Sense of Congress regarding the size of the attack submarine force.
130. Quality control in procurement of ship critical safety items and related services.

Subtitle D—Air Force Programs

131. Bomber force structure.
132. Strategic airlift force structure.
133. Limitation on retirement of U–2 aircraft.
134. Multiyear procurement authority for F–22A Raptor fighter aircraft.
135. Limitation on retirement of KC-135E aircraft during fiscal year 2007.
136. Limitation on retirement of F-117A aircraft during fiscal year 2007.
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138. Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006.
139. Minuteman III intercontinental ballistic missile modernization.

Subtitle E—Joint and Multiservice Matters

141. Clarification of limitation on initiation of new unmanned aerial vehicle systems.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Army as follows:

(1) For aircraft, $3,451,429,000.

(2) For missiles, $1,328,859,000.

(3) For weapons and tracked combat vehicles, $2,278,604,000.

(4) For ammunition, $1,984,325,000.

(5) For other procurement, $7,687,502,000.

(6) For National Guard Equipment, $318,000,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,734,071,000.

(2) For weapons, including missiles and torpedoes, $2,549,020,000.

(3) For shipbuilding and conversion, $11,021,553,000.

(4) For other procurement, $4,995,033,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,253,813,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $797,943,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $12,179,154,000.

(2) For ammunition, $1,072,749,000.

(3) For missiles, $4,171,886,000.

(4) For other procurement, $15,443,286,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,886,361,000.

Subtitle B—Army Programs

SEC. 111. SENSE OF CONGRESS ON FUTURE MULTIYEAR PROCUREMENT AUTHORITY FOR FAMILY OF MEDIUM TACTICAL VEHICLES.

(a) FUTURE ACQUISITION STRATEGY.—It is the sense of Congress that, as part of the Army's planning, programming, and budgeting process for fiscal year 2008, the Secretary of the Army should request from Congress authority by law to enter into a multiyear procurement (MYP) contract for the Family of Medium Tactical Vehicles (FMTV) program and that, in support of such request, the Secretary should submit to Congress the necessary justification materials required by law to justify a multiyear procurement (MYP) contract, including the material required by section 2306b of title 10, United States Code.

(b) INCORPORATION OF PRODUCT IMPROVEMENTS.—It is the sense of Congress that any proposal by the Secretary of the Army for multiyear procurement authority

for procurement of vehicles under the Family of Medium Tactical Vehicles program should provide for incorporation into the vehicles to be procured through such authority of improvements from—

(1) lessons learned from operations involving the Global War on Terrorism; and

(2) product improvement programs carried out for the Family of Medium Tactical Vehicles program in the areas of force protection, survivability, reliability, network communications, situational awareness, and safety.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR MH-60R HELICOPTERS AND MISSION EQUIPMENT.

(a) MH-60R HELICOPTER.—Subject to subsection (c), the Secretary of the Army, acting as executive agent for the Department of the Navy, may enter into a multiyear contract for the procurement of MH-60R helicopters.

(b) MH-60R HELICOPTER MISSION EQUIPMENT.—Subject to subsection (c), the Secretary of the Navy may enter into a multiyear contract for the procurement of MH-60R helicopter mission equipment for the helicopters covered by a multiyear contract under subsection (a).

(c) CONTRACT REQUIREMENTS.—Any multiyear contract under this section—

(1) shall be entered into in accordance with section 2306b of title 10, United States Code, and shall commence with the fiscal year 2007 program year; and

(2) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose.

SEC. 113. FUNDING PROFILE FOR MODULAR FORCE INITIATIVE OF THE ARMY.

The Secretary of the Army shall set forth in the budget presentation materials of the Army submitted to Congress in support of the President's budget for any fiscal year after fiscal year 2007, and in other relevant materials submitted to Congress with respect to the budget of the Army for any such fiscal year, all amounts for procurement for the M1A2 Abrams tank System Enhancement Program (SEP) and for the Bradley A3 fighting vehicle as elements within the amounts requested for the Modular Force Initiative of the Army, in accordance with the report of the Army titled ''The Army Modular Force Initiative'', submitted to Congress in March 2006.

SEC. 114. BRIDGE TO FUTURE NETWORKS PROGRAM.

(a) LIMITATION ON FISCAL YEAR 2007 AMOUNT.—Of the amount authorized to be appropriated for the Army

for fiscal year 2007 for Other Procurement, Army, that is available for the program of the Army designated as the Bridge to Future Networks, not more than 75 percent shall be made available for obligation until the Secretary of the Army submits to the congressional defense committees a report on that program that includes the matters specified in subsection (b).

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include the following:

(1) An analysis of how the systems specified in subsection (c) will fit together, including, for each such system, an analysis of whether there are opportunities to leverage technologies and equipment from that system as part of the development of the other systems.

(2) A description of the extent to which components of the systems specified in subsection (c) could be used together as elements of a single tactical network.

(3) A description of the strategy of the Army for completing the systems engineering necessary to ensure the end-to-end interoperability of a single tactical network referred to in paragraph (2).

(4) An assessment of the costs of acquiring each of the systems specified in subsection (c).

(5) An assessment of the technical compatibility of the systems specified in subsection (c).

(6) A description of the plans of the Army for fielding the systems specified in subsection (c).

(7) A description of the plans of the Army for sustaining the Joint Network Node through fiscal year 2020 and an assessment of the need to upgrade its technologies and equipment.

(8) A description of the plans of the Army for the insertion of new technology into the Joint Network Node.

(c) SPECIFIED SYSTEMS.—The systems referred to in subsection (b) are as follows:

(1) The Joint Network Node (JNN) element of the Bridge to Future Networks program.

(2) The Warfighter Information Network-Tactical (WIN-T) program.

(3) The Mounted Battle Command On-the-Move (MBCOTM) system.

SEC. 115. COMPTROLLER GENERAL REPORT ON THE CONTRACT FOR THE FUTURE COMBAT SYSTEMS PROGRAM.

(a) REPORT REQUIRED.—Not later than March 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report

on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the Future Combat Systems.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the responsibilities of the lead systems integrator in managing the Future Combat Systems program under the contract for the Future Combat Systems, and an assessment of the manner in which such responsibilities differ from the typical responsibilities of a lead systems integrator under acquisition contracts of the Department of Defense.

(2) A description and assessment of the responsibilities of the Army in managing the Future Combat Systems program, including oversight of the activities of the lead systems integrator and the decisions made by the lead systems integrator.

(3) An assessment of the manner in which the Army—

(A) ensures that the lead systems integrator meets goals for the Future Combat Systems in a timely manner; and

(B) evaluates the extent to which such goals are met.

(4) An identification of the mechanisms in place to ensure the protection of the interests of the United States in the Future Combat Systems program.

(5) An identification of the mechanisms in place to mitigate organizational conflicts of interest with respect to competition on Future Combat Systems technologies and equipment under subcontracts under the Future Combat Systems program.

SEC. 116. PRIORITY FOR ALLOCATION OF REPLACEMENT EQUIPMENT TO OPERATIONAL UNITS BASED ON COMBAT MISSION DEPLOYMENT SCHEDULE.

The Secretary of Defense shall ensure that priority for the distribution of new and combat-serviceable replacement equipment acquired using funds authorized to be appropriated by this title (together with associated support and test equipment) is given to operational units (regardless of component) based on combat mission deployment schedule.

Subtitle C—Navy Programs

SEC. 121. CVN–21 CLASS AIRCRAFT CARRIER PROCUREMENT.

(a) CONTRACT AUTHORITY FOR CONSTRUCTION.—In the fiscal year immediately following the last fiscal year of the contract for advance procurement for a CVN–21 class aircraft carrier designated CVN–78, CVN–79, or CVN–80, as applicable, the Secretary may enter into a contract for the construction of such aircraft carrier to be funded in the fiscal year of such contract for construction and the succeeding three fiscal years.

(b) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for any subsequent fiscal year is subject to the availability of appropriations for that purpose for such subsequent fiscal year.

(c) REPEAL OF SUPERCEDED PROVISION.—Section 128 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3159) is repealed.

SEC. 122. ADHERENCE TO NAVY COST ESTIMATES FOR CVN–21 CLASS OF AIRCRAFT CARRIERS.

(a) LIMITATION.—

(1) LEAD SHIP.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the aircraft carrier designated as CVN–21 may not exceed $10,500,000,000 (as adjusted pursuant to subsection (b)).

(2) FOLLOW-ON SHIPS.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the construction of any ship that is constructed in the CVN–21 class of aircraft carriers after the lead ship of that class may not exceed $8,100,000,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed in the CVN–21 class of aircraft carriers by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in

Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined in the approved acquisition program baseline estimate of December 2005.

(5) The amounts of increases or decreases to nonrecurring design and engineering cost attributable to achieving compliance with the cost limitation.

(6) The amounts of increases or decreases to cost required to correct deficiencies that may affect the safety of the ship and personnel or otherwise preclude the ship from safe operations and crew certification.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 123. MODIFICATION OF LIMITATION ON TOTAL COST OF PROCUREMENT OF CVN–77 AIRCRAFT CARRIER.

Section 122(f)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1650) is amended by striking ''$4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan)'' and inserting ''$6,057,000,000''.

SEC. 124. CONSTRUCTION OF FIRST TWO VESSELS UNDER THE DDG–1000 NEXT-GENERATION DESTROYER PROGRAM.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 may be available for the construction of the first two vessels under the DDG–1000 Next-Generation Destroyer program.

(b) CONTRACT AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy may enter into a contract beginning with the fiscal year 2007 program year for procurement of each of the first two vessels under the DDG–1000 Next-Generation Destroyer program.

(2) LIMITATION.—Not more than one contract described in paragraph (1) may be awarded under that paragraph to a single shipyard.

(3) SPLIT FUNDING AUTHORIZED.—Each contract under paragraph (1) shall contemplate funding for the procurement of a vessel under such contract using a combination of funds appropriated for fiscal year 2007 and funds appropriated for fiscal year 2008.

(4) CONDITION ON OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2007 is subject to the availability of appropriations for that purpose for such fiscal year.

(c) SENSE OF CONGRESS ON FUNDING FOR FOLLOW-ON SHIPS.—It is the sense of Congress that there is sufficient benefit to authorizing the one-time exception provided in this section to the full funding policy in order to support the competitive procurement of the follow-on ships of the DDG–1000 Next-Generation Destroyer program. However, it is the expectation of Congress that the Secretary of the Navy will structure the DDG–1000 pro-

gram so that each ship, after the first two ships, is procured using the method of full funding in a single year.

SEC. 125. ADHERENCE TO NAVY COST ESTIMATES FOR LHA REPLACEMENT AMPHIBIOUS ASSAULT SHIP PROGRAM.

(a) LIMITATION.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for procurement of any ship that is constructed under the LHA Replacement (LHA(R)) amphibious assault ship program may not exceed $2,813,600,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed under the LHA Replacement amphibious assault ship program by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined at the development stage referred to as Milestone B.

(5) The amounts of increases or decreases to nonrecurring design and engineering cost attributable to achieving compliance with the cost limitation.

(6) The amounts of increases or decreases to cost required to correct deficiencies that may affect the safety of the ship and personnel or otherwise preclude the ship from safe operations and crew certification.

(7) Contract cost adjustments directly attributed to the effect of Hurricane Katrina in August 2005 or other force majeure contract modifications.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 126. COST LIMITATION FOR SAN ANTONIO (LPD-17) CLASS AMPHIBIOUS SHIP PROGRAM.

(a) LIMITATION.—

(1) PROCUREMENT COST.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, for the San Antonio-class amphibious ships designated as LPD–22, LPD–23, LPD–24, and LPD–25 may not exceed the amount for each such vessel specified in paragraph (2).

(2) SPECIFIED COST LIMIT BY VESSEL.—The limitation under this subsection for each vessel specified in paragraph (1) is the following:

(A) For the LPD–22 ship, $1,523,000,000 (as adjusted pursuant to subsection (b)).

(B) For the LPD–23 ship, $1,477,000,000 (as adjusted pursuant to subsection (b)).

(C) For the LPD–24 ship, $1,633,000,000 (as adjusted pursuant to subsection (b)).

(D) For the LPD–25 ship, $1,927,000,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNTS.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship specified in that subsection by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology built into the U.S.S. San Antonio (LPD–17), the lead ship of the LPD–17 class.

(5) Contract cost adjustments directly attributed to the effect of Hurricane Katrina in August 2005 or other force majeure contract modifications.

(6) The amounts of closeout costs associated with completion of the LPD–17 class program.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for any LPD–17 class ship with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 127. MULTIYEAR PROCUREMENT AUTHORITY FOR V–22 TILTROTOR AIRCRAFT PROGRAM.

The Secretary of the Navy, in accordance with section 2306b of title 10, United States Code, and acting as executive agent for the Secretary of the Air Force and the commander of the United States Special Operations Command, may enter into a multiyear contract, beginning with the fiscal year 2008 program year, for procurement of V–22 tiltrotor aircraft.

SEC. 128. ALTERNATIVE TECHNOLOGIES FOR FUTURE SURFACE COMBATANTS.

(a) FINDINGS.—Congress makes the following findings:

(1) Securing and maintaining access to affordable and plentiful sources of energy is a vital national security interest for the United States.

(2) The Nation's dependence upon foreign oil is a threat to national security due to the inherently volatile nature of the global oil market and the political instability of some of the world's largest oil producing states.

(3) Given the recent increase in the cost of crude oil, which cannot realistically be expected to improve over the long term, other energy sources must be seriously considered.

(4) Alternate propulsion sources such as nuclear power offer many advantages over conventional power for major surface combatant ships of the Navy, including—

(A) virtually unlimited high-speed endurance;

(B) elimination of vulnerable refueling; and

(C) reduction in the requirement for replenishment vessels and the need to protect those vessels.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the Navy should make greater use of alternative technologies, including expanded application of integrated power systems, fuel cells, and nuclear power, for propulsion of future major surface combatant ships.

(c) REQUIREMENT.—The Secretary of the Navy shall include integrated power systems, fuel cells, and nuclear power as propulsion alternatives to be evaluated within the analysis of alternatives for future major surface combatant ships.

SEC. 129. SENSE OF CONGRESS REGARDING THE SIZE OF THE ATTACK SUBMARINE FORCE.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States Navy must be large enough, agile enough, and lethal enough to deter any threat and defeat any foe.

(2) The proliferation of modern nuclear and nonnuclear submarines in the navies of nations around the globe will make undersea superiority a more significant challenge in the future.

(3) The unique combination of firepower, stealth, sensors, and communications equipment contained in a modern attack submarine make the attack submarine a critical component of the Armed Forces of the United States.

(4) The report entitled ''Report to Congress on Annual Long-Range Plan for Construction of Naval Vessels for fiscal year 2007'', submitted to Congress by the Secretary of the Navy pursuant to section 231 of title 10, United States Code—

(A) identifies future naval force structure requirements indexed to Department of Defense fiscal year 2020 threat assessments and compliant with the Fiscal Year 2006 Quadrennial Defense Review and, with respect to the attack submarine force, identifies a need for the Navy to maintain a fleet of not less than 48 attack submarines; and

(B) projects that the attack submarine force will fall below 48 vessels between 2020 and 2032.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the Secretary of the Navy should take all reasonable effort to accelerate the construction of Virginia Class submarines to maintain the attack submarine force structure at not less than 48 submarines and (if the number of attack submarines should fall below 48), to minimize the period the attack submarine force remains below 48 vessels.

SEC. 130. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of the following:

(1) Ship critical safety items.

(2) Modifications, repair, and overhaul of ship critical safety items.

(b) ELEMENTS.—The policy required under subsection (a) shall include requirements as follows:

(1) That the head of the design control activity for ship critical safety items establish processes to

identify and manage the procurement, modification, repair, and overhaul of such items.

(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source on a qualified manufacturers list or a source approved by the design control activity in accordance with section 2319 of title 10, United States Code (as amended by subsection (d)).

(3) That the ship critical safety items delivered, and the services performed with respect to such items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms ''ship critical safety item'' and ''design control activity'' have the meanings given such terms in subsection (g) of 2319 of title 10, United States Code (as so amended).

(d) CONFORMING AMENDMENTS.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting ''or ship critical safety item'' after ''aviation critical safety item''; and

(2) in subsection (g)—

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

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

''(2) The term 'ship critical safety item' means any ship part, assembly, or support equipment containing a characteristic the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship or unacceptable risk of personal injury or loss of life.''; and

(C) in paragraph (3), as so redesignated—

(i) by inserting ''or ship critical safety item'' after ''aviation critical safety item'';

(ii) by inserting '', or the seaworthiness of a ship or ship equipment,'' after ''equipment''; and

(iii) by striking ''the item'' and inserting ''such item''.

Subtitle D—Air Force Programs

SEC. 131. BOMBER FORCE STRUCTURE.

(a) REQUIREMENT FOR B–52 FORCE STRUCTURE.—

(1) RETIREMENT LIMITATION.—During the B–52 retirement limitation period, the Secretary of the Air Force—

(A) may not retire more than 18 B–52 aircraft; and

(B) shall maintain not less than 44 such aircraft as combat-coded aircraft.

(2) B–52 RETIREMENT LIMITATION PERIOD.—For purposes of paragraph (1), the B–52 retirement limitation period is the period beginning on the date of the enactment of this Act and ending on the date that is the earlier of—

(A) January 1, 2018; and

(B) the date as of which a long-range strike replacement aircraft with equal or greater capability than the B-52H model aircraft has attained initial operational capability status.

(b) LIMITATION ON RETIREMENT PENDING REPORT ON BOMBER FORCE STRUCTURE.—

(1) LIMITATION.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for retiring any of the 93 B–52H bomber aircraft in service in the Air Force as of the date of the enactment of this Act until 45 days after the date on which the Secretary of the Air Force submits the report specified in paragraph (2).

(2) REPORT.—A report specified in this subsection is a report submitted by the Secretary of the Air Force to the Committees on Armed Services of the Senate and the House of Representatives on the

amount and type of bomber force structure of the Air Force, including the matters specified in paragraph (4).

(3) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this subsection, the term ''amount and type of bomber force structure'' means the number of each of the following types of aircraft that are required to carry out the national security strategy of the United States:

(A) B-2 bomber aircraft.

(B) B-52H bomber aircraft.

(C) B-1 bomber aircraft.

(4) MATTER TO BE INCLUDED.—A report under paragraph (2) shall include the following:

(A) The plan of the Secretary of the Air Force for the modernization of the B–52, B–1, and B–2 bomber aircraft fleets.

(B) The amount and type of bomber force structure for the conventional mission and strategic nuclear mission in executing two overlapping ''swift defeat'' campaigns.

(C) A justification of the cost and projected savings of any reductions to the B-52H bomber aircraft fleet as a result of the retire-

ment of the B-52H bomber aircraft covered by the report.

(D) The life expectancy of each bomber aircraft to remain in the bomber force structure.

(E) The capabilities of the bomber force structure that would be replaced, augmented, or superseded by any new bomber aircraft.

(5) PREPARATION OF REPORT.—A report under paragraph (2) shall be prepared by the Institute for Defense Analyses and submitted to the Secretary of the Air Force for submittal by the Secretary in accordance with that paragraph.

SEC. 132. STRATEGIC AIRLIFT FORCE STRUCTURE.

Section 8062 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) Effective October 1, 2008, the Secretary of the Air Force shall maintain a total aircraft inventory of strategic airlift aircraft of not less than 299 aircraft.

''(2) In this subsection:

''(A) The term 'strategic airlift aircraft' means an aircraft—

''(i) that has a cargo capacity of at least 150,000 pounds; and

"(ii) that is capable of transporting outsized cargo an unrefueled range of at least 2,400 nautical miles.

"(B) The term 'outsized cargo' means any single item of equipment that exceeds 1,090 inches in length, 117 inches in width, or 105 inches in height.".

SEC. 133. LIMITATION ON RETIREMENT OF U–2 AIRCRAFT.

(a) FISCAL YEAR 2007.— The Secretary of the Air Force may not retire any U–2 aircraft of the Air Force in fiscal year 2007.

(b) YEARS AFTER FISCAL YEAR 2007.—

(1) CERTIFICATION REQUIRED.—After fiscal year 2007, the Secretary of the Air Force may retire a U–2 aircraft only if the Secretary of Defense certifies to Congress that the intelligence, surveillance, and reconnaissance (ISR) capabilities provided by the U–2 aircraft no longer contribute to mitigating any gaps in intelligence, surveillance, and reconnaissance capabilities identified in the 2006 Quadrennial Defense Review.

(2) LIMITATIONS.—No action may be taken by the Department of Defense to retire (or to prepare to retire) any U–2 aircraft before a certification specified in paragraph (1) is submitted to Congress.

If such a certification is submitted, no such action may be taken until after the end of the 60-day period beginning on the date on which the certification is submitted.

SEC. 134. MULTIYEAR PROCUREMENT AUTHORITY FOR F–22A RAPTOR FIGHTER AIRCRAFT.

(a) PROHIBITION ON USE OF INCREMENTAL FUNDING.—The Secretary of the Air Force may not use incremental funding for the procurement of F–22A aircraft.

(b) MULTIYEAR AUTHORITY.—The Secretary of the Air Force may enter into a multiyear contract for the procurement of up to 60 F–22A Raptor fighter aircraft beginning with the 2007 program year.

(c) COMPLIANCE WITH LAW APPLICABLE TO MULTIYEAR CONTRACTS.—A contract under subsection (b) for the procurement of F–22A aircraft shall be entered into in accordance with section 2306b of title 10, United States Code, except that, notwithstanding subsection (k) of that section, such a contract may not be for a period in excess of three program years.

(d) SECRETARY OF DEFENSE CERTIFICATION.—In the case of a contract under subsection (b) for the procurement of F–22A aircraft, a certification under subsection (i)(1)(A) of section 2306b of title 10, United States Code, with respect to that contract may only be

submitted if the certification includes an additional certification by the Secretary that each of the conditions specified in subsection (a) of that section has been satisfied with respect to that contract, as follows:

(1) That the use of such contract will result in substantial savings of the total anticipated costs of carrying out the program through annual contracts.

(2) That the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities.

(3) That there is a reasonable expectation that throughout the contemplated contract period the Secretary of the Air Force will request funding for the contract at the level required to avoid contract cancellation.

(4) That there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive.

(5) That the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

(6) That the use of such contract will promote the national security of the United States.

In certifying that the cost savings are substantial, the Secretary shall duly consider the historical cost savings that led to a decision to proceed with a multiyear procurement contract under section 2306b of title 10, United States Code, in the case of previous aviation-related multiyear contracts authorized by law dating back to fiscal year 1982.

(e) FFRDC COST REPORT.—The Secretary of Defense shall provide for a federally funded research and development center (other than the Institute for Defense Analyses) to report on the cost estimates for a three year, 60-aircraft, F-22A multiyear procurement program, beginning in fiscal year 2007, compared to a corresponding annual procurement program.

(f) NOTICE-AND-WAIT REQUIREMENT.—Upon submission to Congress of a certification referred to in subsection (d) with respect to a proposed contract under subsection (b) for the procurement of F–22A aircraft and the Secretary's submission to the congressional defense committees of the report referred to in subsection (e), the contract may then be entered into only after the end of the 30-day period beginning on the later of the date of the submission of the certification or the date of the submission of the report.

SEC. 135. LIMITATION ON RETIREMENT OF KC-135E AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of KC-135E aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 29.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each KC-135E aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service in the Air Force Reserve, Air National Guard, or active forces aerial refueling force structure.

SEC. 136. LIMITATION ON RETIREMENT OF F-117A AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of F-117A aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 10.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each F-117A aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service.

SEC. 137. LIMITATION ON RETIREMENT OF C–130E TACTICAL AIRLIFT AIRCRAFT.

(a) LIMITATION.—The number of C–130E tactical airlift aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 51.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each C-130E tactical airlift aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service.

SEC. 138. PROCUREMENT OF JOINT PRIMARY AIRCRAFT TRAINING SYSTEM AIRCRAFT AFTER FISCAL YEAR 2006.

Any Joint Primary Aircraft Training System (JPATS) aircraft procured after fiscal year 2006 shall be procured through a contract under part 15 of the Federal Acquisition Regulation (FAR), relating to acquisition of items by negotiated contract (48 C.F.R. 15.000 et seq.), rather than through a contract under part 12 of the Federal Acquisition Regulation, relating to acquisition of commercial items (48 C.F.R. 12.000 et seq.).

SEC. 139. MINUTEMAN III INTERCONTINENTAL BALLISTIC MISSILE MODERNIZATION.

(a) MODERNIZATION OF INTERCONTINENTAL BALLISTIC MISSILES REQUIRED.—The Secretary of the Air Force shall modernize Minuteman III intercontinental ballistic missiles in the United States inventory as required to maintain a sufficient supply of launch test assets and spares to sustain the deployed force of such missiles through 2030.

(b) LIMITATION ON TERMINATION OF MODERNIZATION PROGRAMS PENDING REPORT.—

(1) LIMITATION.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for the termination of any ICBM modernization program with respect to the Minuteman III intercontinental ballistic missile system, or for the withdrawal of any Minuteman III intercontinental ballistic missile from the active force, until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees a report described in subsection (c).

(2) ICBM MODERNIZATION PROGRAM DEFINED.—In this subsection, the term ''ICBM Modernization program'' means each of the following:

(A) The Guidance Replacement Program (GRP).

(B) The Propulsion Replacement Program (PRP).

(C) The Propulsion System Rocket Engine (PSRE) program.

(D) The Safety Enhanced Reentry Vehicle (SERV) program.

(c) REPORT ELEMENTS.—A report under subsection (b)(1) is a report setting forth the following:

(1) A detailed strategic justification for the proposal to reduce the Minuteman III intercontinental ballistic missile force from 500 to 450 missiles, including an analysis of the effects of the reduction on the ability of the United States to assure allies and dissuade potential competitors.

(2) A detailed analysis of the strategic ramifications of continuing to equip a portion of the Minuteman III missile force with multiple independent warheads rather than single warheads.

(3) An assessment of the test assets and spares required to maintain a force of 500 deployed Minuteman III missiles through 2030.

(4) An assessment of the test assets and spares required to maintain a force of 450 deployed Minuteman III missiles through 2030.

(5) An inventory of currently available Minuteman III missile test assets and spares.

(6) A plan to sustain and complete the modernization of all deployed and spare Minuteman III missiles, a test plan, and an analysis of the funding required to carry out modernization of all deployed and spare Minuteman III missiles.

(7) An assessment of whether halting upgrades to the Minuteman III missiles withdrawn from the deployed force would compromise the ability of those missiles to serve as test assets.

(8) A description of the plan of the Department of Defense for extending the life of the Minuteman III missile force beyond fiscal year 2030.

Subtitle E—Joint and Multiservice Matters

SEC. 141. CLARIFICATION OF LIMITATION ON INITIATION OF NEW UNMANNED AERIAL VEHICLE SYSTEMS.

(a) APPLICABILITY OF LIMITATION ONLY TO PROCUREMENT FUNDS.—Subsection (a) of section 142 of National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3164) is amended—

(1) by inserting ''for procurement'' after ''the Department of Defense''; and

(2) by inserting before the period at the end the following: ''(or by an official within the Office of the Under Secretary designated by the Under Secretary for that purpose)''.

(b) APPLICABILITY ONLY TO NEW SYSTEMS.—Subsection (b) of that section is amended to read as follows:

"(b) EXCEPTION FOR EXISTING SYSTEMS.—The limitation in subsection (a) does not apply with respect to an unmanned aerial vehicle (UAV) system (or any component or other item of associated equipment of any such system described in subsection (a)) if as of January 6, 2006—

"(1) the system (or component or item of associated equipment) to be procured is otherwise under contract or has previously been procured by the Department; or

"(2) funds have been appropriated but not yet obligated for the system (or component or item of associated equipment) .".

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Acquisition of, and independent cost analyses for, the Joint Strike Fighter propulsion system.
Sec. 212. Expansion and extension of authority to award prizes for advanced technology achievements.
Sec. 213. Defense Acquisition Challenge Program extension, enhancement, and modification to address critical cost growth threshold breaches in major defense acquisition programs.
Sec. 214. Future Combat Systems milestone review.
Sec. 215. Dedicated amounts for implementing or evaluating Navy shipbuilding technology proposals under Defense Acquisition Challenge Program.
Sec. 216. Independent estimate of costs of the Future Combat Systems.
Sec. 217. Funding of defense science and technology programs.
Sec. 218. Hypersonics development.

Sec. 219. Report on program for replacement of nuclear warheads on certain Trident sea-launched ballistic missiles with conventional warheads.

Subtitle C—Missile Defense Programs

Sec. 221. Fielding of ballistic missile defense capabilities.
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Subtitle D—Other Matters

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Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $10,876,609,000.

(2) For the Navy, $17,383,857,000.

(3) For the Air Force, $24,235,951,000.

(4) For Defense-wide activities, $21,111,559,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2007.—Of the amounts authorized to be appropriated by section 201, $11,662,554,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research, applied research, and advanced technology development'' means work funded in program elements for defense research and development under Department of Defense budget activity 1, 2, or 3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. ACQUISITION OF, AND INDEPENDENT COST ANALYSES FOR, THE JOINT STRIKE FIGHTER PROPULSION SYSTEM.

(a) ACQUISITION.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the development and procurement of the propulsion system for the Joint Strike Fighter aircraft through the continued development and sustainment of two interchangeable propulsion sys-

tems for that aircraft by two separate contractors throughout the life cycle of the aircraft.

(2) MODIFICATIONS PROHIBITED.—Except as provided by paragraph (3), the Secretary may not carry out any modification to the acquisition program for the Joint Strike Fighter aircraft that would result in the development or procurement of the propulsion system for that aircraft in a manner other than that required by paragraph (1).

(3) MODIFICATIONS ALLOWED.—Notwithstanding paragraph (1), a modification described in paragraph (2) may be carried out to the extent that each of the following requirements is met:

(A) The Secretary of Defense has notified the congressional defense committees of the modification.

(B) Each of the reports required by subsection (b) has been submitted.

(C) Funds are appropriated for that purpose pursuant to an authorization of appropriations.

(b) INDEPENDENT COST ANALYSES.—

(1) IN GENERAL.—A comprehensive and detailed cost analysis of the Joint Strike Fighter en-

gine program shall be independently performed by each of the following:

(A) The Comptroller General.

(B) A federally funded research and development center selected by the Secretary of Defense.

(C) The Secretary of Defense, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense.

(2) MATTERS COVERED.—Each such cost analysis shall cover—

(A) an alternative under which the Joint Strike Fighter aircraft is capable of using the F135 engine only;

(B) an alternative under which the program executes a one-time firm-fixed price contract for a selected propulsion system for the Joint Strike Fighter aircraft for the life cycle of the aircraft following the Initial Service Release of the propulsion system in fiscal year 2008;

(C) an alternative under which the Joint Strike Fighter aircraft is capable of using either the F135 engine or the F136 engine, and the engine selection is carried out on a competitive basis; and

(D) any other alternative, whether competitive or sole source, that would reduce total life-cycle cost, improve program schedule, or both.

(3) REPORTS.—Not later than March 15, 2007, the Secretary of Defense, the Comptroller General, and the chief executive officer of the federally funded research and development center selected under paragraph (1)(B) shall independently submit to the congressional defense committees a report on the cost analysis carried out under paragraph (1). Each such report shall include each of the following matters:

(A) The key assumptions used in carrying out the cost analysis.

(B) The methodology and techniques used in carrying out the cost analysis.

(C) For each alternative required by paragraph (2)—

(i) a comparison of the life-cycle costs, including costs in current and constant dollars and a net-present-value analysis;

(ii) estimates of—

(I) supply, maintenance, and other operations manpower required to support the alternative;

(II) the number of flight hours required to achieve engine maturity and the year in which that is expected to be achieved; and

(III) the total number of engines expected to be procured over the lifetime of the Joint Strike Fighter program; and

(iii) an evaluation of benefits, other than cost, provided by competition, to include an assessment of improved performance, operational readiness and warfighting capability, risk reduction, technology innovation, and contractor responsiveness.

(D) A description of the acquisition strategies (including development and production) that were used for, and experience with respect to cost, schedule, and performance under, past acquisition programs for engines for tactical fighter aircraft, including the F–15, F–16, F–18, and F–22 aircraft.

(E) A comparison of the experiences under past acquisition programs carried out on a sole-source basis with respect to performance, savings, maintainability, reliability, and technical innovation.

(F) The impact that canceling the F136 competitive engine would have on the high-performance military engine industrial base, and on the Department of Defense's ability to make competitive engine choices for future combat aircraft systems beyond the Joint Strike Fighter.

(G) Conclusions and recommendations.

(4) CERTIFICATIONS.—In submitting the report required by paragraph (3), the Comptroller General and the chief executive officer of the federally funded research and development center shall also submit a certification as to whether the Secretary of Defense provided access to sufficient information to enable the Comptroller General or the chief executive officer, as the case may be, to make informed judgments on the matters required to be included in the report.

(c) LIFE-CYCLE COSTS DEFINED.—In this section, the term ''life-cycle costs'' includes—

(1) those elements of cost that would be considered for a life-cycle cost analysis for a major defense acquisition program, including procurement of engines, procurement of spare engines, and procurement of engine components and parts; and

(2) good-faith estimates of routine engine costs (such as performance upgrades and component improvement) that historically have occurred in tactical fighter engine programs.

SEC. 212. EXPANSION AND EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXPANSION.—

(1) IN GENERAL.—Subsection (a) of section 2374a of title 10, United States Code, is amended—

(A) by striking ''Director of the Defense Advanced Research Projects Agency'' and inserting ''Director of Defense Research and Engineering and the service acquisition executive for each military department''; and

(B) by striking ''a program'' and inserting ''programs''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (b), by striking ''The program'' and inserting ''Each program''; and

(B) in subsection (d)—

(i) by striking ''The program'' and inserting ''A program''; and

(ii) by striking ''the Director'' and inserting ''an official referred to in that subsection''.

(b) EXTENSION.—Subsection (f) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

(c) MODIFICATION OF REPORTING REQUIREMENT.—Subsection (e) of such section is amended to read as follows:

''(e) ANNUAL REPORT.—

''(1) IN GENERAL.—Not later than March 1 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the activities carried out during the preceding fiscal year under the authority in subsection (a).

''(2) INFORMATION INCLUDED.—The report for a fiscal year under this subsection shall include, for each program under subsection (a), the following:

"(A) A description of the proposed goals of the competitions established under the program, including the areas of research, technology development, or prototype development to be promoted by such competitions and the relationship of such areas to the military missions of the Department of Defense.

"(B) An analysis of why the utilization of the authority in subsection (a) was the preferable method of achieving the goals described in subparagraph (A) as opposed to other authorities available to the Department, such as contracts, grants, and cooperative agreements.

"(C) The total amount of cash prizes awarded under the program, including a description of the manner in which the amounts of cash prizes awarded and claimed were allocated among the accounts of the Department for recording as obligations and expenditures.

"(D) The methods used for the solicitation and evaluation of submissions under the program, together with an assessment of the effectiveness of such methods.

"(E) A description of the resources, including personnel and funding, used in the execu-

tion of the program, together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the Department for recording as obligations and expenditures.

''(F) A description of any plans to transition the technologies or prototypes developed as a result of the program into an acquisition program of the Department.

''(3) SUSPENSION OF AUTHORITY FOR FAILURE TO INCLUDE INFORMATION.—For each program under subsection (a), the authority to obligate or expend funds under that program is suspended as of the date specified in paragraph (1) if the Secretary does not, by that date, submit a report that includes, for that program, all the information required by paragraph (2). As of the date on which the Secretary does submit a report that includes, for that program, all the information required by paragraph (2), the suspension is lifted.''.

SEC. 213. DEFENSE ACQUISITION CHALLENGE PROGRAM EXTENSION, ENHANCEMENT, AND MODIFICATION TO ADDRESS CRITICAL COST GROWTH THRESHOLD BREACHES IN MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ASSESSMENT OF ADDITIONAL ISSUES REQUIRED IN THE EVENT OF CRITICAL COST GROWTH.—Section 2433(e)(2)(A) of title 10, United States Code, is amended—

(1) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv) respectively; and

(2) by inserting before clause (ii) (as so redesignated) the following new clause:

"(i) any design, engineering, manufacturing, or technology integration issues that contributed significantly to the cost growth of the program;".

(b) REQUIREMENT FOR CHALLENGE PROGRAM TO ADDRESS CRITICAL COST GROWTH THRESHOLD BREACHES IN MAJOR DEFENSE ACQUISITION PROGRAMS.—

(1) SOLICITATION OF CHALLENGE PROPOSALS.—Section 2359b(c) of title 10, United States Code, is amended—

(A) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(B) by inserting after paragraph (3) the following new paragraph (4):

''(4)(A) The Under Secretary shall establish procedures for the prompt issuance of a solicitation for challenge proposals addressing—

''(i) any acquisition program for which, since the last such announcement, the Secretary concerned has determined under section 2433(d) of this title that the program's acquisition unit cost or procurement unit cost has increased by a percentage equal to or greater than the critical cost growth threshold for the program (in this section referred to as a 'critical cost growth threshold breach'); and

''(ii) any design, engineering, manufacturing, or technology integration issues, in accordance with the assessment required by section 2433(e)(2)(A) of this title, that have contributed significantly to the cost growth of such program.

''(B) A solicitation under this paragraph may be included in a broad agency announcement issued

pursuant to paragraph (3) as long as the broad agency announcement is released in an expeditious manner following the determination of the Secretary concerned that a critical cost growth threshold breach has occurred with respect to a major defense acquisition program.''.

(2) REQUIREMENT FOR GUIDELINES FOR COVERING COSTS OF CHALLENGE PROPOSALS.—Section 2359b(e) of such title is amended by adding at the end the following new paragraph:

''(3) In the case of a challenge proposal submitted in response to a solicitation issued as a result of a critical cost growth threshold breach that is determined under full review and evaluation to satisfy each of the criteria specified in subsection (c)(5), the Under Secretary shall establish guidelines for covering the costs of the challenge proposal. If appropriate, such guidelines shall not be restricted to funding provided by the Defense Acquisition Challenge Program, but shall also consider alternative funding sources, such as the acquisition program with respect to which the breach occurred.''.

(3) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION.—Section 2359b of such title is amended—

(A) by redesignating subsections (f), (g), (h), (i), and (j) as subsections (g), (h), (i), (j), and (k) respectively; and

(B) by inserting after subsection (e) the following new subsection (f):

"(f) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION.—Under procedures prescribed by the Under Secretary, if a challenge proposal is determined by a Panel to satisfy each of the criteria specified in subsection (c)(5), but is not determined under a full review and evaluation to satisfy such criteria, the following provisions apply:

"(1) The office carrying out the full review and evaluation shall provide to the Panel that conducted the preliminary evaluation a statement containing a summary of the rationale for the unfavorable evaluation.

"(2) If the Panel disagrees with the rationale provided under paragraph (1), the Panel may return the challenge proposal to the office for further consideration.".

(4) ADDITIONAL INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORT.—Section 2359b(j) of such title, as redesignated by paragraph (3), is amended by striking "No report is required

for a fiscal year in which the Challenge Program is not carried out.'' and inserting ''The report shall also include a list of each challenge proposal that was determined by a Panel to satisfy each of the criteria specified in subsection (c)(5), but was not determined under a full review and evaluation to satisfy such criteria, together with a detailed rationale for the Department's determination that such criteria were not satisfied.''.

(c) EVALUATION AND REPORT REQUIRED.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the service acquisition executives, shall—

(1) evaluate the efficacy of the incentives provided to encourage the adoption of each challenge proposal receiving favorable full review and evaluation, as required by section 2359b(e)(2) of title 10, United States Code;

(2) identify additional incentives and authorities required, if any, to further facilitate the adoption of each challenge proposal receiving favorable full review and evaluation, particularly in the case of challenge proposals submitted in response to critical cost growth threshold breaches (as such term is used in section 2359b of such title); and

(3) not later than March 1, 2007, submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the results of such evaluation and identification.

(d) PRIORITY FOR PROPOSALS FROM CERTAIN BUSINESSES.—Paragraph (6) of section 2359b(c) of such title, as redesignated by paragraph (b)(1)(A), is amended to read as follows:

''(6) The Under Secretary—

''(A) may establish procedures to ensure that the Challenge Program does not become an avenue for the repetitive submission of proposals that have been previously reviewed and found not to have merit; and

''(B) may establish procedures to ensure that the Challenge Program establishes appropriate priorities for proposals from businesses that are not major contractors with the Department of Defense.''.

(e) CONFIDENTIALITY.—Subsection (h) of section 2359b of such title, as redesignated by subsection (b)(3), is amended—

(1) by amending the heading to read as follows: ''CONFLICTS OF INTEREST AND CONFIDENTIALITY''; and

(2) by striking the period at the end and inserting the following: ''and that the identity of any person or activity submitting a challenge proposal is not disclosed outside the Federal Government, prior to contract award, without the consent of the person or activity. For purposes of the proceeding sentence, the term 'Federal Government' includes both employees of the Federal Government and employees of Federal Government contractors providing advisory and assistance services as described in part 37 of the Federal Acquisition Regulation.''.

(f) EXTENSION.—Subsection (k) of section 2359b of title 10, United States Code, as redesignated by subsection (b)(3), is amended by striking ''September 30, 2007'' and inserting ''September 30, 2012''.

(g) ADDITIONAL CONFORMING AMENDMENTS.—Section 2359b of such title is further amended—

(1) in subsection (c)(7), as redesignated by subsection (b), by striking ''paragraph (4)'' and inserting ''paragraph (5)'';

(2) in subsection (d)(1), by striking ''subsection (c)(6)'' and inserting ''subsection (c)(7)'';

(3) in subsection (d)(2), by striking ''subsection (c)(4)'' and inserting ''subsection (c)(5)''; and

(4) in subsection (e)(1), by striking ''subsection (c)(4)'' and inserting ''subsection (c)(5)''.

SEC. 214. FUTURE COMBAT SYSTEMS MILESTONE REVIEW.

(a) MILESTONE REVIEW REQUIRED.—Not later than 120 days after the preliminary design review of the Future Combat Systems program is completed, the Secretary of Defense shall carry out a Defense Acquisition Board milestone review of the Future Combat Systems program. The milestone review shall include an assessment as to each of the following:

(1) Whether the warfighter's needs are valid and can be best met with the concept of the program.

(2) Whether the concept of the program can be developed and produced within existing resources.

(3) Whether the program should—

(A) continue as currently structured;

(B) continue in restructured form; or

(C) be terminated.

(b) DETERMINATIONS TO BE MADE IN ASSESSING WHETHER PROGRAM SHOULD CONTINUE.—In making the assessment required by subsection (a)(3), the Secretary shall make a determination with respect to each of the following:

(1) Whether each critical technology for the program is at least Technical Readiness Level 6.

(2) For each system and network component of the program, what the key design and technology risks are, based on System Functional Reviews, Preliminary Design Reviews, and Technical Readiness Levels.

(3) Whether actual demonstrations, rather than simulations, have shown that the concept of the program will work.

(4) Whether actual demonstrations, rather than plans, have shown that the software for the program is functional.

(5) What the cost estimate for the program is.

(6) What the affordability assessment for the program is, based on that cost estimate.

(c) REPORT.—The Secretary shall submit to the congressional defense committees a report on the findings and conclusions of the milestone review required by subsection (a). The report shall include, and display, each of the assessments required by subsection (a) and each of the determinations required by subsection (b).

(d) RESTRICTION ON PROCUREMENT FUNDS EFFECTIVE FISCAL 2009.—

(1) IN GENERAL.—For fiscal years beginning with 2009, the Secretary may not obligate any funds for procurement for the Future Combat Systems program.

(2) EXCEPTIONS.—Paragraph (1) does not apply with respect to—

(A) the obligation of funds for costs attributable to an insertion of new technology (to include spinout systems) into the current force, if the insertion is approved by the Under Secretary of Defense for Acquisition, Technology, and Logistics; or

(B) the obligation of funds for the non-line-of-sight cannon system.

(3) TERMINATION.—The requirement of paragraph (1) terminates after the report required by subsection (c) is submitted.

SEC. 215. DEDICATED AMOUNTS FOR IMPLEMENTING OR EVALUATING NAVY SHIPBUILDING TECHNOLOGY PROPOSALS UNDER DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) AMOUNTS REQUIRED.—Of the amounts appropriated pursuant to the authorization of appropriations in section 201(4) for research, development, test, and evaluation, Defense-wide, $4,000,000 may be available to imple-

ment or evaluate challenge proposals specified in subsection (b).

(b) CHALLENGE PROPOSALS COVERED.—A challenge proposal referred to in subsection (a) is a proposal under the Defense Acquisition Challenge Program established by section 2359b of title 10, United States Code, that relates to technology directly contributing to combat systems and open architecture design for Navy ship platforms.

SEC. 216. INDEPENDENT ESTIMATE OF COSTS OF THE FUTURE COMBAT SYSTEMS.

(a) INDEPENDENT ESTIMATE REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the preparation of an independent estimate of the anticipated costs of systems development and demonstration with respect to the Future Combat Systems.

(2) CONDUCT OF ESTIMATE.—The estimate required by this subsection shall be prepared by a federally funded research and development center selected by the Secretary for purposes of this subsection.

(3) MATTERS TO BE ADDRESSED.—The independent estimate prepared under this subsection shall address costs of research, development, test, and evaluation, and costs of procurement, for—

(A) the system development and demonstration phase of the core Future Combat Systems;

(B) the Future Combat Systems technologies to be incorporated into the equipment of the current force of the Army (often referred to as ''spinouts'');

(C) the installation kits for the incorporation of such technologies into such equipment;

(D) the systems treated as complementary systems for the Future Combat Systems;

(E) science and technology initiatives that support the Future Combat Systems program; and

(F) any pass-through charges anticipated to be assessed by the lead systems integrator of the Future Combat Systems and its major subcontractors.

(4) SUBMITTAL TO CONGRESS.—Upon completion of the independent estimate required by this subsection, the Secretary shall submit to the congressional defense committees a report on the estimate.

(5) DEADLINE FOR SUBMITTAL.—The report described in paragraph (4) shall be submitted not later than April 1, 2007.

(b) PASS-THROUGH CHARGE DEFINED.—In this section, the term ''pass-through charge'' has the meaning given that term in section 805(c)(5) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3373).

SEC. 217. FUNDING OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAMS.

(a) FAILURE TO COMPLY WITH FUNDING OBJECTIVE.—Section 212 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2501 note) is amended in subsection (a) by striking ''especially the Air Force Science and Technology Program,''.

(b) EXTENSION OF FUNDING OBJECTIVE.—Such section is amended in subsection (b) by striking ''through 2009'' and inserting ''through 2012''.

(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—Such section is further amended by adding at the end the following new subsection:

''(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection, the Secretary of De-

fense shall submit to the congressional defense committees, at the same time that the Department of Defense budget justification materials for the next fiscal year are submitted to Congress—

"(1) a detailed, prioritized list, including estimates of required funding, of highly-rated science and technology projects received by the Department through competitive solicitations and broad agency announcements which—

"(A) are not funded solely due to lack of resources, but

"(B) represent science and technology opportunities that support the research and development programs and goals of the military departments and the Defense Agencies; and

"(2) a report, in both classified and unclassified form, containing an analysis and evaluation of international research and technology capabilities, including an identification of any technology areas in which the United States may not have global technical leadership within the next 10 years, in each of the technology areas described in the following plans:

"(A) The most current Joint Warfighting Science and Technology Plan required by sec-

tion 270 of the National Defense Authorization Act for Fiscal Year 1997 (10 U.S.C. 2501 note).

"(B) The Defense Technology Area Plan of the Department of Defense.

"(C) The Basic Research Plan of the Department of Defense.".

SEC. 218. HYPERSONICS DEVELOPMENT.

(a) ESTABLISHMENT OF JOINT TECHNOLOGY OFFICE ON HYPERSONICS.—The Secretary of Defense shall establish within the Office of the Secretary of Defense a joint technology office on hypersonics. The office shall carry out the program required under subsection (b), and shall have such other responsibilities relating to hypersonics as the Secretary shall specify.

(b) PROGRAM ON HYPERSONICS.—The joint technology office established under subsection (a) shall carry out a program for the development of hypersonics for defense purposes.

(c) RESPONSIBILITIES.—In carrying out the program required by subsection (b), the joint technology office established under subsection (a) shall do the following:

(1) Coordinate and integrate current and future research, development, test, and evaluation programs

and system demonstration programs of the Department of Defense on hypersonics.

(2) Undertake appropriate actions to ensure—

(A) close and continuous integration of the programs on hypersonics of the military departments with the programs on hypersonics of the Defense Agencies;

(B) coordination of the programs referred to in subparagraph (A) with the programs on hypersonics of the National Aeronautics and Space Administration; and

(C) that developmental testing resources are adequate and facilities are made available in a timely manner to support hypersonics research, demonstration programs, and system development.

(3) Approve demonstration programs on hypersonic systems.

(4) Ensure that any demonstration program on hypersonic systems that is carried out in any year after its approval under paragraph (3) is carried out only if certified under subsection (e) as being consistent with the roadmap under subsection (d).

(d) ROADMAP.—

(1) ROADMAP REQUIRED.—The joint technology office established under subsection (a) shall develop, and every two years revise, a roadmap for the hypersonics programs of the Department of Defense.

(2) COORDINATION.—The roadmap shall be developed and revised under paragraph (1) in coordination with the Joint Staff and in consultation with the National Aeronautics and Space Administration.

(3) ELEMENTS.—The roadmap shall include the following matters:

(A) Anticipated or potential mission requirements for hypersonics.

(B) Short-term, mid-term, and long-term goals for the Department of Defense on hypersonics, which shall be consistent with the missions and anticipated requirements of the Department over the applicable period.

(C) A schedule for meeting such goals, including—

(i) the activities and funding anticipated to be required for meeting such goals; and

(ii) the activities of the National Aeronautics and Space Administration to be le-

1 veraged by the Department to meet such
2 goals.
3 (D) The test and evaluation facilities re-
4 quired to support the activities identified in
5 subparagraph (C), along with the schedule and
6 funding required to upgrade those facilities, as
7 necessary.
8 (E) Acquisition transition plans for
9 hypersonics.
10 (4) SUBMITTAL TO CONGRESS.—The Secretary
11 shall submit to the congressional defense commit-
12 tees—
13 (A) at the same time as the submittal to
14 Congress of the budget for fiscal year 2008 (as
15 submitted pursuant to section 1105 of title 31,
16 United States Code), the roadmap developed
17 under paragraph (1); and
18 (B) at the same time as the submittal to
19 Congress of the budget for each even-numbered
20 fiscal year after 2008, the roadmap revised
21 under paragraph (1).
22 (e) ANNUAL REVIEW AND CERTIFICATION OF FUND-
23 ING.—

(1) ANNUAL REVIEW.—The joint technology office established under subsection (a) shall conduct on an annual basis a review of—

(A) the funding available for research, development, test, and evaluation and demonstration programs within the Department of Defense for hypersonics, in order to determine whether or not such funding is consistent with the roadmap developed under subsection (d); and

(B) the hypersonics demonstration programs of the Department, in order to determine whether or not such programs avoid duplication of effort and support the goals of the Department in a manner consistent with the roadmap developed under subsection (d).

(2) CERTIFICATION.—The joint technology office shall, as a result of each review under paragraph (1), certify to the Secretary whether or not the funding and programs subject to such review are consistent with the roadmap developed under subsection (d).

(3) TERMINATION.—The requirements of this subsection shall terminate after the submittal to

Congress of the budget for fiscal year 2012 pursuant to section 1105 of title 31, United States Code.

(f) REPORTS TO CONGRESS.—If, as a result of a review under subsection (e), funding or a program on hypersonics is certified under that subsection not to be consistent with the roadmap developed under subsection (d), the Secretary shall submit to the congressional defense committees, at the same time as the submittal to Congress of the budget (as submitted pursuant to section 1105 of title 31, United States Code), a report on such funding or program, as the case may be, describing how such funding or program is not consistent with the roadmap, together with a statement of the actions to be taken by the Department.

SEC. 219. REPORT ON PROGRAM FOR REPLACEMENT OF NUCLEAR WARHEADS ON CERTAIN TRIDENT SEA-LAUNCHED BALLISTIC MISSILES WITH CONVENTIONAL WARHEADS.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a proposal to replace nuclear warheads on 24 Trident D-5 sea-launched ballistic missiles with conventional kinetic warheads for deployment on submarines that carry Trident

sea-launched ballistic missiles. The report shall be prepared in consultation with the Secretary of State.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the types of scenarios, types of targets, and circumstances in which a conventional sea-launched ballistic missile might be used.

(2) A discussion of the weapon systems or weapons, whether current or planned, that could be used as an alternative for each of the scenarios, target types, and circumstances set forth under paragraph (1), and a statement of any reason why each such weapon system or weapon is not a suitable alternative to a conventional sea-launched ballistic missile.

(3) A description of the command and control arrangements for conventional sea-launched ballistic missiles, including launch authority and the use of Permissive Action Links (PALs).

(4) An assessment of the capabilities of other countries to detect and track the launch of a conventional or nuclear sea-launched ballistic missile.

(5) An assessment of the capabilities of other countries to discriminate between the launch of a

nuclear sea-launched ballistic missile and a conventional sea-launched ballistic missile, other than in a testing scenario.

(6) An assessment of the notification and other protocols that would have to be in place before using any conventional sea-launched ballistic missile and a plan for entering into such protocols.

(7) An assessment of the adequacy of the intelligence that would be needed to support an attack involving conventional sea-launched ballistic missiles.

(8) A description of the total program cost, including the procurement costs of additional D-5 missiles, of the conventional Trident sea-launched ballistic missile program, by fiscal year.

(9) An analysis and assessment of the implications for ballistic missile proliferation if the United States decides to go forward with the conventional Trident sea-launched ballistic missile program or any other conventional long-range ballistic missile program.

(10) An analysis and assessment of the implications for the United States missile defense system if other countries use conventional long-range ballistic missiles.

(11) An analysis of any problems created by the ambiguity that results from the use of the same ballistic missile for both conventional and nuclear warheads.

(12) An analysis and assessment of the methods that other countries might use to resolve the ambiguities associated with a nuclear or conventional sea-launched ballistic missile.

(13) An analysis, by the Secretary of State, of the international, treaty, and other concerns that would be associated with the use of a conventional sea-launched ballistic missile and recommendations for measures to mitigate or eliminate such concerns.

(14) A joint statement by the Secretary of Defense and the Secretary of State on how to ensure that the use of a conventional sea-launched ballistic missile will not result in an intentional, inadvertent, mistaken, or accidental reciprocal or responsive launch of a nuclear strike by any other country.

Subtitle C—Missile Defense Programs

SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal years 2007 and 2008

for research, development, test, and evaluation for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 222. LIMITATION ON USE OF FUNDS FOR SPACE-BASED INTERCEPTOR.

(a) LIMITATION.—No funds appropriated or otherwise made available to the Department of Defense may be obligated or expended for the testing or deployment of a space-based interceptor until 90 days after the date on which a report described in subsection (c) is submitted.

(b) SPACE-BASED INTERCEPTOR DEFINED.—For purposes of this section, the term ''space-based interceptor'' means a kinetic or directed energy weapon that is stationed on a satellite or orbiting platform and that is intended to destroy another satellite in orbit or a ballistic missile launched from earth.

(c) REPORT.—A report described in this subsection is a report prepared by the Director of the Missile Defense Agency and submitted to the congressional defense committees containing the following:

(1) A description of the essential components of a proposed space-based interceptor system, including a description of how the system proposed would enhance or complement other missile defense systems.

(2) An estimate of the acquisition and life-cycle cost of the system described under paragraph (1), including lift cost and periodic replacement cost due to depreciation and attrition.

(3) An analysis of the vulnerability of such a system to counter-measures, including direct ascent and co-orbital interceptors, and an analysis of the functionality of such a system in the aftermath of a nuclear detonation in space.

(4) A projection of the foreign policy and national security implications of a space-based interceptor program, including the probable response of United States adversaries and United States allies.

SEC. 223. POLICY OF THE UNITED STATES ON PRIORITIES IN THE DEVELOPMENT, TESTING, AND FIELDING OF MISSILE DEFENSE CAPABILITIES.

(a) FINDINGS.—Congress makes the following findings:

(1) In response to the threat posed by ballistic missiles, President George W. Bush in December 2002 directed the Secretary of Defense to proceed with the fielding of an initial set of missile defense capabilities in 2004 and 2005.

(2) According to assessments by the intelligence community of the United States, North Korea tested

in 2005 a new solid propellant short-range ballistic missile, conducted a launch of a Taepodong-2 ballistic missile/space launch vehicle in 2006, and is likely developing intermediate-range and intercontinental ballistic missile capabilities that could someday reach as far as the United States with a nuclear payload.

(3) According to assessments by the intelligence community of the United States, Iran continued in 2005 to test its medium-range ballistic missile, and the danger that Iran will acquire a nuclear weapon and integrate it with a ballistic missile Iran already possesses is a reason for immediate concern.

(b) POLICY.—It is the policy of the United States that the Department of Defense accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the ground-based midcourse defense system, the Aegis ballistic missile defense system, the Patriot PAC-3 system, the Terminal High Altitude Area Defense system, and the sensors necessary to support such systems.

SEC. 224. ONE-YEAR EXTENSION OF COMPTROLLER GENERAL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE PROGRAMS.

Section 232(g) of the National Defense Authorization Act for Fiscal Year 2002 (10 U.S.C. 2431 note) is amended—

(1) in paragraph (1), by striking ''through 2007'' and inserting ''through 2008''; and

(2) in paragraph (2), by striking ''through 2008'' and inserting ''through 2009''.

SEC. 225. SUBMITTAL OF PLANS FOR TEST AND EVALUATION OF THE OPERATIONAL CAPABILITY OF THE BALLISTIC MISSILE DEFENSE SYSTEM.

Section 234(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3174; 10 U.S.C. 2431 note) is amended by adding at the end the following new paragraph:

''(3) SUBMITTAL TO CONGRESS.—Each plan prepared under this subsection and approved by the Director of Operational Test and Evaluation shall be submitted to the congressional defense committees not later than 30 days after the date of the approval of such plan by the Director.''.

SEC. 226. ANNUAL REPORTS ON TRANSITION OF BALLISTIC MISSILE DEFENSE PROGRAMS TO THE MILITARY DEPARTMENTS.

(a) REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter through 2013, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the plans of the Department of Defense for the transition of missile defense programs from the Missile Defense Agency to the military departments.

(b) SCOPE OF REPORTS.—Each report required by subsection (a) shall cover the period covered by the future-years defense program that is submitted under section 221 of title 10, United States Code, in the year in which such report is submitted.

(c) ELEMENTS.—Each report required by subsection (a) shall include the following:

(1) An identification of—

(A) the missile defense programs planned to be transitioned from the Missile Defense Agency to the military departments; and

(B) the missile defense programs, if any, not planned for transition to the military departments.

(2) The schedule for transition of each missile defense program planned to be transitioned to a

military department, and an explanation of such schedule.

(3) A description of—

(A) the status of the plans of the Missile Defense Agency and the military departments for the transition of missile defense programs from that agency to the military departments; and

(B) the status of any agreement between the Missile Defense Agency and one or more of the military departments on the transition of any such program from that agency to the military departments, including any agreement on the operational test criteria that must be achieved before such transition.

(4) An identification of the entity of the Department of Defense (whether the Missile Defense Agency, a military department, or both) that will be responsible for funding each missile defense program to be transitioned to a military department, and at what date.

(5) A description of the type of funds that will be used (whether funds for research, development, test, and evaluation, procurement, military construction, or operation and maintenance) for each missile

defense program to be transitioned to a military department.

(6) An explanation of the number of systems planned for procurement for each missile defense program to be transitioned to a military department, and the schedule for procurement of each such system.

Subtitle D—Other Matters

SEC. 231. POLICIES AND PRACTICES ON TEST AND EVALUATION TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REVISION TO REPORT REQUIREMENT.—Section 2399(b) of title 10, United States Code, is amended—

(1) by amending paragraph (2) to read as follows:

''(2) The Director shall analyze the results of the operational test and evaluation conducted for each major defense acquisition program. At the conclusion of such testing, the Director shall prepare a report stating—

''(A) the opinion of the Director as to—

''(i) whether the test and evaluation performed were adequate; and

''(ii) whether the results of such test and evaluation confirm that the items or compo-

nents actually tested are effecive and suitable for combat; and

''(B) additional information on the operational capabilities of the items or components that the Director considers appropriate based on the testing conducted.'';

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following:

''(5) If, before a final decision described in paragraph (4) is made for a major defense acquisition program, a decision is made within the Department of Defense to proceed to operational use of that program or to make procurement funds available for that program, the Director shall submit to the Secretary of Defense and the congressional defense committees the report with respect to that program under paragraph (2) as soon as practicable after the decision described in this paragraph is made.''.

(b) REVIEW AND REVISION OF POLICIES AND PRACTICES.—

(1) REVIEW.—During fiscal year 2007, the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Director of Operational Test and Evaluation shall review Department

of Defense policies and practices on test and evaluation in order to—

(A) reaffirm the test and evaluation principles that should guide traditional acquisition programs; and

(B) determine how best to apply appropriate test and evaluation principles to emerging acquisition approaches.

(2) REVISED GUIDANCE.—If the Under Secretary determines as a result of the review under paragraph (1) that a revision of the policies and practices referred to in that paragraph is necessary, the Under Secretary and the Director shall jointly issue new or revised guidance for the Department of Defense on test and evaluation to address that determination.

(c) ISSUES TO BE ADDRESSED.—In carrying out subsection (b), the Under Secretary shall address policies and practices on test and evaluation in order to—

(1) ensure the performance of test and evaluation activities with regard to—

(A) items that are acquired pursuant to the authority for rapid acquisition and deployment of items in section 806 of the Bob Stump

National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(B) programs that are conducted pursuant to the authority for spiral development in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314; 116 Stat. 2603; 10 U.S.C. 2430 note), or other authority for the conduct of incremental acquisition programs;

(C) systems that are acquired pursuant to other emerging acquisition approaches, as approved by the Under Secretary; and

(D) equipment that is not subject to the operational test and evaluation requirements in sections 2366 and 2399 of title 10, United States Code, but that may require limited operational test and evaluation for the purpose of ensuring the safety and survivability of such equipment and personnel using such equipment; and

(2) ensure the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for the purpose of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(d) INCLUSION OF TESTING NEEDS IN STRATEGIC PLAN.—The Director, Test Resource Management Center, shall ensure that the strategic plan for Department of Defense test and evaluation resources developed pursuant to section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified as a result of activities under subsection (b); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(e) REPORT TO CONGRESS.—Not later than nine months after the date of the enactment of this Act, the Under Secretary and the Director of Operational Test and Evaluation shall submit to the congressional defense committees a report on the review conducted under paragraph (1) of subsection (b), including any new or revised guidance issued pursuant to paragraph (2) of that subsection.

(f) CLARIFICATION OF DUTIES WITH RESPECT TO FORCE PROTECTION EQUIPMENT.—Section 139(b) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

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

"(3) provide guidance to and consult with the officials described in paragraph (2) with respect to operational test and evaluation or survivability testing (or both) within the Department of Defense of force protection equipment (including non-lethal weapons), which, in such a case—

"(A) shall be guidance and consultation for the purposes of—

"(i) expediting suitable operational test and evaluation;

"(ii) providing objective subject-matter expertise;

"(iii) encouraging data sharing between Department of Defense components; and

"(iv) where appropriate, facilitating the use of common test standards; and

"(B) does not authorize the Director—

"(i) to approve test and evaluation plans for such equipment; or

"(ii) to in any manner delay deployment of such equipment;".

SEC. 232. EXTENSION OF REQUIREMENT FOR GLOBAL RESEARCH WATCH PROGRAM.

Section 2365(f) of title 10, United States Code, is amended by striking ''September 30, 2006'' and inserting ''September 30, 2011''.

SEC. 233. SENSE OF CONGRESS ON TECHNOLOGY SHARING OF JOINT STRIKE FIGHTER TECHNOLOGY.

It is the sense of Congress that the Secretary of Defense should share technology with regard to the Joint Strike Fighter between the United States Government and the Government of the United Kingdom consistent with the national security interests of both nations.

SEC. 234. REPORT ON VEHICLE-BASED ACTIVE PROTECTION SYSTEMS FOR CERTAIN BATTLEFIELD THREATS.

(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall enter into a contract with an appropriate entity independent of the United States Government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protection systems for defense against both chemical energy and kinetic energy top-attack and direct fire threats, including anti-tank missiles and rocket propelled grenades, mortars, and other similar battlefield threats.

(b) REPORT.—

(1) REPORT REQUIRED.—The contract required by subsection (a) shall require the entity entering into such contract to submit to the Secretary of Defense, and to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, a report on the assessment required by that subsection.

(2) ELEMENTS.—The report required under paragraph (1) shall include—

(A) a detailed comparative analysis and assessment of the technical approaches covered by the assessment under subsection (a), including the feasibility, military utility, cost, and potential short-term and long-term development and deployment schedule of such approaches; and

(B) any other elements specified by the Secretary in the contract under subsection (a).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

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Sec. 315. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
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Subtitle C—Program Requirements, Restrictions, and Limitations

Sec. 321. Limitation on financial management improvement and audit initiatives within the Department of Defense.
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Sec. 347. Annual report on Personnel Security Investigations for Industry and National Industrial Security Program.
Sec. 348. Five-year extension of annual report on training range sustainment plan and training range inventory.
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Subtitle F—Other Matters

Sec. 351. Department of Defense strategic policy on prepositioning of materiel and equipment.
Sec. 352. Authority to make Department of Defense horses available for adoption.
Sec. 353. Sale and use of proceeds of recyclable munitions materials.
Sec. 354. Recovery and transfer to Corporation for the Promotion of Rifle Practice and Firearms Safety of certain firearms, ammunition, and parts granted to foreign countries.
Sec. 355. Extension of Department of Defense telecommunications benefit program.

Sec. 356. Extension of availability of funds for commemoration of success of the Armed Forces in Operation Enduring Freedom and Operation Iraqi Freedom.
Sec. 357. Capital security cost sharing.
Sec. 358. Utilization of fuel cells as back-up power systems in Department of Defense operations.
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Sec. 360. Energy efficiency in weapons platforms.
Sec. 361. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.
Sec. 362. Provision of adequate storage space to secure personal property outside of assigned military family housing unit.
Sec. 363. Expansion of payment of replacement value of personal property damaged during transport at Government expense.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,416,352,000.

(2) For the Navy, $31,157,639,000.

(3) For the Marine Corps, $3,863,462,000.

(4) For the Air Force, $31,081,257,000.

(5) For Defense-wide activities, $20,093,876,000.

(6) For the Army Reserve, $2,260,802,000.

(7) For the Naval Reserve, $1,275,764,000.

(8) For the Marine Corps Reserve, $211,311,000.

(9) For the Air Force Reserve, $2,698,400,000.

(10) For the Army National Guard, $4,776,421,000.

(11) For the Air National Guard, $5,292,517,000.

(12) For the United States Court of Appeals for the Armed Forces, $11,721,000.

(13) For Environmental Restoration, Army, $413,794,000.

(14) For Environmental Restoration, Navy, $304,409,000.

(15) For Environmental Restoration, Air Force, $423,871,000.

(16) For Environmental Restoration, Defense-wide, $18,431,000.

(17) For Environmental Restoration, Formerly Used Defense Sites, $282,790,000.

(18) For Former Soviet Union Threat Reduction programs, $372,128,000.

(19) For Overseas Humanitarian Disaster and Civic Aid, $63,204,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for

providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $161,998,000.

(2) For the National Defense Sealift Fund, $1,071,932,000.

(3) For the Defense Working Capital Fund, Defense Commissary, $1,184,000,000.

(4) For the Pentagon Reservation Maintenance Revolving Fund, $18,500,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, $21,426,621,000, of which—

(1) $20,894,663,000 is for Operation and Maintenance;

(2) $135,603,000 is for Research, Development, Test, and Evaluation; and

(3) $396,355,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Chem-

ical Agents and Munitions Destruction, Defense, $1,277,304,000, of which—

(A) $1,046,290,000 is for Operation and Maintenance; and

(B) $231,014,000 is for Research, Development, Test, and Evaluation.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2006 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $926,890,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2006 for expenses, not otherwise

provided for, for the Office of the Inspector General of the Department of Defense, $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance; and

(2) $1,400,000 is for Procurement.

Subtitle B—Environmental Provisions

SEC. 311. REVISION OF REQUIREMENT FOR UNEXPLODED ORDNANCE PROGRAM MANAGER.

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

(1) in paragraph (1)—

(A) by striking ''establish'' and inserting ''designate''; and

(B) by inserting ''research,'' after ''characterization,'';

(2) by striking paragraph (2) and redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (1) the following new paragraphs:

''(2) The position of program manager shall be filled by—

''(A) an employee in a position that is equivalent to pay grade O-6 or above; or

"(B) a member of the armed forces who is serving in the grade of colonel or, in the case of the Navy, captain, or in a higher grade.

"(3) The program manager shall report to the Deputy Under Secretary of Defense for Installations and Environment.".

SEC. 312. FUNDING OF COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: "This two-year limitation does not apply to an agreement funded using amounts in the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established under sections 2906 and 2906A 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).".

SEC. 313. RESPONSE PLAN FOR REMEDIATION OF UNEXPLODED ORDNANCE, DISCARDED MILITARY MUNITIONS, AND MUNITIONS CONSTITUENTS.

(a) PERFORMANCE GOALS FOR REMEDIATION.—The Secretary of Defense shall set the following remediation goals with regard to unexploded ordnance, discarded military munitions, and munitions constituents:

(1) To complete, by not later than September 30, 2007, preliminary assessments of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges).

(2) To complete, by not later than September 30, 2010, site inspections of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges).

(3) To achieve, by not later than September 30, 2009, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all military installations closed or realigned as part of a round of defense base closure and realignment occurring prior to the 2005 round.

(4) To achieve, by a date certain established by the Secretary of Defense, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges) and all military in-

stallations realigned or closed under the 2005 round of defense base closure and realignment.

(b) RESPONSE PLAN REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a comprehensive plan for addressing the remediation of unexploded ordnance, discarded military munitions, and munitions constituents at current and former defense sites (other than operational ranges).

(2) CONTENT.—The plan required by paragraph (1) shall include—

(A) a schedule, including interim goals, for achieving the goals described in paragraphs (1) through (3) of subsection (a), based upon the Munitions Response Site Prioritization Protocol established by the Department of Defense;

(B) such interim goals as the Secretary determines feasible for efficiently achieving the goal required under paragraph (4) of such subsection; and

(C) an estimate of the funding required to achieve the goals established pursuant to such subsection and the interim goals established pursuant to subparagraphs (A) and (B).

(3) UPDATES.—Not later than March 15 of 2008, 2009, and 2010, the Secretary shall submit to the congressional defense committees an update of the plan required under paragraph (1). The Secretary may include the update in the report on environmental restoration activities that is submitted to Congress under section 2706(a) of title 10, United States Code, in the year in which that update is required and may include in the update any adjustment to the remediation goals established under subsection (a) that the Secretary determines necessary to respond to unforeseen circumstances.

(c) REPORT ON REUSE STANDARDS AND PRINCIPLES.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the efforts of the Department of Defense to achieve agreement with relevant regulatory agencies on appropriate reuse standards or principles, including—

(1) a description of any standards or principles that have been agreed upon; and

(2) a discussion of any issues that remain in disagreement, including the impact that any such disagreement is likely to have on the ability of the

Department of Defense to carry out the response plan required by subsection (b).

(d) DEFINITIONS.—In this section:

(1) The terms ''unexploded ordnance'' and ''operational range'' have the meanings given such terms in section 101(e) of title 10, United States Code.

(2) The terms ''discarded military munitions'', ''munitions constituents'', and ''defense site'' have the meanings given such terms in section 2710(e) of such title.

(e) CONFORMING REPEAL.—Section 313 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1051; 10 U.S.C. 2706 note) is repealed.

SEC. 314. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF MUNITIONS.

(a) IDENTIFICATION OF DISPOSAL SITES.—

(1) HISTORICAL REVIEW.—The Secretary of Defense shall conduct a historical review of available records to determine the number, size, and probable locations of sites where the Armed Forces disposed of military munitions in coastal waters. The historical review shall, to the extent possible, identify the types of munitions at individual sites.

(2) COOPERATION.—The Secretary shall request the assistance of the Coast Guard, the National Oceanic and Atmospheric Administration, and other relevant Federal agencies in conducting the review required by this subsection.

(3) INTERIM REPORTS.—The Secretary shall periodically, but no less often than annually, release any new information obtained during the historical review conducted under paragraph (1). The Secretary may withhold from public release the exact nature and locations of munitions the potential unauthorized retrieval of which could pose a significant threat to the national defense or public safety.

(4) INCLUSION OF INFORMATION IN ANNUAL REPORT ON ENVIRONMENTAL RESTORATION ACTIVITIES.—The Secretary shall include the information obtained pursuant to the review conducted under paragraph (1) in the annual report on environmental restoration activities submitted to Congress under section 2706 of title 10, United States Code.

(5) FINAL REPORT.—The Secretary shall complete the historical review required under paragraph (1) and submit a final report on the findings of such review in the annual report on environmental res-

toration activities submitted to Congress for fiscal year 2009.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) IDENTIFICATION OF HAZARDS.—The Secretary of Defense shall provide available information to the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for coastal waters that identify known or potential hazards posed by disposed military munitions to private activities, including commercial shipping and fishing operations.

(2) CONTINUATION OF INFORMATION ACTIVITIES.—The Secretary of Defense shall continue activities to inform potentially affected users of the ocean environment, particularly fishing operations, of the possible hazards from contact with disposed military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary of Defense shall continue to conduct research on the effects on the ocean environment and those who use it of military munitions disposed of in coastal waters.

(2) SCOPE.—Research under paragraph (1) shall include—

(A) the sampling and analysis of ocean waters and sea beds at or adjacent to military munitions disposal sites selected pursuant to paragraph (3) to determine whether the disposed military munitions have caused or are causing contamination of such waters or sea beds;

(B) investigation into the long-term effects of seawater exposure on disposed military munitions, particularly effects on chemical munitions;

(C) investigation into the impacts any such contamination may have on the ocean environment and those who use it, including public health risks;

(D) investigation into the feasibility of removing or otherwise remediating the military munitions; and

(E) the development of effective safety measures for dealing with such military munitions.

(3) RESEARCH CRITERIA.—In conducting the research required by this subsection, the Secretary shall ensure that the sampling, analysis, and inves-

tigations are conducted at representative sites, taking into account factors such as depth, water temperature, nature of the military munitions present, and relative proximity to onshore populations. In conducting such research, the Secretary shall select at least two representative sites each in the areas of the Atlantic coast, the Pacific coast (including Alaska), and the Hawaiian Islands.

(4) AUTHORITY TO MAKE GRANTS AND ENTER INTO COOPERATIVE AGREEMENTS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities.

(d) MONITORING.—If the historical review required by subsection (a) or the research required by subsection (c) indicates that contamination is being released into the ocean waters from disposed military munitions at a particular site or that the site poses a significant public health or safety risk, the Secretary of Defense shall institute appropriate monitoring mechanisms at that site and report to the congressional defense committees on any additional measures that may be necessary to address the release or risk, as applicable.

(e) DEFINITIONS.—In this section:

(1) The term ''coastal waters'' means that part of the ocean extending from the coast line of the United States to the outer boundary of the outer Continental Shelf.

(2) The term ''coast line'' has the meaning given that term in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

(3) The term ''military munitions'' has the meaning given that term in section 101(e) of title 10, United States Code.

(4) The term ''outer Continental Shelf'' has the meaning given that term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—

(1) TRANSFER AMOUNT.—Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account.

(2) PURPOSE OF REIMBURSEMENT.—The payment under paragraph (1) is to reimburse the Environmental Protection Agency for its costs incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington.

(3) INTERAGENCY AGREEMENT.—The reimbursement described in paragraph (2) is provided for in the interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Wellfield Superfund Site in March 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

(c) USE OF FUNDS.—The Environmental Protection Agency shall use the amount transferred under subsection (a) to pay costs incurred by the Agency at the Moses Lake Wellfield Superfund Site.

SEC. 316. TRANSFER OF GOVERNMENT-FURNISHED URANIUM STORED AT SEQUOYAH FUELS CORPORATION, GORE, OKLAHOMA.

(a) TRANSPORT AND DISPOSAL.—Subject to subsection (c), the Secretary of the Army shall transport to an authorized disposal facility for appropriate disposal all of the Government-furnished uranium in the chemical and physical form in which it is stored at the Sequoyah Fuels Corporation site in Gore, Oklahoma.

(b) SOURCE OF FUNDS.—Funds authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army may be used for the transport and disposal required under subsection (a).

(c) LIABILITY.—The Secretary may only transport uranium under subsection (a) after receiving from Sequoyah Fuels Corporation a written agreement satisfactory to the Secretary that provides that—

(1) the United States assumes no liability, legal or otherwise, of Sequoyah Fuels Corporation by transporting the uranium; and

(2) the Sequoyah Fuels Corporation waives any and all claims it may have against the United States related to the transported uranium.

(d) COMPLETION OF TRANSPORT.—The Secretary shall complete the transport of uranium under subsection (a) not later than March 31, 2007.

SEC. 317. EXTENSION OF AUTHORITY TO GRANT EXEMPTIONS TO CERTAIN REQUIREMENTS.

(a) AMENDMENT TO TOXIC SUBSTANCES CONTROL ACT.—Section 6(e)(3) of the Toxic Substances Control Act (15 U.S.C. 2605(e)(3)) is amended—

(1) in subparagraph (A), by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraphs (B), (C), and (D)'';

(2) in subparagraph (B), by striking ''but not more than one year from the date it is granted'' and inserting ''but not more than 1 year from the date it is granted, except as provided in subparagraph (D)''; and

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

''(D) The Administrator may extend an exemption granted pursuant to subparagraph (B) that has not yet expired for a period not to exceed 60 days for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the customs territory of the United States of polychlorinated biphenyls generated by or under the control of the Department of Defense for purposes of their disposal, treatment, or storage in the customs territory of the United States if those polychlorinated biphenyls are already in transit from their storage locations but the Ad-

ministrator determines, in the sole discretion of the Administrator, they would not otherwise arrive in the customs territory of the United States within the period of the original exemption. The Administrator shall promptly publish notice of such extension in the Federal Register.''.

(b) SUNSET DATE.—The amendments made by subsection (a) shall cease to have effect on September 30, 2012. The termination of the authority to grant exemptions pursuant to such amendments shall not effect the validity of any exemption granted prior to such date.

(c) REPORT.—Not later than March 1, 2011, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Environment and Public Works of the Senate and the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives a report on the status of foreign-manufactured polychlorinated biphenyls under the control of the Department of Defense outside the United States. The report shall address, at a minimum—

(1) the remaining volume of such foreign-manufactured polychlorinated biphenyls that may require transportation into the customs territory of the United States for disposal, treatment, or storage; and

(2) the efforts that have been made by the Department of Defense and other Federal agencies to reduce such volume by—

(A) reducing the volume of foreign-manufactured polychlorinated biphenyls under the control of the Department of Defense outside the United States; or

(B) developing alternative options for the disposal, treatment, or storage of such foreign-manufactured polychlorinated biphenyls.

SEC. 318. NATIONAL ACADEMY OF SCIENCES STUDY ON HUMAN EXPOSURE TO CONTAMINATED DRINKING WATER AT CAMP LEJEUNE, NORTH CAROLINA.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Navy shall enter into an agreement with the National Academy of Sciences to conduct a comprehensive review and evaluation of the available scientific and medical evidence regarding associations between pre-natal, child, and adult exposure to drinking water contaminated with trichloroethylene (TCE) and tetrachloroethylene (PCE) at Camp Lejeune, North Carolina, as well as other pre-natal,

1 child, and adult exposures to levels of trichloro-
2 ethylene and tetrachloroethylene similar to those ex-
3 perienced at Camp Lejeune, and birth defects or dis-
4 eases and any other adverse health effects.

5 (2) ELEMENTS.—In conducting the review and
6 evaluation, the Academy shall review and summarize
7 the scientific and medical evidence and assess the
8 strength of that evidence in establishing a link or as-
9 sociation between exposure to trichloroethylene and
10 tetrachloroethylene and each birth defect or disease
11 suspected to be associated with such exposure. For
12 each birth defect or disease reviewed, the Academy
13 shall determine, to the extent practicable with avail-
14 able scientific and medical data, whether—

15 (A) a statistical association with such con-
16 taminant exposures exists; and

17 (B) there exist plausible biological mecha-
18 nisms or other evidence of a causal relationship
19 between contaminant exposures and the birth
20 defect or disease.

21 (3) SCOPE OF REVIEW.—In conducting the re-
22 view and evaluation, the Academy shall include a re-
23 view and evaluation of—

24 (A) the toxicologic and epidemiologic lit-
25 erature on adverse health effects of trichloro-

ethylene and tetrachloroethylene, including epidemiologic and risk assessment reports from government agencies;

(B) recent literature reviews by the National Research Council, Institute of Medicine, and other groups;

(C) the completed and on-going Agency for Toxic Substances Disease Registry (ATSDR) studies on potential trichloroethylene and tetrachloroethylene exposure at Camp Lejeune; and

(D) published meta-analyses.

(4) PEER REVIEW.—The Academy shall obtain the peer review of the report prepared as a result of the review and evaluation under applicable Academy procedures.

(5) SUBMITTAL.—The Academy shall submit the report prepared as a result of the review and evaluation to the Secretary and Congress not later than 18 months after entering into the agreement for the review and evaluation under paragraph (1).

(b) NOTICE ON EXPOSURE.—

(1) NOTICE REQUIRED.—Upon completion of the current epidemiological study by the Agency for Toxic Substances Disease Registry, known as the

Exposure to Volatile Organic Compounds in Drinking Water and Specific Birth Defects and Childhood Cancers, United States Marine Corps Base Camp Lejeune, North Carolina, the Commandant of the Marine Corps shall take appropriate actions, including the use of national media such as newspapers, television, and the Internet, to notify former Camp Lejeune residents and employees who may have been exposed to drinking water impacted by trichloroethylene and tetrachloroethylene of the results of the study.

(2) ELEMENTS.—The information provided by the Commandant of the Marine Corps under paragraph (1) shall be prepared in conjunction with the Agency for Toxic Substances Disease Registry and shall include a description of sources of additional information relating to such exposure, including, but not be limited to, the following:

(A) A description of the events resulting in exposure to contaminated drinking water at Camp Lejeune.

(B) A description of the duration and extent of the contamination of drinking water at Camp Lejeune.

(C) The known and suspected health effects of exposure to the drinking water impacted by trichloroethylene and tetrachloroethylene at Camp Lejeune.

Subtitle C—Program Requirements, Restrictions, and Limitations

SEC. 321. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN THE DEPARTMENT OF DEFENSE.

(a) LIMITATION.—The Secretary of Defense may not obligate or expend any funds for the purpose of any financial management improvement activity relating to the preparation, processing, or auditing of financial statements until the Secretary submits to the congressional defense committees a written determination that each activity proposed to be funded is—

(1) consistent with the financial management improvement plan of the Department of Defense required by section 376(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 190–163; 119 Stat. 3213); and

(2) likely to improve internal controls or otherwise result in sustained improvements in the ability

of the Department to produce timely, reliable, and complete financial management information.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to an activity directed exclusively at assessing the adequacy of internal controls and remediating any inadequacy identified pursuant to such assessment.

SEC. 322. FUNDS FOR EXHIBITS FOR THE NATIONAL MUSEUMS OF THE ARMED FORCES.

(a) NATIONAL MUSEUM OF THE UNITED STATES ARMY.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, not less than $3,000,000 may be available to the Secretary of the Army for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Army. The Secretary may enter into a contract with the Army Historical Foundation for the purpose of performing such acquisition, installation, and maintenance.

(b) NATIONAL MUSEUM OF THE UNITED STATES NAVY.—Of the amounts authorized to be appropriated by section 301(2) for operation and maintenance for the Navy, not less than $3,000,000 may be available to the Secretary of the Navy for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States

Navy. The Secretary may enter into a contract with the Naval Historical Foundation for the purpose of performing such acquisition, installation, and maintenance.

(c) NATIONAL MUSEUM OF THE MARINE CORPS AND HERITAGE CENTER.—Of the amounts authorized to be appropriated by section 301(3) for operation and maintenance for the Marine Corps, not less than $3,000,000 may be available to the Secretary of the Navy for the acquisition, installation, and maintenance of exhibits at the National Museum of the Marine Corps and Heritage Center. The Secretary may enter into a contract with the United States Marine Corps Heritage Foundation for the purpose of performing such acquisition, installation, and maintenance.

(d) NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE.—Of the amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force, not less than $3,000,000 may be available to the Secretary of the Air Force for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Air Force. The Secretary may enter into a contract with the Air Force Museum Foundation for the purpose of performing such acquisition, installation, and maintenance.

(e) REIMBURSEMENT.—

(1) AUTHORITY TO ACCEPT REIMBURSEMENT.—After September 30, 2006, the Secretary of a military department may accept funds from any non-profit entity authorized to support the national museum of the applicable Armed Force to reimburse the Secretary for amounts obligated and expended by the Secretary from amounts made available to the Secretary under this section.

(2) TREATMENT.—Amounts accepted as reimbursement under paragraph (1) shall be credited to the account that was used to cover the costs for which the reimbursement was provided. Amounts so credited shall be merged with amounts in that account, and shall be available for the same purposes, and subject to the same conditions and limitations, as other amounts in that account.

SEC. 323. PRIORITIZATION OF FUNDS FOR EQUIPMENT READINESS AND STRATEGIC CAPABILITY.

(a) PRIORITIZATION OF FUNDS.—The Secretary of Defense shall take such steps as may be necessary through the planning, programming, budgeting, and execution systems of the Department of Defense to ensure that financial resources are provided for each fiscal year as necessary to enable—

(1) the Secretary of each military department to meet the requirements of that military department for that fiscal year for the repair, recapitalization, and replacement of equipment used in the global war on terrorism; and

(2) the Secretary of the Army to meet the requirements of the Army for that fiscal year, in addition to the requirements under paragraph (1), for—

(A) the fulfillment of the equipment requirements of units transforming to modularity in accordance with the Modular Force Initiative report submitted to Congress in March 2006; and

(B) the reconstitution of equipment and materiel in prepositioned stocks in accordance with requirements under the Army Prepositioned Stocks Strategy 2012 or a subsequent strategy implemented under the guidelines in section 2229 of title 10, United States Code.

(b) SUBMISSION OF BUDGET INFORMATION.—

(1) SUBMISSION OF INFORMATION.—As part of the budget justification materials submitted to Congress in support of the President's budget for a fiscal year or a request for supplemental appropria-

tions, the Secretary of Defense shall include the following:

(A) The information described in paragraph (2) for the fiscal year for which the budget justification materials are submitted, the fiscal year during which the materials are submitted, and the preceding fiscal year.

(B) The information described in paragraph (2) for each of the fiscal years covered by the future-years defense program for the fiscal year in which the report is submitted based on estimates of any amounts required to meet each of the requirements under subsection (a) that are not met for that fiscal year and are deferred to the future-years defense program.

(C) A consolidated budget justification summary of the information submitted under subparagraphs (A) and (B).

(2) INFORMATION DESCRIBED.—The information described in this paragraph is information that clearly and separately identifies, by appropriations account, budget activity, activity group, sub-activity group, and program element or line item, the amounts requested for the programs, projects, and activities of—

(A) each of the military departments for the repair, recapitalization, or replacement of equipment used in the global war on terrorism; and

(B) the Army for—

(i) the fulfillment of the equipment requirements of units transforming to modularity; and

(ii) the reconstitution of equipment and materiel in prepositioned stocks.

(3) ADDITIONAL INFORMATION IN FIRST REPORT.—As part of the budget justification materials submitted to Congress in support of the President's budget for fiscal year 2008, the Secretary of Defense shall also include the information described in paragraph (2) for fiscal years 2003, 2004, and 2005.

(c) ANNUAL REPORT ON ARMY PROGRESS.—On the date on which the President submits to Congress the budget for a fiscal year under section 1105 of title 31, United States Code, the Secretary of the Army shall submit to the congressional defense committees a report setting forth the progress of the Army in meeting the requirements of subsection (a). Any information required to be included in the report concerning funding priorities under

paragraph (1) or (2) of subsection (a) shall be itemized by active duty component and reserve component. Each such report shall include the following:

(1) A complete itemization of the requirements for the funding priorities in subsection (a), including an itemization for all types of modular brigades and an itemization for the replacement of equipment withdrawn or diverted from the reserve component for use in the global war on terrorism.

(2) A list of any shortfalls that exist between available funding, equipment, supplies, and industrial capacity and required funding, equipment, supplies, and industrial capacity in accordance with the funding priorities in subsection (a).

(3) A list of the requirements for the funding priorities in subsection (a) that the Army has included in the budget for that fiscal year, including a detailed listing of the type, quantity, and cost of the equipment the Army plans to repair, recapitalize, or procure, set forth by appropriations account and Army component.

(4) An assessment of the progress made during that fiscal year toward meeting the overall requirements of the funding priorities in subsection (a).

(5) A schedule for meeting the requirements of subsection (a).

(6) A description of how the Army defines costs associated with modularity versus the costs associated with modernizing equipment platforms and the reset (repair, recapitalization, or replacement) of equipment used during the global war on terrorism, including the funding expended on, and the future funding required for, such reset requirements.

(7) A complete itemization of the amount of funds expended to date on the modular brigades.

(8) The results of Army assessments of modular force capabilities, including lessons learned from existing modular units and any modifications that have been made to modularity.

(9) The comments of the Chief of the National Guard Bureau and the Chief of the Army Reserve on each of the items described in paragraphs (1) through (8).

(d) ANNUAL COMPTROLLER GENERAL REPORT ON ARMY PROGRESS.—Not later than 45 days after the date on which the President submits to Congress the budget for a fiscal year under section 1105 of title 31, United States Code, the Comptroller General shall submit to the

congressional defense committees a report containing the assessment of the Comptroller General on the following:

(1) The progress of the Army in meeting the requirements of subsection (a), including progress in equipping and manning modular units in the regular components and reserve components of the Armed Forces.

(2) The use of funds by the Army for meeting the requirements of subsection (a).

(3) The progress of the Army in conducting further testing and evaluations of designs under the modularity initiative.

(e) TERMINATION OF REPORT REQUIREMENTS.—The requirement for the submission of a report under subsection (c) or (d) shall terminate on the date of the submission of the report required to be submitted under that subsection to accompany or follow the President's budget submission for fiscal year 2012.

SEC. 324. LIMITATION ON DEPLOYMENT OF MARINE CORPS TOTAL FORCE SYSTEM TO NAVY.

(a) LIMITATION.—The Secretary of the Navy may not deploy the Marine Corps Total Force System (MCTFS) (or any derivative system of the MCTFS) to the Navy until the date on which the congressional defense committees and the Secretary of the Navy receive the writ-

ten determination of the Chairman of the Defense Business Systems Management Committee submitted under subsection (d) that the deployment of the MCTFS to the Navy is in the best interests of the Department of Defense.

(b) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees and the Comptroller General a report on the Marine Corps Total Force System (MCTFS). The report shall include the following:

(1) An analysis of alternatives to the MCTFS, including a detailed comparison between the cost of deploying and operating the MCTFS within the Navy and the cost of including the Navy in the Defense Integrated Military Human Resources System.

(2) A business case analysis, including an analysis of the costs and benefits to both the Department of Navy and the Department of Defense of the alternatives to the MCTFS considered under the analysis required by paragraph (1).

(3) An analysis of the compatibility of the MCTFS with the enterprise architecture of the Department of Defense, including a detailed estimate of all interface costs with current or planned De-

partment-wide military manpower, personnel, and pay information technology systems.

(c) COMPTROLLER GENERAL ASSESSMENT.—Not later than 90 days after the date on which the Comptroller General receives the report submitted under subsection (b), the Comptroller General shall submit to the congressional defense committees and to the Chairman of the Defense Business Systems Management Committee a written assessment of the report.

(d) DETERMINATION OF CHAIRMAN OF DEFENSE BUSINESS SYSTEMS MANAGEMENT COMMITTEE.—Not sooner than 120 days after the date on which the Comptroller General receives the report submitted under subsection (b), the Chairman of the Defense Business Systems Management Committee shall review the analysis included in the report, together with any other relevant information available to the Chairman, and submit to the congressional defense committees and the Secretary of the Navy the written determination of the Chairman of whether the deployment of the MCTFS to the Navy is in the best interests of the Department of Defense.

Subtitle D—Workplace and Depot Issues

SEC. 331. PERMANENT EXCLUSION OF CERTAIN CONTRACT EXPENDITURES FROM PERCENTAGE LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) PERMANENT EXCLUSION.—Section 2474(f) of title 10, United States Code, is amended—

(1) by striking ''(1) Amounts'' and inserting ''Amounts'';

(2) by striking ''entered into during fiscal years 2003 through 2009''; and

(3) by striking paragraph (2).

(b) INCLUSION OF CERTAIN ITEMS IN ANNUAL REPORT.—

(1) INCLUSION OF CERTAIN ITEMS.—Paragraph (2) of section 2466(d) of such title is amended to read as follows:

''(2) Each report required under paragraph (1) shall include as a separate item any expenditure covered by section 2474(f) of this title that was made during the fiscal year covered by the report and shall specify the amount and nature of each such expenditure.''.

(2) CONFORMING AMENDMENT.—The heading for subsection (d) of section 2466 of such title is amended to read as follows: ''ANNUAL REPORT.—''.

SEC. 332. MINIMUM CAPITAL INVESTMENT FOR CERTAIN DEPOTS.

(a) MINIMUM INVESTMENT LEVELS.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2476. Minimum capital investment for certain depots

''(a) MINIMUM INVESTMENT.—Each fiscal year, the Secretary of a military department shall invest in the capital budgets of the covered depots of that military department a total amount equal to not less than six percent of the average total combined workload funded at all the depots of that military department for the preceding three fiscal years.

''(b) CAPITAL BUDGET.—For purposes of this section, the capital budget of a depot includes investment funds spent on depot infrastructure, equipment, and process improvement in direct support of depot operations.

''(c) WAIVER.—The Secretary of Defense may waive the requirement under subsection (a) with respect to a military department for a fiscal year if the Secretary determines that the waiver is necessary for reasons of na-

1 tional security. Whenever the Secretary makes such a
2 waiver, the Secretary shall notify the congressional de-
3 fense committees of the waiver and the reasons for the
4 waiver.

5 ''(d) ANNUAL REPORT.—(1) Not later than 45 days
6 after the date on which the President submits to Congress
7 the budget for a fiscal year under section 1105 of title
8 31, the Secretary of Defense shall submit to the congres-
9 sional defense committees a report containing budget jus-
10 tification documents summarizing the level of capital in-
11 vestment for each military department as of the end of
12 the preceding fiscal year.

13 ''(2) Each report submitted under paragraph (1)
14 shall include the following:

15 ''(A) A specification of any statutory, regu-
16 latory, or operational impediments to achieving the
17 requirement under subsection (a) with respect to
18 each military department.

19 ''(B) A description of the benchmarks for cap-
20 ital investment established for each covered depot
21 and military department and the relationship of the
22 benchmarks to applicable performance measurement
23 methods used in the private sector.

24 ''(C) If the requirement under subsection (a) is
25 not met for a military department for the fiscal year

1 covered by the report, a statement of the reasons
2 why the requirement was not met and a plan of ac-
3 tions for meeting the requirement for the fiscal year
4 beginning in the year in which such report is sub-
5 mitted.
6 ''(e) COVERED DEPOT.—In this section, the term
7 'covered depot' means any of the following:
8 ''(1) With respect to the Department of the
9 Army:
10 ''(A) Anniston Army Depot, Alabama.
11 ''(B) Letterkenny Army Depot, Pennsyl-
12 vania.
13 ''(C) Tobyhanna Army Depot, Pennsyl-
14 vania.
15 ''(D) Corpus Christi Army Depot, Texas.
16 ''(E) Red River Army Depot, Texas.
17 ''(2) With respect to the Department of the
18 Navy:
19 ''(A) Fleet Readiness Center East Site,
20 Cherry Point, North Carolina.
21 ''(B) Fleet Readiness Center Southwest
22 Site, North Island, California.
23 ''(C) Fleet Readiness Center Southeast
24 Site, Jacksonville, Florida.
25 ''(D) Portsmouth Naval Shipyard, Maine.

"(E) Pearl Harbor Naval Shipyard, Hawaii.

"(F) Puget Sound Naval Shipyard, Washington.

"(G) Norfolk Naval Shipyard, Virginia.

"(H) Marine Corps Logistics Base, Albany, Georgia.

"(I) Marine Corps Logistics Base, Barstow, California.

"(3) With respect to the Department of the Air Force:

"(A) Warner-Robins Air Logistics Center, Georgia.

"(B) Ogden Air Logistics Center, Utah.

"(C) Oklahoma City Air Logistics Center, Oklahoma.".

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

"2476. Minimum capital investment for certain depots.".

(c) EFFECTIVE DATE.—Section 2476 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2006.

(d) TWO YEAR PHASE-IN FOR DEPARTMENTS OF THE ARMY AND THE NAVY.—

(1) REDUCED PERCENTAGE OF REQUIRED INVESTMENT FOR FISCAL YEARS 2007 AND 2008.—The Secretary of the Army shall apply subsection (a) of section 2476 of title 10, United States Code, as added by subsection (a), to the covered depots of the Army, and the Secretary of the Navy shall apply such subsection to the covered depots of the Department of the Navy—

(A) for fiscal year 2007, by substituting ''four percent'' for ''six percent''; and

(B) for fiscal year 2008, by substituting ''five percent'' for ''six percent''.

(2) COVERED DEPOTS.—In this subsection, the term ''covered depot'' has the meaning given that term in subsection (e) of section 2476 of title 10, United States Code, as added by subsection (a).

SEC. 333. EXTENSION OF TEMPORARY AUTHORITY FOR CONTRACTOR PERFORMANCE OF SECURITY GUARD FUNCTIONS.

(a) EXTENSION AND LIMITATION ON TOTAL NUMBER OF CONTRACTORS.—Section 332(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314) is amended—

(1) by striking ''September 30, 2007'' both places it appears and inserting ''September 30, 2009'';

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

(3) by inserting after subsection (c) the following new subsection (d):

''(d) LIMITATION.—The total number of personnel employed to perform security guard functions under all contracts entered into pursuant to this section shall not exceed—

''(1) for fiscal year 2007, the total number of such personnel employed under such contracts on October 1, 2006;

''(2) for fiscal year 2008, the number equal to 90 percent of the total number of such personnel employed under such contracts on October 1, 2006; and

''(3) for fiscal year 2009, the number equal to 80 percent of the total number of such personnel employed under such contracts on October 1, 2006.''.

(b) REPORT ON CONTRACTOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS.—Not later than February 1, 2007, the Secretary of Defense shall submit to the Com-

1 mittee on Armed Services of the Senate and the Com-
2 mittee on Armed Services of the House of Representatives
3 a report on contractor performance of security guard func-
4 tions under section 332 of the Bob Stump National De-
5 fense Authorization Act for Fiscal Year 2003 (Public Law
6 107-314). The report shall include the following:

7 (1) An explanation of progress made toward im-
8 plementing each of the seven recommendations in
9 the Comptroller General report entitled ''Contract
10 Security Guards: Army's Guard Program Requires
11 Greater Oversight and Reassessment of Acquisition
12 Approach'' (GAO-06-284).

13 (2) An assessment, taking into considerations
14 the observations made by the Comptroller General
15 on the report of the Department of Defense of No-
16 vember 2005 that is entitled ''Department of De-
17 fense Installation Security Guard Requirement As-
18 sessment and Plan'', of the following:

19 (A) The cost-effectiveness of using contrac-
20 tors rather than Department of Defense em-
21 ployees to perform security-guard functions.

22 (B) The performance of contractors em-
23 ployed as security guards compared with the
24 performance of military personnel who have
25 served as security guards.

(C) Specific results of on-site visits made by officials designated by the Secretary of Defense to military installations using contractors to perform security-guard functions.

(c) CONTRACT LIMITATION.—No contract may be entered into under section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314) after September 30, 2007, until the report required under subsection (b) is submitted.

Subtitle E—Reports

SEC. 341. REPORT ON NAVY FLEET RESPONSE PLAN.

(a) REPORT REQUIRED.—Not later than December 1, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the program of the Navy referred to as the Fleet Response Plan. The report shall include the following:

(1) A directive that provides guidance for the conduct of the Plan and standardizes terms and definitions.

(2) Performance measures for evaluation of the Plan.

(3) Costs and resources needed to achieve objectives of the Plan, including any incremental effect on the Navy Operation and Maintenance budget.

(4) Operational tests, exercises, war games, experiments, and deployments used to test performance.

(5) A collection and synthesis of lessons learned from the implementation of the Plan as of the date on which the report is submitted.

(6) Evaluation of each of the following with respect to each ship participating in the Plan:

(A) Combat readiness, including training requirements.

(B) Ship material condition, including trending data for mission degrading casualty reports rated as C3 or C4.

(C) Professional development training requirements accomplished during a deployment and at home station.

(D) Crew retention statistics.

(7) Any proposed changes to the Surface Force Training Manual.

(8) The amount of funding required to effectively implement the operation and maintenance requirements of the Plan by ship class.

(9) Any recommendations of the Secretary of the Navy with respect to expanding the Plan to include Expeditionary Strike Groups.

(b) COMPTROLLER GENERAL REPORT.—Not later than 120 days after the date on which the Secretary of the Navy submits the report required under subsection (a), the Comptroller General shall submit to the congressional defense committees a report containing a review of the report required under that subsection. The Comptroller General's report shall include the following:

(1) An examination of the management approaches of the Navy in implementing the Fleet Response Plan.

(2) An assessment of the adequacy of Navy directives and guidance with respect to maintenance and training requirements and procedures.

(3) An analysis and assessment of the adequacy of the Navy's evaluation criteria for the Plan.

(4) An evaluation of Navy data on aircraft carriers, destroyers, and cruisers that participated in the Plan with respect to readiness, response time, and availability for routine or unforeseen deployments.

(5) An assessment of the Navy's progress in identifying the amount of funding required to effec-

tively implement the operations and maintenance requirements of the Plan and the effect of providing funding in an amount less than that amount.

(6) Any recommendations of the Comptroller General with respect to expanding the Plan to include Expeditionary Strike Groups.

(c) POSTPONEMENT OF EXPANSION.—The Secretary of the Navy may not expand the implementation of the Fleet Response Plan beyond the Carrier Strike Groups until the date that is six months after the date on which the Secretary of the Navy submits the report required under subsection (a).

SEC. 342. REPORT ON NAVY SURFACE SHIP ROTATIONAL CREW PROGRAMS.

(a) REPORT REQUIRED.—Not later than April 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A comparison between the three destroyers participating in that experiment and destroyers not participating in the experiment that takes into consideration each of the following:

(A) Cost-effectiveness, including a comparison of travel and per diem expenses, maintenance costs, and other costs.

(B) Maintenance procedures, impacts, and deficiencies, including the number and characterization of maintenance deficiencies, the extent of voyage repairs, post-deployment assessments of the material condition of the ships, and the extent to which work levels were maintained.

(C) Mission training requirements.

(D) Professional development requirements and opportunities.

(E) Liberty port of call opportunities.

(F) Movement and transportation of crew.

(G) Inventory and property accountability.

(H) Policies and procedures for assigning billets for rotating crews.

(I) Crew retention statistics.

(J) Readiness and mission capability data.

(2) Results from surveys administered or focus groups held to obtain representative views from commanding officers, officers, and enlisted members on the effects of rotational crew experiments on quality

of life, training, professional development, maintenance, mission effectiveness, and other issues.

(3) The extent to which standard policies and procedures were developed and used for participating ships.

(4) Lessons learned from the experiment.

(5) An assessment from the combatant commanders on the crew mission performance when deployed.

(6) An assessment from the commander of the Fleet Forces Command on the material condition, maintenance, and crew training of each participating ship.

(7) Any recommendations of the Secretary of the Navy with respect to the extension of the ship rotational crew experiment or the implementation of the experiment for other surface vessels.

(b) POSTPONEMENT OF IMPLEMENTATION.—The Secretary of the Navy may not begin implementation of any new surface ship rotational crew experiment or program during the period beginning on the date of the enactment of this Act and ending on October 1, 2009.

(c) TREATMENT OF EXISTING EXPERIMENTS.—

(1) DESTROYER EXPERIMENT.—Not later than January 1, 2007, the Secretary of the Navy shall

terminate the existing ship rotational crew experiment involving the U.S.S. Gonzalez (DDG-66), the U.S.S. Stout (DDG-55), and the U.S.S. Laboon (DDG-58) that is known as the ''sea swap''.

(2) PATROL COASTAL CLASS SHIP EXPERIMENT.—The Secretary of the Navy may continue the existing ship rotational crew program that is currently in use by overseas-based Patrol Coastal class ships.

(3) MINE COUNTERMEASURES SHIPS.—The Secretary of the Navy may continue the existing ship rotational crew program that is currently in use by MCM and MHC ships.

(4) LITTORAL COMBAT SHIPS.—The Secretary of the Navy may employ a two crew for one ship (commonly referred to as Blue-Gold) rotational crew program for the first two ships of each Littoral combat ship design (LCS 1-4).

(d) COMPTROLLER GENERAL REPORT.—Not later than July 15, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A review of the report submitted by the Secretary of the Navy under subsection (a) and an assessment of the extent to which the Secretary fully addressed costs, quality of life, training, maintenance, and mission effectiveness, and other relevant issues in that report.

(2) An assessment of the extent to which the Secretary established and applied a comprehensive framework for assessing the use of ship rotational crew experiments, including formal objectives, metrics, and methodology for assessing the cost-effectiveness of such experiments.

(3) An assessment of the extent to which the Secretary established effective guidance for the use of ship rotational crew experiments.

(4) Lessons learned from recent ship rotational crew experiments and an assessment of the extent to which the Navy systematically collects and shares lessons learned.

(e) CONGRESSIONAL BUDGET OFFICE REPORT.—Not later than July 15, 2007, the Director of the Congressional Budget Office shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the long-term implications of the use of crew rotation

on Navy ships on the degree of forward presence provided by Navy ships. The report shall include the following:

(1) An analysis of different approaches to crew rotation and the degree of forward presence each approach would provide.

(2) A comparison of the degree of forward presence provided by the fleet under the long-term shipbuilding plan of the Navy with and without the widespread use of crew rotation.

(3) The long-term benefits and costs of using crew rotation on Navy ships.

SEC. 343. REPORT ON ARMY LIVE-FIRE RANGES IN HAWAII.

Not later than March 1, 2007, the Secretary of the Army shall submit to Congress a report on the adequacy of the live-fire ranges of the Army in the State of Hawaii with respect to current and future training requirements. The report shall include the following:

(1) An evaluation of the capacity of the existing live-fire ranges to meet the training requirements of the Army, including the training requirements of Stryker Brigade Combat Teams.

(2) A description of any existing plan to modify or expand any range in Hawaii for the purpose of meeting anticipated live-fire training requirements.

(3) A description of the current live-fire restrictions at the Makua Valley range and the effect of these restrictions on unit readiness.

(4) Cost and schedule estimates for the construction of new ranges or the modification of existing ranges that are necessary to support future training requirements if existing restrictions on training at the Makua Valley range remain in place.

SEC. 344. COMPTROLLER GENERAL REPORT ON JOINT STANDARDS AND PROTOCOLS FOR ACCESS CONTROL SYSTEMS AT DEPARTMENT OF DEFENSE INSTALLATIONS.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the assessment of the Comptroller General of—

(1) the extent to which consistency exists in standards, protocols, and procedures for access control across installations of the Department of Defense; and

(2) whether the establishment of joint standards and protocols for access control at such installations would be likely to—

(A) address any need of the Department identified by the Comptroller General; or

(B) improve access control across such installations by providing greater consistency and improved force protection.

(b) ISSUES TO BE ASSESSED.—In conducting the assessment required by subsection (a), the Comptroller General shall assess the extent to which each installation of the Department of Defense has or would benefit from having an access control system with the ability to—

(1) electronically check any identification card issued by any Federal agency or any State or local government within the United States, including any identification card of a visitor to the installation who is a citizen or legal resident of the United States;

(2) verify that an identification card used to obtain access to the installation was legitimately issued and has not been reported lost or stolen;

(3) check on a real-time basis all relevant watch lists maintained by the Government, including terrorist watch lists and lists of persons wanted by Federal, State, or local law enforcement authorities;

(4) maintain a log of individuals seeking access to the installation and of individuals who are denied access to the installation; and

(5) exchange information with any installation with a system that complies with the joint standards and protocols.

SEC. 345. COMPTROLLER GENERAL REPORT ON READINESS OF ARMY AND MARINE CORPS GROUND FORCES.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than June 1, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the readiness of the active component and reserve component ground forces of the Army and the Marine Corps.

(2) ONE OR MORE REPORTS.—In complying with the requirements of this section, the Comptroller General may submit a single report addressing all the elements specified in subsection (b) or two or more reports addressing any combination of such elements. If the Comptroller General submits more than one report under this section, all such reports shall be submitted not later than the date specified in paragraph (1).

(b) ELEMENTS.—The elements specified in this subsection are the following:

(1) An analysis of the current readiness status of each of the active component and reserve component ground forces of the Army and the Marine Corps, including a description of any major deficiency identified, an analysis of the trends in readiness of such forces during not less than the ten-year period preceding the date on which the report is submitted, and a comparison of the current readiness indicators of such ground forces with historical patterns.

(2) An assessment of the ability of the Army and the Marine Corps to provide trained and ready forces for ongoing operations as well as other commitments assigned to the Army and the Marine Corps in defense planning documents.

(3) An analysis of the availability of equipment for training by units of the Army and the Marine Corps in the United States in configurations comparable to the equipment being used by units of the Army and the Marine Corps, as applicable, in ongoing operations.

(4) An analysis of the current and projected requirements for repair or replacement of equipment of the Army and the Marine Corps due to ongoing operations and the effect of such required repair or

1 replacement of equipment on the availability of
2 equipment for training.
3 (5) An assessment of the current personnel
4 tempo of Army and Marine Corps forces, includ-
5 ing—
6 (A) a comparison of such tempos to histor-
7 ical trends;
8 (B) an identification of particular occupa-
9 tional specialties that are experiencing unusu-
10 ally high or low deployment rates; and
11 (C) an analysis of retention rates in the oc-
12 cupational specialties identified under subpara-
13 graph (B).
14 (6) An assessment of the efforts of the Army
15 and the Marine Corps to mitigate the impact of high
16 operational tempos, including cross-leveling of per-
17 sonnel and equipment or cross training of personnel
18 or units for new or additional mission requirements.
19 (7) A description of the current policy of the
20 Army and the Marine Corps with respect to the mo-
21 bilization of reserve component personnel, together
22 with an analysis of the number of reserve component
23 personnel in each of the Army and the Marine Corps
24 that are projected to be available for deployment
25 under such policy.

(c) FORM OF REPORT.—Any report submitted under subsection (a) shall be submitted in both classified and unclassified form.

SEC. 346. REPORT ON AIR FORCE SAFETY REQUIREMENTS FOR AIR FORCE FLIGHT TRAINING OPERATIONS AT PUEBLO MEMORIAL AIRPORT, COLORADO.

(a) REPORT REQUIRED.—Not later than February 15, 2007, the Secretary of the Air Force shall submit to the congressional defense committees a report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.

(b) ELEMENTS.—The report required under subsection (a) shall include each of the following:

(1) A description of the Air Force flying operations at Pueblo Memorial Airport, including the Initial Flight Screening program.

(2) An assessment of the impact of Air Force operations at Pueblo Memorial Airport on non-Air Force activities at the airport.

(3) A description of the requirements necessary at Pueblo Memorial Airport to ensure safe Air Force flying operations, including the continuous availability of fire protection, crash rescue, and other emergency response capabilities.

(4) An assessment of the necessity of providing for a continuous fire-fighting capability at Pueblo Memorial Airport.

(5) A description and analysis of any alternatives for Air Force flying operations at Pueblo Memorial Airport, including the cost and availability of any such alternatives.

(6) A description of Air Force funding of fire-fighting and crash rescue support at Pueblo Memorial Airport through the services contract for the Initial Flight Screening program.

(7) An assessment of whether Air Force funding is required to assist the City of Pueblo, Colorado, in meeting Air Force requirements for safe Air Force flight operations at Pueblo Memorial Airport, and if such funding is required, the plan of the Secretary of the Air Force to provide such funding to the city.

SEC. 347. ANNUAL REPORT ON PERSONNEL SECURITY INVESTIGATIONS FOR INDUSTRY AND NATIONAL INDUSTRIAL SECURITY PROGRAM.

(a) ANNUAL REPORT REQUIRED.—The Secretary of Defense shall include in the budget justification documents submitted to Congress in support of the President's budget for the Department of Defense for each fiscal year,

a report on the future requirements of the Department of Defense with respect to the Personnel Security Investigations for Industry and the National Industrial Security Program of the Defense Security Service.

(b) CONTENTS OF REPORT.—Each report required to be submitted under subsection (a) shall include the following:

(1) The funding requirements of the personnel security clearance investigation program and ability of the Secretary of Defense to fund the program.

(2) The size of the personnel security clearance investigation process backlog.

(3) The length of the average delay for an individual case pending in the personnel security clearance investigation process.

(4) Any progress made by the Secretary of Defense during the 12 months preceding the date on which the report is submitted toward implementing planned changes in the personnel security clearance investigation process.

(5) A determination certified by the Secretary of Defense of whether the personnel security clearance investigation process has improved during the 12 months preceding the date on which the report is submitted.

1 (c) COMPTROLLER GENERAL REPORT.—Not later
2 than 180 days after the Secretary of Defense submits the
3 first report required under subsection (a), the Comptroller
4 General shall submit to Congress a report that contains
5 a review of such report. The Comptroller General's report
6 shall include the following:
7 (1) The number of personnel security clearance
8 investigations conducted during the period beginning
9 on October 1, 1999, and ending on September 30,
10 2006.
11 (2) The number of each type of security clear-
12 ance granted during that period.
13 (3) The unit cost to the Department of Defense
14 of each security clearance granted during that pe-
15 riod.
16 (4) The amount of any fee or surcharge paid to
17 the Office of Personnel Management as a result of
18 conducting a personnel security clearance investiga-
19 tion.
20 (5) A description of the procedures used by the
21 Secretary of Defense to estimate the number of per-
22 sonnel security clearance investigations to be con-
23 ducted during a fiscal year.
24 (6) A description of any plan developed by the
25 Secretary of Defense to reduce delays and backlogs

in the personnel security clearance investigation process.

(7) A description of any plan developed by the Secretary of Defense to adequately fund the personnel security clearance investigation process.

(8) A description of any plan developed by the Secretary of Defense to establish a more stable and effective Personnel Security Investigations Program.

SEC. 348. FIVE-YEAR EXTENSION OF ANNUAL REPORT ON TRAINING RANGE SUSTAINMENT PLAN AND TRAINING RANGE INVENTORY.

Section 366 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2522; 10 U.S.C. 113 note) is amended—

(1) in subsections (a)(5) and (c)(2), by striking ''fiscal years 2005 through 2008'' and inserting ''fiscal years 2005 through 2013''; and

(2) in subsection (d), by striking ''within 60 days of receiving a report'' and inserting ''within 90 days of receiving a report''.

SEC. 349. REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.

(a) REPORT REQUIRED ON WITHDRAWAL OR DIVERSION OF EQUIPMENT.—Not later than 90 days after the date on which the Secretary concerned (as that term is defined in section 101(a)(9) of title 10, United States Code) withdraws or diverts equipment from any reserve component unit for the purpose of transferring such equipment to a reserve component unit that is ordered to active duty under section 12301, 12302, or 12304 of title 10, United States Code, or to an active component unit for the purpose of discharging the mission of the unit to which the equipment is diverted, the Secretary concerned shall submit to the Secretary of Defense a status report on such withdrawal or diversion of equipment.

(b) ELEMENTS OF STATUS REPORT.—Each status report under subsection (a) shall include the following:

(1) A plan to repair, recapitalize, or replace the equipment withdrawn or diverted within the unit from which it is being withdrawn or diverted.

(2) In the case of equipment that is to remain in a theater of operations while the unit from which the equipment is withdrawn or diverted leaves the theater of operations, a plan to provide that unit

with equipment appropriate to ensure the continuation of the readiness training of the unit.

(3) A signed memorandum of understanding between the active or reserve component to which the equipment is diverted and the reserve component from which the equipment is withdrawn or diverted that specifies—

(A) how the equipment will be accounted for; and

(B) when the equipment will be returned to the component from which it was withdrawn or diverted.

(c) REPORTS TO CONGRESS.—Not later than 90 days after the date of the enactment of this Act and every 90 days thereafter, the Secretary of Defense shall submit to Congress all status reports submitted under subsection (a) during the 90-day period preceding the date on which the Secretary of Defense submits such reports.

(d) TERMINATION.—This section shall terminate on the date that is five years after the date of the enactment of this Act.

Subtitle F—Other Matters

SEC. 351. DEPARTMENT OF DEFENSE STRATEGIC POLICY ON PREPOSITIONING OF MATERIEL AND EQUIPMENT.

(a) STRATEGIC POLICY REQUIRED.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2229. Strategic policy on prepositioning of materiel and equipment

''(a) POLICY REQUIRED.—The Secretary of Defense shall maintain a strategic policy on the programs of the Department of Defense for the prepositioning of materiel and equipment. Such policy shall take into account national security threats, strategic mobility, service requirements, and the requirements of the combatant commands.

''(b) LIMITATION OF DIVERSION OF PREPOSITIONED MATERIEL.—The Secretary of a military department may not divert materiel or equipment from prepositioned stocks except—

''(1) in accordance with a change made by the Secretary of Defense to the policy maintained under subsection (a); or

''(2) for the purpose of directly supporting a contingency operation or providing humanitarian assistance under chapter 20 of this title.

"(c) CONGRESSIONAL NOTIFICATION.—The Secretary of Defense may not implement or change the policy required under subsection (a) until the Secretary submits to the congressional defense committees a report describing the policy or change to the policy.".

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

"2229. Strategic policy on prepositioning of materiel and equipment.".

(c) DEADLINE FOR ESTABLISHMENT OF POLICY.—

(1) DEADLINE.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall establish the strategic policy on the programs of the Department of Defense for the prepositioning of materiel and equipment required under section 2229 of title 10, United States Code, as added by subsection (a).

(2) LIMITATION ON DIVERSION OF PREPOSITIONED MATERIEL.—During the period beginning on the date of the enactment of this Act and ending on the date on which the Secretary of Defense submits the report required under section 2229(c) of title 10, United States Code, on the policy referred to in paragraph (1), the Secretary of a military department may not divert materiel or equipment from prepositioned stocks except for the

purpose of directly supporting a contingency operation or providing humanitarian assistance under chapter 20 of that title.

SEC. 352. AUTHORITY TO MAKE DEPARTMENT OF DEFENSE HORSES AVAILABLE FOR ADOPTION.

(a) INCLUSION OF DEPARTMENT OF DEFENSE HORSES IN EXISTING AUTHORITY.—Section 2583 of title 10, United States Code, is amended—

(1) in the section heading, by striking ''**working dogs**'' and inserting ''**animals**'';

(2) by striking ''working'' each place it appears;

(3) by striking ''dog'' and ''dogs'' each place they appear and inserting ''animal'' and ''animals'', respectively;

(4) by striking ''dog's'' in paragraphs (1) and (2) of subsection (a) and inserting ''animal's'';

(5) by striking ''a dog's adoptability'' in subsection (b) and inserting ''the adoptability of the animal''; and

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

''(g) MILITARY ANIMAL DEFINED.—In this section, the term 'military animal' means the following:

''(1) A military working dog.

"(2) A horse owned by the Department of Defense.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 153 of such title is amended to read as follows:

"2583. Military animals: transfer and adoption.".

SEC. 353. SALE AND USE OF PROCEEDS OF RECYCLABLE MUNITIONS MATERIALS.

(a) ESTABLISHMENT OF PROGRAM.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4690. Recyclable munitions materials: sale; use of proceeds

"(a) AUTHORITY FOR PROGRAM.—Notwithstanding section 2577 of this title, the Secretary of the Army may carry out a program to sell recyclable munitions materials resulting from the demilitarization of conventional military munitions without regard to chapter 5 of title 40 and use any proceeds in accordance with subsection (c).

"(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell recyclable munitions materials under this section in a manner consistent with Federal procurement laws and regulations.

"(c) PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under this section shall be credited to an account that is specified as being for Army am-

1 munition demilitarization from funds made available for
2 the procurement of ammunition, to be available only for
3 reclamation, recycling, and reuse of conventional military
4 munitions (including research and development and equip-
5 ment purchased for such purpose).

6 ''(2) Amounts credited under this subsection shall be
7 available for obligation for the fiscal year during which
8 the funds are so credited and for three subsequent fiscal
9 years.

10 ''(d) REGULATIONS.—The Secretary shall prescribe
11 regulations to carry out the program established under
12 this section. Such regulations shall be consistent and in
13 compliance with the Solid Waste Disposal Act (42 U.S.C.
14 6901 et seq.) and the regulations implementing that Act.''.

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

''4690. Recyclable munitions materials: sale; use of proceeds.''.

18 **SEC. 354. RECOVERY AND TRANSFER TO CORPORATION**
19 **FOR THE PROMOTION OF RIFLE PRACTICE**
20 **AND FIREARMS SAFETY OF CERTAIN FIRE-**
21 **ARMS, AMMUNITION, AND PARTS GRANTED**
22 **TO FOREIGN COUNTRIES.**

23 (a) AUTHORITY TO RECOVER; TRANSFER TO COR-
24 PORATION.—Subchapter II of chapter 407 of title 36,

United States Code, is amended by inserting after section 40728 the following new section:

"§ 40728A. Recovery of excess firearms, ammunition, and parts granted to foreign countries and transfer to corporation

''(a) AUTHORITY TO RECOVER.—The Secretary of the Army may recover from any country to which rifles, ammunition, repair parts, or other supplies described in section 40731(a) of this title are furnished on a grant basis under the conditions imposed by section 505 of the Foreign Assistance Act of 1961 (22 U.S.C. 2314) any such rifles, ammunition, repair parts, or supplies that become excess to the needs of such country.

''(b) COST OF RECOVERY.—(1) Except as provided in paragraph (2), the cost of recovery of any rifles, ammunition, repair parts, or supplies under subsection (a) shall be treated as incremental direct costs incurred in providing logistical support to the corporation for which reimbursement shall be required as provided in section 40727(a) of this title.

''(2) The Secretary may require the corporation to pay costs of recovery described in paragraph (1) in advance of incurring such costs. Amounts so paid shall not be subject to the provisions of section 3302 of title 31,

but shall be administered in accordance with the last sentence of section 40727(a) of this title.

"(c) AVAILABILITY FOR TRANSFER TO CORPORATION.—Any rifles, ammunition, repair parts, or supplies recovered under subsection (a) shall be available for transfer to the corporation in accordance with section 40728 of this title under such additional terms and conditions as the Secretary shall prescribe for purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 40728 the following new item:

"40728A. Recovery of excess firearms, ammunition, and parts granted to foreign countries and transfer to corporation.".

SEC. 355. EXTENSION OF DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT PROGRAM.

(a) TERMINATION AT END OF CONTINGENCY OPERATION.—Subsection (c) of section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) is amended to read as follows:

"(c) TERMINATION OF BENEFIT.—The authority to provide a benefit under subsection (a)(1) to a member directly supporting a contingency operation shall terminate on the date that is 60 days after the date on which the

Secretary determines that the contingency operation has ended.''.

(b) APPLICATION TO OTHER CONTINGENCY OPERATIONS.—Such section is further amended—

(1) in subsection (a), by striking ''Operation Iraqi Freedom and Operation Enduring Freedom'' and inserting ''a contingency operation''; and

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

''(g) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given that term in section 101(a)(13) of title 10, United States Code. The term includes Operation Iraqi Freedom and Operation Enduring Freedom.''.

(c) EXTENSION TO HOSPITALIZED MEMBERS.—Subsection (a) of such section is further amended—

(1) by striking ''As soon as possible after the date of the enactment of this Act, the'' and inserting ''(1) The''; and

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

''(2) As soon as possible after the date of the enactment of the John Warner National Defense Authorization Act for Fiscal Year 2007, the Secretary shall provide, wherever practicable, prepaid phone cards, packet based

telephony service, or an equivalent telecommunications benefit which includes access to telephone service to members of the Armed Forces who, although are no longer directly supporting a contingency operation, are hospitalized as a result of wounds or other injuries incurred while serving in direct support of a contingency operation.''.

(d) REPORT ON IMPLEMENTATION OF MODIFIED BENEFITS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report describing the status of the efforts of the Department of Defense to implement the modifications of the Department of Defense telecommunications benefit required by section 344 of the National Defense Authorization Act for Fiscal Year 2004 that result from the amendments made by this section.

SEC. 356. EXTENSION OF AVAILABILITY OF FUNDS FOR COMMEMORATION OF SUCCESS OF THE ARMED FORCES IN OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

Section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3214) is amended by striking ''fiscal year 2006'' and inserting ''fiscal years 2006 and 2007''.

SEC. 357. CAPITAL SECURITY COST SHARING.

(a) RECONCILIATION REQUIRED.—For each fiscal year, the Secretary of Defense shall reconcile (1) the estimate of overseas presence of the Secretary of Defense under subsection (b) for that fiscal year, with (2) the determination of the Secretary of State under section 604(e)(1) of the Secure Embassy Construction and Counterterrorism Act of 1999 (22 U.S.C. 4865 note) of the total overseas presence of the Department of Defense for that fiscal year.

(b) ANNUAL ESTIMATE OF OVERSEAS PRESENCE.—Not later than February 1 of each year, the Secretary of Defense shall submit to the congressional defense committees an estimate of the total number of Department of Defense overseas personnel subject to chief of mission authority pursuant to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) during the fiscal year that begins on October 1 of that year.

SEC. 358. UTILIZATION OF FUEL CELLS AS BACK-UP POWER SYSTEMS IN DEPARTMENT OF DEFENSE OPERATIONS.

The Secretary of Defense shall consider the utilization of fuel cells as replacements for current back-up power systems in a variety of Department of Defense operations and activities, including in telecommunications networks, perimeter security, individual equipment items, and

remote facilities, in order to increase the operational longevity of back-up power systems and stand-by power systems in such operations and activities.

SEC. 359. IMPROVING DEPARTMENT OF DEFENSE SUPPORT FOR CIVIL AUTHORITIES.

(a) CONSULTATION.—In the development of concept plans for the Department of Defense for providing support to civil authorities, the Secretary of Defense may consult with the Secretary of Homeland Security and State governments.

(b) PREPOSITIONING OF DEPARTMENT OF DEFENSE ASSETS.—The Secretary of Defense may provide for the prepositioning of prepackaged or preidentified basic response assets, such as medical supplies, food and water, and communications equipment, in order to improve the ability of the Department of Defense to rapidly provide support to civil authorities. The prepositioning of basic response assets shall be carried out in a manner consistent with Department of Defense concept plans for providing support to civil authorities and section 2229 of title 10, United States Code, as added by section 351.

(c) REIMBURSEMENT.—To the extent required by section 1535 of title 31, United States Code, or other applicable law, the Secretary of Defense shall require that the Department of Defense be reimbursed for costs in-

curred by the Department in the prepositioning of basic response assets under subsection (b).

(d) MILITARY READINESS.—The Secretary of Defense shall ensure that the prepositioning of basic response assets under subsection (b) does not adversely affect the military preparedness of the United States.

(e) PROCEDURES AND GUIDELINES.—The Secretary may develop procedures and guidelines applicable to the prepositioning of basic response assets under subsection (b).

SEC. 360. ENERGY EFFICIENCY IN WEAPONS PLATFORMS.

(a) POLICY.—It shall be the policy of the Department of Defense to improve the fuel efficiency of weapons platforms, consistent with mission requirements, in order to—

(1) enhance platform performance;

(2) reduce the size of the fuel logistics systems;

(3) reduce the burden high fuel consumption places on agility;

(4) reduce operating costs; and

(5) dampen the financial impact of volatile oil prices.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional

1 defense committees a report on the progress of the
2 Department of Defense in implementing the policy
3 established by subsection (a).
4 (2) ELEMENTS.—The report shall include the
5 following:
6 (A) An assessment of the feasibility of des-
7 ignating a senior Department of Defense offi-
8 cial to be responsible for implementing the pol-
9 icy established by subsection (a).
10 (B) A summary of the recommendations
11 made as of the time of the report by—
12 (i) the Energy Security Integrated
13 Product Team established by the Secretary
14 of Defense in April 2006;
15 (ii) the Defense Science Board Task
16 Force on Department of Defense Energy
17 Strategy established by the Under Sec-
18 retary of Defense for Acquisition, Tech-
19 nology and Logistics on May 2, 2006; and
20 (iii) the January 2001 Defense
21 Science Board Task Force report on Im-
22 proving Fuel Efficiency of Weapons Plat-
23 forms.
24 (C) For each recommendation summarized
25 under subparagraph (B)—

(i) the steps that the Department has taken to implement such recommendation;

(ii) any additional steps the Department plans to take to implement such recommendation; and

(iii) for any recommendation that the Department does not plan to implement, the reasons for the decision not to implement such recommendation.

(D) An assessment of the extent to which the research, development, acquisition, and logistics guidance and directives of the Department for weapons platforms are appropriately designed to address the policy established by subsection (a).

(E) An assessment of the extent to which such guidance and directives are being carried out in the research, development, acquisition, and logistics programs of the Department.

(F) A description of any additional actions that, in the view of the Secretary, may be needed to implement the policy established by subsection (a).

SEC. 361. PRIORITIZATION OF FUNDS WITHIN NAVY MISSION OPERATIONS, SHIP MAINTENANCE, COMBAT SUPPORT FORCES, AND WEAPONS SYSTEM SUPPORT.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President's budget for fiscal year 2007 failed to fund the required number of ship steaming days per quarter for Navy ship operations as well as deferring projected depot maintenance for Navy ships and aircraft; and

(2) the Secretary of Defense should ensure that sufficient financial resources are provided for each fiscal year to support the critical training and depot maintenance accounts of the Navy in order to enable the Navy to maintain the current readiness levels required to support the national military strategy without putting future readiness at risk by underfunding investment in modernization, including ship construction programs.

(b) CERTIFICATION.—The Secretary of Defense shall submit to the congressional defense committees a written certification, at the same time the President submits the budget for each of fiscal years 2008, 2009, and 2010, that the Navy has budgeted and programmed funding to fully

meet the requirements for that fiscal year for each of the following:

(1) Ship steaming days per quarter for deployed and non-deployed ship operations.

(2) Projected depot maintenance requirements for ships and aircraft.

(c) LIMITATION.—Of the funds available for Operation and Maintenance, Defense-Wide, for the Office of the Secretary of Defense for each of fiscal years 2008, 2009, and 2010, no more than 80 percent may be obligated in that fiscal year until after the submission of the certification required by subsection (b) for the annual budget submitted in February of that year for the following fiscal year.

(d) ANNUAL REPORT.—Beginning with the fiscal year 2008 budget of the President, the Secretary of the Navy shall submit to the congressional defense committees an annual report (to be submitted when the budget is submitted) setting forth the progress toward funding the requirements of subsection (a). The annual reporting requirement shall terminate after the fiscal year 2010 budget submission. Each such report shall include the following:

(1) An assessment of the deployed and non-deployed quarterly ship steaming day requirements,

1 itemized by active-duty component and reserve com-
2 ponent.
3 (2) An assessment of the associated budget re-
4 quest for each of the following:
5 (A) Deployed and non-deployed ship
6 steaming days per quarter.
7 (B) Chief of Naval Operations ship depot
8 maintenance availabilities, shown by type of
9 maintenance availability and by location.
10 (C) Air depot maintenance workload,
11 shown by type of airframe and by location.
12 (e) REPORT ON RIVERINE SQUADRONS.—
13 (1) REPORT REQUIRED.—The Secretary of
14 Navy shall submit to the congressional defense com-
15 mittees a report on the Riverine Squadrons of the
16 Navy. The report shall be submitted with the Presi-
17 dent's budget for fiscal year 2008 and shall include
18 the following:
19 (A) The total amount funded for fiscal
20 year 2006 and projected funding for fiscal year
21 2007 and fiscal year 2008 for those squadrons.
22 (B) The operational requirement of the
23 commander of the United States Central Com-
24 mand for those squadrons and the cor-
25 responding Department of Navy concept of op-

erations for deployments of those squadrons to support Operation Iraqi Freedom or Operation Enduring Freedom.

(C) The military table of organization and equipment for those squadrons.

(D) A summary of existing Department of Navy equipment that has been assigned in fiscal year 2006 or will be provided in fiscal year 2007 and fiscal year 2008 for those squadrons.

(E) The Department of Navy directive for the mission assigned to those squadrons.

(2) LIMITATION.—Of the amount made available for fiscal year 2007 to the Department of Navy for operation and maintenance for the Office of the Secretary of the Navy, not more than 80 percent may be obligated before the date on which the report required under paragraph (1) is submitted.

SEC. 362. PROVISION OF ADEQUATE STORAGE SPACE TO SECURE PERSONAL PROPERTY OUTSIDE OF ASSIGNED MILITARY FAMILY HOUSING UNIT.

The Secretary of a military department shall ensure that a member of the Armed Forces under the jurisdiction of the Secretary who occupies a unit of military family housing is provided with adequate storage space to secure

personal property that the member is unable to secure within the unit whenever—

(1) the member is assigned to duty in an area for which special pay under section 310 of title 37, United States Code, is available and the assignment is pursuant to orders specifying an assignment of 180 days or more; and

(2) the dependents of the member who otherwise occupy the unit of military family housing are absent from the unit for more than 30 consecutive days during the period of the assignment of the member.

SEC. 363. EXPANSION OF PAYMENT OF REPLACEMENT VALUE OF PERSONAL PROPERTY DAMAGED DURING TRANSPORT AT GOVERNMENT EXPENSE.

(a) COVERAGE OF PROPERTY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.—Subsection (a) of section 2636a of title 10, United States Code, is amended by striking ''of baggage and household effects for members of the armed forces at Government expense'' and inserting ''at Government expense of baggage and household effects for members of the armed forces or civilian employees of the Department of Defense (or both)''.

(b) REQUIREMENT FOR PAYMENT AND DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—Effective March 1, 2008, such section is further amended—

(1) in subsection (a), by striking ''may include'' and inserting ''shall include''; and

(2) in subsection (b), by striking ''may be deducted'' and inserting ''shall be deducted''.

(c) CERTIFICATION ON FAMILIES FIRST PROGRAM.—The Secretary of Defense shall submit to the congressional defense committees a report containing the certifications of the Secretary with respect to the program of the Department of Defense known as ''Families First'' on the following matters:

(1) Whether there is an alternative to the system under the program that would provide equal or greater capability at a lower cost.

(2) Whether the estimates on costs, and the anticipated schedule and performance parameters, for the program and system are reasonable.

(3) Whether the management structure for the program is adequate to manage and control program costs.

(d) COMPTROLLER GENERAL REPORTS ON FAMILIES FIRST PROGRAM.—

(1) REVIEW AND ASSESSMENT REQUIRED.—The Comptroller General of the United States shall conduct a review and assessment of the progress of the Department of Defense in implementing the program of the Department of Defense known as ''Families First''.

(2) ELEMENTS OF REVIEW AND ASSESSMENT.—In conducting the review and assessment required by paragraph (1), the Comptroller General shall—

(A) assess the progress of the Department in achieving the goals of the Families First program, including progress in the development and deployment of the Defense Personal Property System;

(B) assess the organization, staffing, resources, and capabilities of the Defense Personal Property System Project Management Office established on April 7, 2006;

(C) evaluate the growth in cost of the program since the previous assessment of the program by the Comptroller General, and estimate the current annual cost of the Defense Personal Property System and each component of that system; and

(D) assess the feasibility of implementing processes and procedures, pending the satisfactory development of the Defense Personal Property System, which would achieve the goals of the program of providing improved personal property management services to members of the Armed Forces.

(3) REPORTS.—The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives reports as follows:

(A) An interim report on the review and assessment required by paragraph (1) by not later than December 1, 2006.

(B) A final report on such review and assessment by not later than June 1, 2007.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) IN GENERAL.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.

(2) The Navy, 340,700.

(3) The Marine Corps, 180,000.

(4) The Air Force, 334,200.

(b) LIMITATION.—

(1) ARMY.—The authorized strength for the Army provided in paragraph (1) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Army for that fiscal year in excess of 482,400 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

(2) MARINE CORPS.—The authorized strength for the Marine Corps provided in paragraph (3) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Marine Corps for that

fiscal year in excess of 175,000 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Section 691(b) of title 10, United States Code, is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) For the Army, 502,400.

"(2) For the Navy, 340,700.

"(3) For the Marine Corps, 180,000.

"(4) For the Air Force, 334,200.".

SEC. 403. ADDITIONAL AUTHORITY FOR INCREASES OF ARMY AND MARINE CORPS ACTIVE DUTY END STRENGTHS FOR FISCAL YEARS 2008 AND 2009.

Effective October 1, 2007, the text of section 403 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1863) is amended to read as follows:

"(a) AUTHORITY.—

"(1) ARMY.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes speci-

fied in paragraph (3), establish the active-duty end strength for the Army at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 20,000.

"(2) MARINE CORPS.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes specified in paragraph (3), establish the active-duty end strength for the Marine Corps at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 4,000.

"(3) PURPOSE OF INCREASES.—The purposes for which increases may be made in Army and Marine Corps active duty end strengths under paragraphs (1) and (2) are—

"(A) to support operational missions; and

"(B) to achieve transformational reorganization objectives, including objectives for increased numbers of combat brigades and battalions, increased unit manning, force stabilization and shaping, and rebalancing of the active and reserve component forces.

"(4) FISCAL-YEAR 2007 BASELINE.—In this subsection, the term 'fiscal-year 2007 baseline', with respect to the Army and Marine Corps, means the active-duty end strength authorized for those services in section 401 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

"(5) ACTIVE-DUTY END STRENGTH.—In this subsection, the term 'active-duty end strength' means the strength for active-duty personnel of one of the Armed Forces as of the last day of a fiscal year.

"(b) RELATIONSHIP TO PRESIDENTIAL WAIVER AUTHORITY.—Nothing in this section shall be construed to limit the President's authority under section 123a of title 10, United States Code, to waive any statutory end strength in a time of war or national emergency.

"(c) RELATIONSHIP TO OTHER VARIANCE AUTHORITY.—The authority under subsection (a) is in addition to the authority to vary authorized end strengths that is provided in subsections (e) and (f) of section 115 of title 10, United States Code.

"(d) BUDGET TREATMENT.—

"(1) FISCAL YEAR 2008 BUDGET.—The budget for the Department of Defense for fiscal year 2008 as submitted to Congress shall comply, with respect

to funding, with subsections (c) and (d) of section 691 of title 10, United States Code.

"(2) OTHER INCREASES.—If the Secretary of Defense plans to increase the Army or Marine Corps active duty end strength for a fiscal year under subsection (a), then the budget for the Department of Defense for that fiscal year as submitted to Congress shall include the amounts necessary for funding that active duty end strength in excess of the fiscal year 2007 active duty end strength authorized for that service under section 401 of the John Warner National Defense Authorization Act for Fiscal Year 2007.".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2007, as follows:

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

(2) The Army Reserve, 200,000.

(3) The Navy Reserve, 71,300.

(4) The Marine Corps Reserve, 39,600.

(5) The Air National Guard of the United States, 107,000.

(6) The Air Force Reserve, 74,900.

(7) The Coast Guard Reserve, 10,000.

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are

authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,441.

(2) The Army Reserve, 15,416.

(3) The Navy Reserve, 12,564.

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

(5) The Air National Guard of the United States, 13,291.

(6) The Air Force Reserve, 2,707.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,912.

(2) For the Army National Guard of the United States, 26,050.

(3) For the Air Force Reserve, 10,124.

(4) For the Air National Guard of the United States, 23,255.

SEC. 414. FISCAL YEAR 2007 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

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

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

(2) ARMY RESERVE.—The number of non-dual status technicians employed by the Army Reserve as of September 30, 2007, may not exceed 595.

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

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

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2007, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

(1) The Army National Guard of the United States, 17,000.

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

(4) The Marine Corps Reserve, 3,000.

(5) The Air National Guard of the United States, 16,000.

(6) The Air Force Reserve, 14,000.

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $110,098,628,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

Sec. 501. Military status of officers serving in certain intelligence community positions.
Sec. 502. Extension of age for mandatory retirement for active-duty general and flag officers.
Sec. 503. Increased mandatory retirement ages for reserve officers.
Sec. 504. Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army.
Sec. 505. Management of chief warrant officers.
Sec. 506. Extension of temporary reduction of time-in-grade requirement for eligibility for promotion for certain active-duty list officers in grades of first lieutenant and lieutenant (junior grade).
Sec. 507. Grade and exclusion from active-duty general and flag officer distribution and strength limitations of officer serving as Attending Physician to the Congress.
Sec. 508. Modification of qualifications for leadership of the Naval Postgraduate School.

Part II—Officer Promotion Policy

Sec. 511. Revisions to authorities relating to authorized delays of officer promotions.
Sec. 512. Consideration of adverse information by selection boards in recommendations on officers to be promoted.
Sec. 513. Expanded authority for removal from reports of selection boards of officers recommended for promotion to grades below general and flag grades.
Sec. 514. Special selection board authorities.
Sec. 515. Removal from promotion list of officers not promoted within 18 months of approval of list by the President.

Part III—Joint Officer Management Requirements

Sec. 516. Modification and enhancement of general authorities on management of officers who are joint qualified.
Sec. 517. Modification of promotion policy objectives for joint officers.
Sec. 518. Applicability of joint duty assignment requirements limited to graduates of National Defense University schools.

Sec. 519. Modification of certain definitions relating to jointness.

Subtitle B—Reserve Component Matters

PART I—RESERVE COMPONENT MANAGEMENT

Sec. 521. Recognition of former Representative G. V. 'Sonny' Montgomery for his 30 years of service in the House of Representatives.
Sec. 522. Revisions to reserve call-up authority.
Sec. 523. Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001.

PART II—AUTHORITIES RELATING TO GUARD AND RESERVE DUTY

Sec. 524. Title 10 definition of Active Guard and Reserve duty.
Sec. 525. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.
Sec. 526. Governor's authority to order members to Active Guard and Reserve duty.
Sec. 527. Expansion of operations of civil support teams.
Sec. 528. Modification of authorities relating to the Commission on the National Guard and Reserves.
Sec. 529. Additional matters to be reviewed by Commission on the National Guard and Reserves.

Subtitle C—Education and Training

PART I—SERVICE ACADEMIES

Sec. 531. Expansion of service academy exchange programs with foreign military academies.
Sec. 532. Revision and clarification of requirements with respect to surveys and reports concerning sexual harassment and sexual violence at the service academies.
Sec. 533. Department of Defense policy on service academy and ROTC graduates seeking to participate in professional sports before completion of their active-duty service obligations.

PART II—SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAMS

Sec. 535. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.
Sec. 536. Detail of commissioned officers as students at medical schools.
Sec. 537. Increase in maximum amount of repayment under education loan repayment for officers in specified health professions.
Sec. 538. Health Professions Scholarship and Financial Assistance Program for Active Service.

PART III—JUNIOR ROTC PROGRAM

Sec. 539. Junior Reserve Officers' Training Corps instructor qualifications.
Sec. 540. Expansion of members eligible to be employed to provide Junior Reserve Officers' Training Corps instruction.
Sec. 541. Expansion of Junior Reserve Officers' Training Corps program.

Sec. 542. Review of legal status of Junior ROTC program.

PART IV—OTHER EDUCATION AND TRAINING PROGRAMS

Sec. 543. Expanded eligibility for enlisted members for instruction at Naval Postgraduate School.

Subtitle D—General Service Authorities

Sec. 546. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).
Sec. 547. Clarification of nondisclosure requirements applicable to certain selection board proceedings.
Sec. 548. Report on extent of provision of timely notice of long-term deployments.

Subtitle E—Military Justice Matters

Sec. 551. Applicability of Uniform Code of Military Justice to members of the Armed Forces ordered to duty overseas in inactive duty for training status.
Sec. 552. Clarification of application of Uniform Code of Military Justice during a time of war.

Subtitle F—Decorations and Awards

Sec. 555. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.
Sec. 556. Review of eligibility of prisoners of war for award of the Purple Heart.
Sec. 557. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

Sec. 561. Authority for retention after separation from service of assistive technology and devices provided while on active duty.
Sec. 562. Transportation of remains of casualties dying in a theater of combat operations.
Sec. 563. Annual budget display of funds for POW/MIA activities of Department of Defense.
Sec. 564. Military Severely Injured Center.
Sec. 565. Comprehensive review on procedures of the Department of Defense on mortuary affairs.
Sec. 566. Additional elements of policy on casualty assistance to survivors of military decedents.
Sec. 567. Requirement for deploying military medical personnel to be trained in preservation of remains under combat or combat-related conditions.

Subtitle H—Impact Aid and Defense Dependents Education System

Sec. 571. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.

Sec. 572. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 573. Impact aid for children with severe disabilities.
Sec. 574. Plan and authority to assist local educational agencies experiencing growth in enrollment due to force structure changes, relocation of military units, or base closures and realignments.
Sec. 575. Pilot program on parent education to promote early childhood education for dependent children affected by military deployment or relocation of military units.

Subtitle I—Armed Forces Retirement Home

Sec. 578. Report on leadership and management of the Armed Forces Retirement Home.
Sec. 579. Report on Local Boards of Trustees of the Armed Forces Retirement Home.

Subtitle J—Reports

Sec. 581. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
Sec. 582. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
Sec. 583. Inclusion in annual Department of Defense report on sexual assaults of information on results of disciplinary actions.
Sec. 584. Report on provision of electronic copy of military records on discharge or release of members from the Armed Forces.
Sec. 585. Report on omission of social security account numbers from military identification cards.
Sec. 586. Report on maintenance and protection of data held by the Secretary of Defense as part of the Department of Defense Joint Advertising, Market Research and Studies (JAMRS) program.
Sec. 587. Comptroller General report on military conscientious objectors.

Subtitle K—Other Matters

Sec. 591. Modification in Department of Defense contributions to Military Retirement Fund.
Sec. 592. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.
Sec. 593. Dental Corps of the Navy Bureau of Medicine and Surgery.
Sec. 594. Permanent authority for presentation of recognition items for recruitment and retention purposes.
Sec. 595. Persons authorized to administer enlistment and appointment oaths.
Sec. 596. Military voting matters.
Sec. 597. Physical evaluation boards.
Sec. 598. Military ID cards for retiree dependents who are permanently disabled.
Sec. 599. United States Marine Band and United States Marine Drum and Bugle Corps.

Subtitle A—Officer Personnel Policy

PART I—OFFICER PERSONNEL POLICY GENERALLY

SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

(a) CLARIFICATION OF MILITARY STATUS.—Section 528 of title 10, United States Code, is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) MILITARY STATUS.—An officer of the armed forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or any other officer or employee of the Department of Defense, except as directed by the Secretary of Defense concerning reassignment from such position; and

''(2) may not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(b) DIRECTOR AND DEPUTY DIRECTOR OF CIA.—When the position of Director or Deputy Director of the Central Intelligence Agency is held by an officer of the

armed forces, the officer serving in that position, while so serving, shall be excluded from the limitations in sections 525 and 526 of this title. However, if both such positions are held by an officer of the armed forces, only one such officer may be excluded from those limitation while so serving.''; and

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

''(e) EFFECT OF APPOINTMENT.—Except as provided in subsection (a), the appointment or assignment of an officer of the armed forces to a position covered by this section shall not affect—

''(1) the status, position, rank, or grade of such officer in the armed forces; or

''(2) any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

''(f) MILITARY PAY AND ALLOWANCES.—(1) An officer of the armed forces on active duty who is appointed or assigned to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances and shall not receive the pay prescribed for such position.

"(2) Funds from which pay and allowances under paragraph (1) are paid to an officer while so serving shall be reimbursed as follows:

"(A) For an officer serving in a position within the Central Intelligence Agency, such reimbursement shall be made from funds available to the Director of the Central Intelligence Agency.

"(B) For an officer serving in a position within the Office of the Director of National Intelligence, such reimbursement shall be made from funds available to the Director of National Intelligence.

"(g) COVERED POSITIONS.—The positions covered by this section are the positions specified in subsections (b) and (c) and the positions designated under subsection (d).".

(b) CLERICAL AMENDMENTS.—

(1) The heading of such section is amended to read as follows:

"§ 528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances".

(2) The item relating to section 528 in the table of sections at the beginning of chapter 32 of such title is amended to read as follows:

''528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances.''.

SEC. 502. EXTENSION OF AGE FOR MANDATORY RETIREMENT FOR ACTIVE-DUTY GENERAL AND FLAG OFFICERS.

(a) REVISED AGE LIMITS FOR GENERAL AND FLAG OFFICERS.—Chapter 63 of title 10, United States Code, is amended by inserting after section 1252 the following new section:

''§ 1253. Age 64: regular commissioned officers in general and flag officer grades; exception

''(a) GENERAL RULE.—Unless retired or separated earlier, each regular commissioned officer of the Army, Navy, Air Force, or Marine Corps serving in a general or flag officer grade shall be retired on the first day of the month following the month in which the officer becomes 64 years of age.

''(b) EXCEPTION FOR OFFICERS SERVING IN O–9 AND O–10 POSITIONS.—In the case of an officer serving in a position that carries a grade above major general or rear admiral, the retirement under subsection (a) of that officer may be deferred—

''(1) by the President, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age; or

"(2) by the Secretary of Defense, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 66 years of age.".

(b) RESTATEMENT AND MODIFICATION OF CURRENT AGE LIMITS FOR OTHER OFFICERS.—Section 1251 of such title is amended to read as follows:

"§ 1251. Age 62: regular commissioned officers in grades below general and flag officer grades; exceptions

"(a) GENERAL RULE.—Unless retired or separated earlier, each regular commissioned officer of the Army, Navy, Air Force, or Marine Corps (other than an officer covered by section 1252 of this title or a commissioned warrant officer) serving in a grade below brigadier general or rear admiral (lower half), in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 62 years of age.

"(b) DEFERRED RETIREMENT OF HEALTH PROFESSIONS OFFICERS.—(1) The Secretary of the military department concerned may, subject to subsection (d), defer the retirement under subsection (a) of a health professions officer if during the period of the deferment the officer

will be performing duties consisting primarily of providing patient care or performing other clinical duties.

"(2) For purposes of this subsection, a health professions officer is—

"(A) a medical officer;

"(B) a dental officer; or

"(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

"(c) DEFERRED RETIREMENT OF CHAPLAINS.—The Secretary of the military department concerned may, subject to subsection (d), defer the retirement under subsection (a) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

"(d) LIMITATION ON DEFERMENT OF RETIREMENTS.—(1) Except as provided in paragraph (2), a deferment under subsection (b) or (c) may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

"(2) The Secretary of the military department concerned may extend a deferment under subsection (b) or (c) beyond the day referred to in paragraph (1) if the Secretary determines that extension of the deferment is nec-

essary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.''.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 63 of such title is amended—

(1) by striking the item relating to section 1251 and inserting the following new item:

''1251. Age 62: regular commissioned officers in grades below general and flag officer grades; exceptions.''; and

(2) by inserting after the item relating to section 1252 the following new item:

''1253. Age 64: regular commissioned officers in general and flag officer grades; exception.''.

(d) CONFORMING AMENDMENTS.—Chapter 71 of such title is amended—

(1) in the table in section 1401(a), by inserting at the bottom of the column under the heading ''For sections'', in the entry for Formula Number 5, the following: ''1253''; and

(2) in the table in section 1406(b)(1), by inserting at the bottom of the first column the following: ''1253''.

SEC. 503. INCREASED MANDATORY RETIREMENT AGES FOR RESERVE OFFICERS.

(a) MAJOR GENERALS AND REAR ADMIRALS.—

(1) INCREASED AGE.—Section 14511 of title 10, United States Code, is amended by striking ''62 years'' and inserting ''64 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14511. Separation at age 64: major generals and rear admirals''.

(b) BRIGADIER GENERALS AND REAR ADMIRALS (LOWER HALF).—

(1) INCREASED AGE.—Section 14510 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14510. Separation at age 62: brigadier generals and rear admirals (lower half)''.

(c) Officers Below Brigadier General or Rear Admiral (Lower Half)—

(1) INCREASED AGE.—Section 14509 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half)".

(d) CERTAIN OTHER OFFICERS.—

(1) INCREASED AGE.—Section 14512 of such title is amended by striking "64 years" both places it appears and inserting "66 years".

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 14512. Separation at age 66: officers holding certain offices".

(e) CONFORMING AMENDMENTS.—Section 14508 of such title is amended—

(1) in subsection (c), by striking "60 years" and inserting "62 years"; and

(2) in subsection (d), by striking "62 years" and inserting "64 years".

(f) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1407 of such title is amended by striking the items relating to sections 14509, 14510, 14511, and 14512 and inserting the following new items:

"14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half).
"14510. Separation at age 62: brigadier generals and rear admirals (lower half).
"14511. Separation at age 64: major generals and rear admirals.
"14512. Separation at age 66: officers holding certain offices.".

SEC. 504. STANDARDIZATION OF GRADE OF SENIOR DENTAL OFFICER OF THE AIR FORCE WITH THAT OF SENIOR DENTAL OFFICER OF THE ARMY.

(a) AIR FORCE ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES.—Section 8081 of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the occurrence of the next vacancy in the position of Assistant Surgeon General for Dental Services in the Air Force that occurs after the date of the enactment of this Act or, if earlier, on the date of the appointment to the grade of major general of the officer who is the incumbent in that position on the date of the enactment of the Act.

SEC. 505. MANAGEMENT OF CHIEF WARRANT OFFICERS.

(a) RETENTION OF CHIEF WARRANT OFFICERS, W-4, WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.—Paragraph (1) of section 580(e) of title 10, United States Code, is amended by striking ''continued on active duty if'' and all that follows and inserting ''continued on active duty if—

''(A) in the case of a warrant officer in the grade of chief warrant officer, W–2, or chief warrant officer, W–3, the warrant officer is selected for con-

tinuation on active duty by a selection board convened under section 573(c) of this title; and

''(B) in the case of a warrant officer in the grade of chief warrant officer, W–4, the warrant officer is selected for continuation on active duty by the Secretary concerned under such procedures as the Secretary may prescribe.''.

(b) ELIGIBILITY FOR CONSIDERATION FOR PROMOTION OF WARRANT OFFICERS CONTINUED ON ACTIVE DUTY.—Paragraph (2) of such section is amended—

(1) by inserting ''(A)'' after ''(2)''; and

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

''(B) A warrant officer in the grade of chief warrant officer, W–4, who is retained on active duty pursuant to procedures prescribed under paragraph (1)(B) is eligible for further consideration for promotion while remaining on active duty.''.

(c) MANDATORY RETIREMENT FOR LENGTH OF SERVICE.—Section 1305(a) of such title is amended—

(1) by striking ''(1) Except as'' and all the follows through ''W–5)'' and inserting ''A regular warrant officer'';

(2) by inserting ''as a warrant officer'' after ''years of active service'';

(3) by inserting ''the date on which'' after ''60 days after''; and

(4) by striking paragraph (2).

SEC. 506. EXTENSION OF TEMPORARY REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION FOR CERTAIN ACTIVE-DUTY LIST OFFICERS IN GRADES OF FIRST LIEUTENANT AND LIEUTENANT (JUNIOR GRADE).

Section 619(a)(1)(B) of title 10, United States Code, is amended by striking ''October 1, 2005'' and inserting ''October 1, 2008''.

SEC. 507. GRADE AND EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER DISTRIBUTION AND STRENGTH LIMITATIONS OF OFFICER SERVING AS ATTENDING PHYSICIAN TO THE CONGRESS.

(a) GRADE.—

(1) REGULAR OFFICER.—(A) Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 722. Attending Physician to the Congress: grade

''A general officer serving as Attending Physician to the Congress, while so serving, holds the grade of major general. A flag officer serving as Attending Physician to

the Congress, while so serving, holds the grade of rear admiral.''.

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

''722. Attending Physician to the Congress: grade.''.

(2) RESERVE OFFICER.—(A) Section 12210 of such title is amended by striking ''who holds'' and all that follows and inserting ''holds the reserve grade of major general or rear admiral, as appropriate.''.

(B) The heading of such section is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade''.

(C) The table of sections at the beginning of chapter 1205 of such title is amended by striking the item relating to section 12210 and inserting the following new item:

''12210. Attending Physician to the Congress: reserve grade.''.

(b) DISTRIBUTION LIMITATIONS.—Section 525 of such title is amended by adding at the end the following new subsection:

''(f) An officer while serving as Attending Physician to the Congress is in addition to the number that would otherwise be permitted for that officer's armed force for

officers serving on active duty in grades above brigadier general or rear admiral (lower half) under subsection (a).''.

(c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section 526 of such title is amended by adding at the end the following new subsection:

''(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE CONGRESS.—The limitations of this section do not apply to the general or flag officer who is serving as Attending Physician to the Congress.''.

SEC. 508. MODIFICATION OF QUALIFICATIONS FOR LEADERSHIP OF THE NAVAL POSTGRADUATE SCHOOL.

Subsection (a) of section 7042 of title 10, United States Code, is amended to read as follows:

''(a)(1) The President of the Naval Postgraduate School shall be one of the following:

''(A) An active-duty officer of the Navy or Marine Corps in a grade not below the grade of captain, or colonel, respectively, who is assigned or detailed to such position.

''(B) A civilian individual, including an individual who was retired from the Navy or Marine Corps in a grade not below captain, or colonel, respectively, who has the qualifications appropriate to

the position of President and is selected by the Secretary of the Navy as the best qualified from among candidates for the position in accordance with—

"(i) the criteria specified in paragraph (4);

"(ii) a process determined by the Secretary; and

"(iii) other factors the Secretary considers essential.

"(2) Before making an assignment, detail, or selection of an individual for the position of President of the Naval Postgraduate School, the Secretary shall—

"(A) consult with the Board of Advisors for the Naval Postgraduate School;

"(B) consider any recommendation of the leadership and faculty of the Naval Postgraduate School regarding the assignment or selection to that position; and

"(C) consider the recommendations of the Chief of Naval Operations and the Commandant of the Marine Corps.

"(3) An individual selected for the position of President of the Naval Postgraduate School under paragraph (1)(B) shall serve in that position for a term of not more than five years and may be continued in that position for an additional term of up to five years.

1 ''(4) The qualifications appropriate for selection of an
2 individual for detail or assignment to the position of Presi-
3 dent of the Naval Postgraduate School include the fol-
4 lowing:
5 ''(A) An academic degree that is either—
6 ''(i) a doctorate degree in a field of study
7 relevant to the mission and function of the
8 Naval Postgraduate School; or
9 ''(ii) a master's degree in a field of study
10 relevant to the mission and function of the
11 Naval Postgraduate School, but only if—
12 ''(I) the individual is an active-duty or
13 retired officer of the Navy or Marine Corps
14 in a grade not below the grade of captain
15 or colonel, respectively; and
16 ''(II) at the time of the selection of
17 that individual as President, the individual
18 permanently appointed to the position of
19 Provost and Academic Dean has a doc-
20 torate degree in such a field of study.
21 ''(B) A comprehensive understanding of the De-
22 partment of the Navy, the Department of Defense,
23 and joint and combined operations.
24 ''(C) Leadership experience at the senior level
25 in a large and diverse organization.

"(D) Demonstrated ability to foster and encourage a program of research in order to sustain academic excellence.

"(E) Other qualifications, as determined by the Secretary of the Navy.".

PART II—OFFICER PROMOTION POLICY

SEC. 511. REVISIONS TO AUTHORITIES RELATING TO AUTHORIZED DELAYS OF OFFICER PROMOTIONS.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) SECRETARY OF DEFENSE REGULATIONS FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Paragraphs (1) and (2) of subsection (d) of section 624 of title 10, United States Code, are amended by striking "prescribed by the Secretary concerned" in and inserting "prescribed by the Secretary of Defense".

(2) ADDITIONAL BASIS FOR DELAY OF APPOINTMENT BY REASON OF INVESTIGATIONS AND PROCEEDINGS.—Subsection (d)(1) of such section is further amended—

(A) by striking "or" at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting "; or";

(C) by inserting after subparagraph (D) the following new subparagraph:

''(E) substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(D) in the flush matter following subparagraph (E), as inserted by subparagraph (C) of this paragraph—

(i) by striking ''or'' after ''chapter 60 of this title''; and

(ii) by inserting after ''brought against him,'' the following: ''or if, after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(3) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Subsection (d)(2) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following:

"has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or"; and

(B) in the second sentence, by striking "If the Secretary concerned later determines that the officer is qualified for promotion to such grade" and inserting "If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to such grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to such grade".

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

(1) SECRETARY OF DEFENSE REGULATIONS FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Subsections (a)(1) and (b) of section 14311 of such title are amended by striking "Secretary of the military department concerned" and inserting "Secretary of Defense".

(2) ADDITIONAL BASIS FOR ORIGINAL DELAY OF APPOINTMENT BY REASON OF INVESTIGATIONS

AND PROCEEDINGS.—Section 14311(a) of such title is further amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

''(E) Substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(B) in paragraph (2)—

(i) by striking ''or'' after ''show cause for retention,''; and

(ii) by inserting after ''of the charges,'' the following: ''or if, after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(3) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Section 14311(b) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following:

"has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or"; and

(B) in the second sentence, by striking "If the Secretary concerned later determines that the officer is qualified for promotion to the higher grade" and inserting "If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to the higher grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to the higher grade".

(c) DEADLINE FOR UNIFORM REGULATIONS ON DELAY OF PROMOTIONS.—

(1) DEADLINE.—The Secretary of Defense shall prescribe the regulations required by section 624(d) of title 10, United States Code (as amended by subsection (a)(1) of this section), and the regulations required by section 14311 of such title (as amended

by subsection (b)(1) of this section) not later than March 1, 2008.

(2) SAVINGS CLAUSE FOR EXISTING REGULATIONS.—Until the Secretary of Defense prescribes regulations pursuant to paragraph (1), regulations prescribed by the Secretaries of the military departments under the sections referred to in paragraph (1) shall remain in effect.

(d) TECHNICAL AMENDMENTS TO CLARIFY DATE OF ESTABLISHMENT OF PROMOTION LISTS.—

(1) PROMOTION LISTS FOR ACTIVE-DUTY LIST OFFICERS.—Section 624(a)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''A promotion list is considered to be established under this section as of the date of the approval of the report of the selection board under the preceding sentence.''.

(2) PROMOTION LISTS FOR RESERVE ACTIVE-STATUS LIST OFFICERS.—Section 14308(a) of title 10, United States Code, is amended by adding at the end the following new sentence: ''A promotion list is considered to be established under this section as of the date of the approval of the report of the selection board under the preceding sentence.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to officers on promotion lists established on or after the date of the enactment of this Act.

SEC. 512. CONSIDERATION OF ADVERSE INFORMATION BY SELECTION BOARDS IN RECOMMENDATIONS ON OFFICERS TO BE PROMOTED.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 616(c) of title 10, United States Code, is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking the period at the end in paragraph (2) and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 615 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14108(b) of such title is amended—

(1) in the heading, by striking ''MAJORITY REQUIRED.—'' and inserting ''ACTIONS REQUIRED.—'';

(2) by striking ''and'' at the end of paragraph (1);

(3) by striking the period at the end in paragraph (2) and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 14107 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to selection boards convened on or after that date.

SEC. 513. EXPANDED AUTHORITY FOR REMOVAL FROM REPORTS OF SELECTION BOARDS OF OFFICERS RECOMMENDED FOR PROMOTION TO GRADES BELOW GENERAL AND FLAG GRADES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 618(d) of title 10, United States Code, is amended—

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

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14111(b) of such title is amended—

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

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

"(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to selection boards convened on or after the date of the enactment of this Act.

SEC. 514. SPECIAL SELECTION BOARD AUTHORITIES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) BOARDS FOR ADMINISTRATIVE ERROR AVAILABLE ONLY TO OFFICERS IN OR ABOVE PROMOTION ZONE.—Subsection (a)(1) of section 628 of title 10, United States Code, is amended by inserting "from in or above the promotion zone" after "for selection for promotion".

(2) ACTIONS TREATABLE AS MATERIAL UNFAIRNESS.—Subsection (b)(1)(A) of such section is amended by inserting "in a matter material to the decision of the board" after "contrary to law".

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—Section 14502(b)(1)(A) of such title is amended by insert-

ing ''in a matter material to the decision of the board'' after ''contrary to law''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007, and shall apply with respect to selection boards convened on or after that date.

SEC. 515. REMOVAL FROM PROMOTION LIST OF OFFICERS NOT PROMOTED WITHIN 18 MONTHS OF APPROVAL OF LIST BY THE PRESIDENT.

(a) OFFICERS ON ACTIVE-DUTY LISTS.—

(1) CLARIFICATION OF REMOVAL DUE TO SENATE NOT GIVING ADVICE AND CONSENT.—Subsection (b) of section 629 of title 10, United States Code, is amended—

(A) by inserting ''REMOVAL DUE TO SENATE NOT GIVING ADVICE AND CONSENT.—'' after ''(b)'' ; and

(B) by inserting ''to a grade for which appointment is required by section 624(c) of this title to be made by and with the advice and consent of the Senate'' after ''the President''.

(2) REMOVAL AFTER 18 MONTHS.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following new subsection (c):

''(c) REMOVAL AFTER 18 MONTHS.—(1) If an officer whose name is on a list of officers approved for promotion under section 624(a) of this title to a grade for which appointment is required by section 624(c) of this title to be made by and with the advice and consent of the Senate is not appointed to that grade under such section during the officer's promotion eligibility period, the officer's name shall be removed from the list unless as of the end of such period the Senate has given its advice and consent to the appointment.

''(2) Before the end of the promotion eligibility period with respect to an officer under paragraph (1), the President may extend that period for purposes of paragraph (1) by an additional 12 months.

''(3) In this subsection, the term 'promotion eligibility period' means, with respect to an officer whose name is on a list of officers approved for promotion under section 624(a) of this title to a grade for which appointment is required by section 624(c) of this title to be made by and with the advice and consent of the Senate, the period beginning on the date on which the list is so approved and ending on the first day of the eighteenth month following the month during which the list is so approved.''.

(3) CROSS-REFERENCE AMENDMENT.—Paragraph (1) of subsection (d) of such section, as redesignated by paragraph (2)(A) of this subsection, is amended by striking ''or (b)'' and inserting ''(b), or (c)''.

(4) STYLISTIC AMENDMENTS.—Such section is further amended—

(A) in subsection (a), by inserting ''REMOVAL BY PRESIDENT.—'' after ''(a)''; and

(B) in subsection (d) (as amended by paragraph (3)), by inserting ''CONTINUED ELIGIBILITY FOR PROMOTION.—'' before ''(1)''.

(b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

(1) REMOVAL FOLLOWING RETURN.—Section 14310 of such title is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following new subsection (c):

''(c) REMOVAL AFTER 18 MONTHS.—(1) If an officer whose name is on a list of officers approved for promotion under section 14308(a) of this title to a grade for which appointment is required by section 12203(a) of this title to be made by and with the advice and consent of the Senate is not appointed to that grade under such section dur-

ing the officer's promotion eligibility period, the officer's name shall be removed from the list unless as of the end of such period the Senate has given its advice and consent to the appointment.

"(2) Before the end of the promotion eligibility period with respect to an officer under paragraph (1), the President may extend that period for purposes of paragraph (1) by an additional 12 months.

"(3) In this subsection, the term 'promotion eligibility period' means, with respect to an officer whose name is on a list of officers approved for promotion under section 14308(a) of this title to a grade for which appointment is required by section 12203(a) of this title to be made by and with the advice and consent of the Senate, the period beginning on the date on which the list is so approved and ending on the first day of the eighteenth month following the month during which the list is so approved.".

(2) CROSS-REFERENCE AMENDMENT.—Paragraph (1) of subsection (d) of such section, as redesignated by paragraph (1)(A) of this subsection, is amended by striking "or (b)" and inserting "(b), or (c)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any promotion list approved by the President after January 1, 2007.

PART III—JOINT OFFICER MANAGEMENT REQUIREMENTS

SEC. 516. MODIFICATION AND ENHANCEMENT OF GENERAL AUTHORITIES ON MANAGEMENT OF OFFICERS WHO ARE JOINT QUALIFIED.

(a) REDESIGNATION OF APPLICABILITY OF POLICIES TOWARD JOINT QUALIFICATION.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking the last sentence.

(b) REVISION TO GENERAL AUTHORITIES.—Subsections (b), (c), and (d) of such section are amended to read as follows:

''(b) LEVELS, DESIGNATION, AND NUMBERS.—(1)(A) The Secretary of Defense shall establish different levels of joint qualification, as well as the criteria for qualification at each level. Such levels of joint qualification shall be established by the Secretary with the advice of the Chairman of the Joint Chiefs of Staff. Each level shall, as a minimum, have both joint education criteria and joint experience criteria. The purpose of establishing such qualification levels is to ensure a systematic, progressive, career-long development of officers in joint matters and to ensure that officers serving as general and flag officers have the requisite experience and education to be highly proficient in joint matters.

"(B) The number of officers who are joint qualified shall be determined by the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff. Such number shall be large enough to meet the requirements of subsection (d).

"(2) Certain officers shall be designated as joint qualified by the Secretary of Defense with the advice of the Chairman of the Joint Chiefs of Staff.

"(3) An officer may be designated as joint qualified under paragraph (2) only if the officer—

"(A) meets the education and experience criteria of subsection (c);

"(B) meets such additional criteria as prescribed by the Secretary of Defense; and

"(C) holds the grade of captain or, in the case of the Navy, lieutenant or a higher grade.

"(4) The authority of the Secretary of Defense under paragraph (2) to designate officers as joint qualified may be delegated only to the Deputy Secretary of Defense or an Under Secretary of Defense.

"(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—(1) An officer may not be designated as joint qualified until the officer—

"(A) successfully completes an appropriate program of joint professional military education, as de-

scribed in subsections (b) and (c) of section 2155 of this title, at a joint professional military education school; and

"(B) successfully completes—

"(i) a full tour of duty in a joint assignment, as described in section 664(f) of this title; or

"(ii) such other assignments and experiences in a manner that demonstrate the officer's mastery of knowledge, skills, and abilities in joint matters, as determined under such regulations and policy as the Secretary of Defense may prescribe.

"(2) Subject to paragraphs (3) through (6), the Secretary of Defense may waive the requirement under paragraph (1)(A) that an officer have successfully completed a program of education, as described in subsections (b) and (c) of section 2155 of this title.

"(3) In the case of an officer in a grade below brigadier general or rear admiral (lower half), a waiver under paragraph (2) may be granted only if—

"(A) the officer has completed two full tours of duty in a joint duty assignment, as described in section 664(f) of this title, in such a manner as to dem-

1 onstrate the officer's mastery of knowledge, skills,
2 and abilities on joint matters; and
3 ''(B) the Secretary of Defense determines that
4 the types of joint duty experiences completed by the
5 officer have been of sufficient breadth to prepare the
6 officer adequately for service as a general or flag of-
7 ficer in a joint duty assignment position.
8 ''(4) In the case of a general or flag officer, a waiver
9 under paragraph (2) may be granted only—
10 ''(A) under unusual circumstances justifying
11 the variation from the education requirement under
12 paragraph (1)(A); and
13 ''(B) under circumstances in which the waiver
14 is necessary to meet a critical need of the armed
15 forces, as determined by the Chairman of the Joint
16 Chiefs of Staff.
17 ''(5) In the case of officers in grades below brigadier
18 general or rear admiral (lower half), the total number of
19 waivers granted under paragraph (2) for officers in the
20 same pay grade during a fiscal year may not exceed 10
21 percent of the total number of officers in that pay grade
22 designated as joint qualified during that fiscal year.
23 ''(6) There may not be more than 32 general and flag
24 officers on active duty at the same time who, while holding
25 a general or flag officer position, were designated joint

qualified (or were selected for the joint specialty before October 1, 2007) and for whom a waiver was granted under paragraph (2).

"(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1) The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above major or, in the case of the Navy, lieutenant commander are filled at any time by officers who have the appropriate level of joint qualification.

"(2) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall designate an appropriate number of joint duty assignment positions as critical joint duty assignment positions. A position may be designated as a critical joint duty assignment position only if the duties and responsibilities of the position make it important that the occupant be particularly trained in, and oriented toward, joint matters.

"(3)(A) Subject to subparagraph (B), a position designated under paragraph (2) may be held only by an officer who—

"(i) was designated as joint qualified in accordance with this chapter; or

"(ii) was selected for the joint specialty before October 1, 2007.

"(B) The Secretary of Defense may waive the requirement in subparagraph (A) with respect to the assignment of an officer to a position designated under paragraph (2). Any such waiver shall be granted on a case-by-case basis. The authority of the Secretary to grant such a waiver may be delegated only to the Chairman of the Joint Chiefs of Staff.

"(4) The Secretary of Defense shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.".

(c) CAREER GUIDELINES.—Subsection (e) of such section is amended by striking "officers with the joint specialty" and inserting "officers to achieve joint qualification and for officers who have been designated as joint qualified".

(d) TECHNICAL AMENDMENT REGARDING TREATMENT OF CERTAIN SERVICE.—Subsection (f) of such section is amended by striking "section 619(e)(1)" and inserting "section 619a".

(e) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 661. Management policies for officers who are joint qualified".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 38 of such title is amended by striking the item relating to section 661 and inserting the following new item:

"661. Management policies for officers who are joint qualified.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

(g) TREATMENT OF CURRENT JOINT SPECIALTY OFFICERS.—For the purposes of chapter 38 of title 10, United States Code, and sections 154, 164, and 619a of such title, an officer who, as of September 30, 2007, has been selected for or has the joint specialty under section 661 of such title, as in effect on that date, shall be considered after that date to be an officer designated as joint qualified by the Secretary of Defense under section 661(b)(2) of such title, as amended by this section.

(h) IMPLEMENTATION PLAN.—

(1) PLAN REQUIRED.—Not later than March 31, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a plan for the implementation of the joint officer management system, which will take effect on October 1, 2007, as provided in subsection

(f), as a result of the amendments made by this section and other provisions of this Act to provisions of chapter 38 of title 10, United States Code.

(2) ELEMENTS OF PLAN.—In developing the plan required by this subsection, the Secretary shall pay particular attention to matters related to the transition of officers from the joint specialty system in effect before October 1, 2007, to the joint officer management system in effect after that date. At a minimum, the plan shall include the following:

(A) The policies and criteria to be used for designating officers as joint qualified on the basis of service performed by such officers before that date, had the amendments made by this section and other provisions of this Act to provisions of chapter 38 of title 10, United States Code, taken effect before the date of the enactment of this Act.

(B) The policies and criteria prescribed by the Secretary of Defense to be used in making determinations under section 661(c)(1)(B)(ii) of such title, as amended by this section.

(C) The recommendations of the Secretary for any legislative changes that may be nec-

essary to effectuate the joint officer management system.

SEC. 517. MODIFICATION OF PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''and'' after the semicolon; and

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) officers who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.''.

SEC. 518. APPLICABILITY OF JOINT DUTY ASSIGNMENT REQUIREMENTS LIMITED TO GRADUATES OF NATIONAL DEFENSE UNIVERSITY SCHOOLS.

(a) APPLICABILITY.—Section 663 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University specified in subsection (c)''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University specified in subsection (c)''; and

(B) in paragraph (2), by striking ''a joint professional military education school'' and inserting ''a school referred to in paragraph (1)''.

(b) COVERED SCHOOLS WITHIN NDU.—Such section is further amended by adding at the end the following new subsection:

''(c) COVERED SCHOOLS WITHIN THE NATIONAL DEFENSE UNIVERSITY.—For purposes of this section, a school within the National Defense University specified in this subsection is one of the following:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Joint Forces Staff College.''.

SEC. 519. MODIFICATION OF CERTAIN DEFINITIONS RELATING TO JOINTNESS.

(a) DEFINITION OF JOINT MATTERS.—Subsection (a) of section 668 of title 10, United States Code, is amended to read as follows:

1 ''(a) JOINT MATTERS.—(1) In this chapter, the term
2 'joint matters' means matters related to the achievement
3 of unified action by multiple military forces in operations
4 conducted across domains such as land, sea, or air, in
5 space, or in the information environment, including mat-
6 ters relating to—
7 ''(A) national military strategy;
8 ''(B) strategic planning and contingency plan-
9 ning;
10 ''(C) command and control of operations under
11 unified command;
12 ''(D) national security planning with other de-
13 partments and agencies of the United States; and
14 ''(E) combined operations with military forces
15 of allied nations.
16 ''(2) In the context of joint matters, the term 'mul-
17 tiple military forces' refers to forces that involve partici-
18 pants from the armed forces and one or more of the fol-
19 lowing:
20 ''(A) Other departments and agencies of the
21 United States.
22 ''(B) The military forces or agencies of other
23 countries.
24 ''(C) Non-governmental persons or entities.''.

(b) DEFINITION OF JOINT DUTY ASSIGNMENT.—Paragraph (1) of subsection (b) of such section is amended by striking ''That definition shall'' and all that follows and inserting the following: ''That definition—

''(A) shall be limited to assignments in which the officer gains significant experience in joint matters; and

''(B) shall exclude assignments for joint training and education, except an assignment as an instructor responsible for preparing and presenting courses in areas of the curricula designated in section 2155(c) of this title as part of a program designated by the Secretary of Defense as joint professional military education Phase II.''.

(c) DEFINITION OF CRITICAL OCCUPATIONAL SPECIALTY.—Such section is further amended by adding at the end the following new subsection:

''(d) CRITICAL OCCUPATIONAL SPECIALTY.—(1) In this chapter, the term 'critical occupational specialty' means a military occupational specialty involving combat operations within the combat arms, in the case of the Army, or the equivalent arms, in the case of the Navy, Air Force, and Marine Corps, that the Secretary of Defense designates as critical.

"(2) At a minimum, the Secretary of Defense shall designate as a critical occupational specialty under paragraph (1) any military occupational specialty within a combat arms (or the equivalent) that is experiencing a severe shortage of trained officers in that specialty, as determined by the Secretary.".

(d) CONFORMING AMENDMENTS.—

(1) INITIAL ASSIGNMENT OF OFFICERS WITH CRITICAL OCCUPATIONAL SPECIALTIES.—Section 664(c) of such title is amended—

(A) in the matter before paragraph (1) by striking "section 661(c)(2)" and inserting "section 661(c)(1)(B)";

(B) by striking paragraph (1);

(C) by redesignating paragraph (2) as paragraph (1) and, in such paragraph, by striking "section 661(c)(2)" and inserting "section 668(d)"; and

(D) by redesignating paragraph (3) as paragraph (2).

(2) ANNUAL REPORT ON NUMBER OF OFFICERS WITH CRITICAL OCCUPATIONAL SPECIALTIES.—Section 667(3) of such title is amended by striking "section 661(c)(2)" and inserting "section 668(d)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

Subtitle B—Reserve Component Matters

PART I—RESERVE COMPONENT MANAGEMENT

SEC. 521. RECOGNITION OF FORMER REPRESENTATIVE G. V. 'SONNY' MONTGOMERY FOR HIS 30 YEARS OF SERVICE IN THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) G.V. ''Sonny'' Montgomery was elected to the House of Representatives in 1967 and served the people of east-central Mississippi for 30 years with distinction, dedication, and conviction.

(2) Sonny Montgomery had a distinguished military career both before and during his service in Congress, serving in World War II and the Korean War, and retired from the Mississippi National Guard with the rank of Major General.

(3) As a Member of the House of Representatives, Sonny Montgomery served on the Committee on Armed Services and served with great distinction as the Chairman of the Committee on Veterans' Affairs for 13 years from 1981 through 1994.

(4) Representative Montgomery's colleagues knew him as a statesman of the institution and as a tireless advocate for policies that would improve the lives of persons who serve the United States.

(5) Representative Montgomery was deeply committed to all members of the Armed Forces who served in combat and traveled to Korea and Southeast Asia to recover remains and help determine the fate of POW/MIAs from the Korean and Vietnam Wars.

(6) Through his years of service on the Committee on Armed Services, Representative Montgomery made great contributions to the capabilities of the National Guard and Reserves, by improving their training and equipment and by better integrating them with the active force.

(7) Under the revised GI Bill that bears his name and was signed into law in 1984, Representative Montgomery brought educational benefits to millions of veterans, including those members who had served in the National Guard and Reserves, and strengthened the all-volunteer force.

(8) Representative Montgomery had received many honors and commendations before his passing on May 12, 2006, including most recently and nota-

bly the Presidential Medal of Freedom, the highest civilian honor accorded by the United States.

(b) RECOGNITION.—Congress recognizes and commends former Representative G.V. ''Sonny'' Montgomery for his 30 years of service to benefit the people of Mississippi, members of the Armed Forces and their families, veterans, and the United States.

SEC. 522. REVISIONS TO RESERVE CALL-UP AUTHORITY.

(a) MAXIMUM NUMBER OF DAYS.—Subsection (a) of section 12304 of title 10, United States Code, is amended by striking ''270 days'' and inserting ''365 days.''

(b) FAIR TREATMENT.—Such section is further amended—

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

(2) by inserting after subsection (h) the following new subsection (i):

''(i) CONSIDERATIONS FOR INVOLUNTARY ORDER TO ACTIVE DUTY.—(1) In determining which members of the Selected Reserve and Individual Ready Reserve will be ordered to duty without their consent under this section, appropriate consideration shall be given to—

''(A) the length and nature of previous service, to assure such sharing of exposure to hazards as the

national security and military requirements will reasonably allow;

"(B) the frequency of assignments during service career;

"(C) family responsibilities; and

"(D) employment necessary to maintain the national health, safety, or interest.

"(2) The Secretary of Defense shall prescribe such policies and procedures as the Secretary considers necessary to carry out this subsection.".

SEC. 523. MILITARY RETIREMENT CREDIT FOR CERTAIN SERVICE BY NATIONAL GUARD MEMBERS PERFORMED WHILE IN A STATE DUTY STATUS IMMEDIATELY AFTER THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

Subsection (c) of section 514 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3232) is amended by adding at the end the following new paragraph:

"(3) In the State of New Jersey: Bergen, Hudson, Union, and Middlesex.".

PART II—AUTHORITIES RELATING TO GUARD AND RESERVE DUTY

SEC. 524. TITLE 10 DEFINITION OF ACTIVE GUARD AND RESERVE DUTY.

Section 101 of title 10, United States Code, is amended—

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

''(16) The term 'Active Guard and Reserve' means a member of a reserve component who is on active duty pursuant to section 12301(d) of this title or, if a member of the Army National Guard or Air National Guard, is on full-time National Guard duty pursuant to section 502(f) of title 32, and who is performing Active Guard and Reserve duty.''; and

(2) in paragraph (6)(A) of subsection (d)—

(A) by striking ''or full-time National Guard duty'' after ''means active duty''; and

(B) by striking '', pursuant to an order to active duty or full-time National Guard duty'' and inserting ''pursuant to an order to full-time National Guard duty,''.

SEC. 525. AUTHORITY FOR ACTIVE GUARD AND RESERVE DUTIES TO INCLUDE SUPPORT OF OPERATIONAL MISSIONS ASSIGNED TO THE RESERVE COMPONENTS AND INSTRUCTION AND TRAINING OF ACTIVE-DUTY PERSONNEL.

(a) AGR DUTY UNDER TITLE 10.—Subsections (a) and (b) of section 12310 of title 10, United States Code, are amended to read as follows:

''(a) AUTHORITY.—(1) The Secretary concerned may order a member of a reserve component under the Secretary's jurisdiction to active duty pursuant to section 12301(d) of this title to perform Active Guard and Reserve duty organizing, administering, recruiting, instructing, or training the reserve components.

''(2) A Reserve ordered to active duty under paragraph (1) shall be ordered in the Reserve's reserve grade. While so serving, the Reserve continues to be eligible for promotion as a Reserve, if otherwise qualified.

''(b) DUTIES.—A Reserve on active duty under subsection (a) may perform the following additional duties to the extent that the performance of those duties does not interfere with the performance of the Reserve's primary Active Guard and Reserve duties described in subsection (a)(1):

"(1) Supporting operations or missions assigned in whole or in part to the reserve components.

"(2) Supporting operations or missions performed or to be performed by—

"(A) a unit composed of elements from more than one component of the same armed force; or

"(B) a joint forces unit that includes—

"(i) one or more reserve component units; or

"(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

"(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands regarding reserve component matters.

"(4) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(A) active-duty members of the armed forces;

"(B) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(C) Department of Defense contractor personnel; or

"(D) Department of Defense civilian employees.".

(b) MILITARY TECHNICIANS UNDER TITLE 10.—Section 10216(a) of such title is amended—

(1) in paragraph (1)(C), by striking "administration and" and inserting "organizing, administering, instructing, or"; and

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

"(3) A military technician (dual status) who is employed under section 3101 of title 5 may perform the following additional duties to the extent that the performance of those duties does not interfere with the performance of the primary duties described in paragraph (1):

"(A) Supporting operations or missions assigned in whole or in part to the technician's unit.

"(B) Supporting operations or missions performed or to be performed by—

"(i) a unit composed of elements from more than one component of the technician's armed force; or

"(ii) a joint forces unit that includes—

"(I) one or more units of the technician's component; or

"(II) a member of the technician's component whose reserve component assignment is in a position in an element of the joint forces unit.

"(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(i) active-duty members of the armed forces;

"(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(iii) Department of Defense contractor personnel; or

"(iv) Department of Defense civilian employees.".

(c) NATIONAL GUARD TITLE 32 TRAINING DUTY.—Section 502(f) of title 32, United States Code, title is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' before ''Under regulations''; and

(3) by striking the last sentence and inserting the following:

''(2) The training or duty ordered to be performed under paragraph (1) may include the following:

''(A) Support of operations or missions undertaken by the member's unit at the request of the President or Secretary of Defense.

''(B) Support of training operations and training missions assigned in whole or in part to the National Guard by the Secretary concerned, but only to the extent that such training missions and training operations—

''(i) are performed in the United States or the Commonwealth of Puerto Rico or possessions of the United States; and

''(ii) are only to instruct active duty military, foreign military (under the same authorities and restrictions applicable to active duty

1 troops), Department of Defense contractor per-
2 sonnel, or Department of Defense civilian em-
3 ployees.
4 ''(3) Duty without pay shall be considered for all pur-
5 poses as if it were duty with pay.''.
6 (d) NATIONAL GUARD TECHNICIANS UNDER TITLE
7 32.—Section 709(a) of title 32, United States Code, is
8 amended—
9 (1) in paragraph (1)—
10 (A) by striking ''administration and'' and
11 inserting ''organizing, administering, instruct-
12 ing, or''; and
13 (B) by striking ''and'' at the end of such
14 paragraph;
15 (2) by striking the period at the end of para-
16 graph (2) and inserting ''; and''; and
17 (3) by adding at the end the following new
18 paragraph:
19 ''(3) the performance of the following additional
20 duties to the extent that the performance of those
21 duties does not interfere with the performance of the
22 duties described by paragraphs (1) and (2):
23 ''(A) Support of operations or missions un-
24 dertaken by the technician's unit at the request
25 of the President or the Secretary of Defense.

"(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

"(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

"(i) active-duty members of the armed forces;

"(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

"(iii) Department of Defense contractor personnel; or

"(iv) Department of Defense civilian employees.".

SEC. 526. GOVERNOR'S AUTHORITY TO ORDER MEMBERS TO ACTIVE GUARD AND RESERVE DUTY.

(a) IN GENERAL.—Chapter 3 of title 32, United States Code, is amended by adding at the end the following new section:

"§ 328. Active Guard and Reserve duty: Governor's authority

''(a) AUTHORITY.—The Governor of a State or the Commonwealth of Puerto Rico, Guam, or the Virgin Islands, or the commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform Active Guard and Reserve duty, as defined by section 101(d)(6) of title 10, pursuant to section 502(f) of this title.

''(b) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the additional duties specified in section 502(f)(2) of this title to the extent that the performance of those duties does not interfere with the performance of the member's primary Active Guard and Reserve duties of organizing, administering, recruiting, instructing, and training the reserve components.''.

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

''328. Active Guard and Reserve duty: Governor's authority.''.

SEC. 527. EXPANSION OF OPERATIONS OF CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Section 12310(c) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''involving—'' and inserting ''involving any of the following:''; and

(B) by striking subparagraphs (A) and (B) and inserting the following:

''(A) The use or threatened use of a weapon of mass destruction (as defined in section 12304(i)(2) of this title) in the United States.

''(B) A terrorist attack or threatened terrorist attack in the United States that results, or could result, in catastrophic loss of life or property.

''(C) The intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States that results, or could result, in catastrophic loss of life or property.

''(D) A natural or manmade disaster in the United States that results in, or could result in, catastrophic loss of life or property.'';

(2) by amending paragraph (3) to read as follows:

''(3) A Reserve may perform duty described in paragraph (1) only while assigned to a reserve component weapons of mass destruction civil support team.''; and

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

''(7) In this subsection, the term 'United States' includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking the subsection heading and inserting ''OPERATIONS RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION AND TERRORIST ATTACKS.—'';

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''weapons of mass destruction civil support team''; and

(3) in paragraph (6)—

(A) in the matter preceding subparagraph (A), by striking ''paragraph (3)'' and inserting ''paragraphs (1) and (3)''; and

(B) in subparagraph (B), by striking ''paragraph (3)(B)'' and inserting ''paragraph (3)''.

SEC. 528. MODIFICATION OF AUTHORITIES RELATING TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL REEMPLOYMENT.—Subsection (e) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), as amended by section 516 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3237), is further amended by adding at the end the following new paragraph:

''(3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.''.

(b) FINAL REPORT.—Subsection (f)(2) of such section 513 (118 Stat. 1882) is amended by striking ''Not later than one year after the first meeting of the Commission'' and inserting ''Not later than January 31, 2008''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of October 28, 2004, as

if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The amendment made by subsection (a) shall apply to members of the Commission on the National Guard and Reserves appointed on or after that date.

SEC. 529. ADDITIONAL MATTERS TO BE REVIEWED BY COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ADDITIONAL MATTERS TO BE REVIEWED BY COMMISSION.—The Commission on the National Guard and Reserves shall include among the matters it studies (in addition to the matters specified in subsection (c) of the commission charter) each of the following:

(1) NATIONAL GUARD BUREAU ENHANCEMENT PROPOSALS.—The advisability and feasibility of implementing the provisions of S. 2658 and H.R. 5200 of the 109th Congress, as introduced in the Senate and the House of Representatives, respectively, on April 26, 2006.

(2) CHIEF OF NATIONAL GUARD BUREAU.—As an alternative to implementation of the provisions of the bills specified in paragraph (1) that provide for the Chief of the National Guard Bureau to be a member of the Joint Chiefs of Staff and to hold the grade of general, the advisability and feasibility of

providing for the Chief of the National Guard Bureau to hold the grade of general in the performance of the current duties of that office.

(3) NATIONAL GUARD OFFICERS AUTHORITY TO COMMAND.—The advisability and feasibility of implementing the provisions of section 544 of H.R. 5122 of the 109th Congress, as passed the House of Representatives on May 11, 2006.

(4) NATIONAL GUARD EQUIPMENT AND FUNDING REQUIREMENTS.—The adequacy of the Department of Defense processes for defining the equipment and funding necessary for the National Guard to conduct both its responsibilities under title 10, United States Code, and its responsibilities under title 32, United States Code, including homeland defense and related homeland missions, including as part of such study—

(A) consideration of the extent to which those processes should be developed taking into consideration the views of the Chief of the National Guard Bureau, as well as the views of the 54 Adjutant Generals and the views of the Chiefs of the Army National Guard and the Air Guard; and

(B) whether there should be an improved means by which National Guard equipment requirements are validated by the Joint Chiefs of Staff and are considered for funding by the Secretaries of the Army and Air Force.

(b) PRIORITY REVIEW AND REPORT.—

(1) PRIORITY REVIEW.—The Commission on the National Guard and Reserves shall carry out its study of the matters specified in paragraphs (1), (2), and (3) of subsection (a) on a priority basis, with a higher priority for matters under those paragraphs relating to the grade and functions of the Chief of the National Guard Bureau.

(2) REPORT.—In addition to the reports required under subsection (f) of the commission charter, the Commission shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an interim report, not later than March 1, 2007, specifically on the matters covered by paragraph (1). In such report, the Commission shall set forth its findings and any recommendations it considers appropriate with respect to those matters.

(c) COMMISSION CHARTER DEFINED.—For purposes of this section, the term ''commission charter'' means sec-

tion 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1880).

Subtitle C—Education and Training

PART I—SERVICE ACADEMIES

SEC. 531. EXPANSION OF SERVICE ACADEMY EXCHANGE PROGRAMS WITH FOREIGN MILITARY ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 4345 of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

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

''(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.''.

(b) UNITED STATES NAVAL ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 6957a of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

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

"(4) Expenditures in support of the exchange program from funds appropriated for the Naval Academy may not exceed $1,000,000 during any fiscal year.".

(c) UNITED STATES AIR FORCE ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 9345 of title 10, United States Code, is amended by striking "24" and inserting "100".

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking "for the Academy" in paragraph (3) and all that follows in that paragraph and inserting "for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program."; and

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

"(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.".

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act. The amendments made by subsections (b) and (c) shall take effect on October 1, 2008.

SEC. 532. REVISION AND CLARIFICATION OF REQUIREMENTS WITH RESPECT TO SURVEYS AND REPORTS CONCERNING SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.

(a) CODIFICATION AND REVISION TO EXISTING REQUIREMENT FOR SERVICE ACADEMY POLICY ON SEXUAL HARASSMENT AND SEXUAL VIOLENCE.—

(1) UNITED STATES MILITARY ACADEMY.—Chapter 403 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4361. Policy on sexual harassment and sexual violence

''(a) REQUIRED POLICY.—Under guidance prescribed by the Secretary of Defense, the Secretary of the Army shall direct the Superintendent of the Academy to prescribe a policy on sexual harassment and sexual violence applicable to the cadets and other personnel of the Academy.

1 "(b) MATTERS TO BE SPECIFIED IN POLICY.—The
2 policy on sexual harassment and sexual violence prescribed
3 under this section shall include specification of the fol-
4 lowing:
5 "(1) Programs to promote awareness of the in-
6 cidence of rape, acquaintance rape, and other sexual
7 offenses of a criminal nature that involve cadets or
8 other Academy personnel.
9 "(2) Procedures that a cadet should follow in
10 the case of an occurrence of sexual harassment or
11 sexual violence, including—
12 "(A) if the cadet chooses to report an oc-
13 currence of sexual harassment or sexual vio-
14 lence, a specification of the person or persons to
15 whom the alleged offense should be reported
16 and the options for confidential reporting;
17 "(B) a specification of any other person
18 whom the victim should contact; and
19 "(C) procedures on the preservation of evi-
20 dence potentially necessary for proof of criminal
21 sexual assault.
22 "(3) Procedures for disciplinary action in cases
23 of alleged criminal sexual assault involving a cadet
24 or other Academy personnel.

"(4) Any other sanction authorized to be imposed in a substantiated case of sexual harassment or sexual violence involving a cadet or other Academy personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

"(5) Required training on the policy for all cadets and other Academy personnel, including the specific training required for personnel who process allegations of sexual harassment or sexual violence involving Academy personnel.

"(c) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretary of the Army, shall direct the Superintendent to conduct at the Academy during each Academy program year an assessment, to be administered by the Department of Defense, to determine the effectiveness of the policies, training, and procedures of the Academy with respect to sexual harassment and sexual violence involving Academy personnel.

"(2) For the assessment at the Academy under paragraph (1) with respect to an Academy program year that begins in an odd-numbered calendar year, the Secretary of the Army shall conduct a survey, to be administered by the Department of Defense, of Academy personnel—

"(A) to measure—

1 "(i) the incidence, during that program
2 year, of sexual harassment and sexual violence
3 events, on or off the Academy reservation, that
4 have been reported to officials of the Academy;
5 and
6 "(ii) the incidence, during that program
7 year, of sexual harassment and sexual violence
8 events, on or off the Academy reservation, that
9 have not been reported to officials of the Acad-
10 emy; and
11 "(B) to assess the perceptions of Academy per-
12 sonnel of—
13 "(i) the policies, training, and procedures
14 on sexual harassment and sexual violence in-
15 volving Academy personnel;
16 "(ii) the enforcement of such policies;
17 "(iii) the incidence of sexual harassment
18 and sexual violence involving Academy per-
19 sonnel; and
20 "(iv) any other issues relating to sexual
21 harassment and sexual violence involving Acad-
22 emy personnel.
23 "(d) ANNUAL REPORT.—(1) The Secretary of the
24 Army shall direct the Superintendent of the Academy to
25 submit to the Secretary a report on sexual harassment and

1 sexual violence involving cadets or other personnel at the
2 Academy for each Academy program year.
3 ''(2) Each report under paragraph (1) shall include,
4 for the Academy program year covered by the report, the
5 following:
6 ''(A) The number of sexual assaults, rapes, and
7 other sexual offenses involving cadets or other Acad-
8 emy personnel that have been reported to Academy
9 officials during the program year and, of those re-
10 ported cases, the number that have been substan-
11 tiated.
12 ''(B) The policies, procedures, and processes
13 implemented by the Secretary of the Army and the
14 leadership of the Academy in response to sexual har-
15 assment and sexual violence involving cadets or
16 other Academy personnel during the program year.
17 ''(C) A plan for the actions that are to be taken
18 in the following Academy program year regarding
19 prevention of and response to sexual harassment and
20 sexual violence involving cadets or other Academy
21 personnel.
22 ''(3) Each report under paragraph (1) for an Acad-
23 emy program year that begins in an odd-numbered cal-
24 endar year shall include the results of the survey con-
25 ducted in that program year under subsection (c)(2).

"(4)(A) The Secretary of the Army shall transmit to the Secretary of Defense, and to the Board of Visitors of the Academy, each report received by the Secretary under this subsection, together with the Secretary's comments on the report.

"(B) The Secretary of Defense shall transmit each such report, together with the Secretary's comments on the report, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.".

(2) UNITED STATES NAVAL ACADEMY.—Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6980. Policy on sexual harassment and sexual violence

"(a) REQUIRED POLICY.—Under guidance prescribed by the Secretary of Defense, the Secretary of the Navy shall direct the Superintendent of the Naval Academy to prescribe a policy on sexual harassment and sexual violence applicable to the midshipmen and other personnel of the Naval Academy.

"(b) MATTERS TO BE SPECIFIED IN POLICY.—The policy on sexual harassment and sexual violence prescribed under this section shall include specification of the following:

"(1) Programs to promote awareness of the incidence of rape, acquaintance rape, and other sexual offenses of a criminal nature that involve midshipmen or other Academy personnel.

"(2) Procedures that a midshipman should follow in the case of an occurrence of sexual harassment or sexual violence, including—

"(A) if the midshipman chooses to report an occurrence of sexual harassment or sexual violence, a specification of the person or persons to whom the alleged offense should be reported and the options for confidential reporting;

"(B) a specification of any other person whom the victim should contact; and

"(C) procedures on the preservation of evidence potentially necessary for proof of criminal sexual assault.

"(3) Procedures for disciplinary action in cases of alleged criminal sexual assault involving a midshipman or other Academy personnel.

"(4) Any other sanction authorized to be imposed in a substantiated case of sexual harassment or sexual violence involving a midshipman or other Academy personnel in rape, acquaintance rape, or

any other criminal sexual offense, whether forcible or nonforcible.

''(5) Required training on the policy for all midshipmen and other Academy personnel, including the specific training required for personnel who process allegations of sexual harassment or sexual violence involving Academy personnel.

''(c) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretary of the Navy, shall direct the Superintendent to conduct at the Academy during each Academy program year an assessment, to be administered by the Department of Defense, to determine the effectiveness of the policies, training, and procedures of the Academy with respect to sexual harassment and sexual violence involving Academy personnel.

''(2) For the assessment at the Academy under paragraph (1) with respect to an Academy program year that begins in an odd-numbered calendar year, the Secretary of the Navy shall conduct a survey, to be administered by the Department of Defense, of Academy personnel—

''(A) to measure—

''(i) the incidence, during that program year, of sexual harassment and sexual violence events, on or off the Academy reservation, that

have been reported to officials of the Academy; and

"(ii) the incidence, during that program year, of sexual harassment and sexual violence events, on or off the Academy reservation, that have not been reported to officials of the Academy; and

"(B) to assess the perceptions of Academy personnel of—

"(i) the policies, training, and procedures on sexual harassment and sexual violence involving Academy personnel;

"(ii) the enforcement of such policies;

"(iii) the incidence of sexual harassment and sexual violence involving Academy personnel; and

"(iv) any other issues relating to sexual harassment and sexual violence involving Academy personnel.

"(d) ANNUAL REPORT.—(1) The Secretary of the Navy shall direct the Superintendent of the Naval Academy to submit to the Secretary a report on sexual harassment and sexual violence involving midshipmen or other personnel at the Academy for each Academy program year.

"(2) Each report under paragraph (1) shall include, for the Academy program year covered by the report, the following:

"(A) The number of sexual assaults, rapes, and other sexual offenses involving midshipmen or other Academy personnel that have been reported to Naval Academy officials during the program year and, of those reported cases, the number that have been substantiated.

"(B) The policies, procedures, and processes implemented by the Secretary of the Navy and the leadership of the Naval Academy in response to sexual harassment and sexual violence involving midshipmen or other Academy personnel during the program year.

"(C) A plan for the actions that are to be taken in the following Academy program year regarding prevention of and response to sexual harassment and sexual violence involving midshipmen or other Academy personnel.

"(3) Each report under paragraph (1) for an Academy program year that begins in an odd-numbered calendar year shall include the results of the survey conducted in that program year under subsection (c)(2).

"(4)(A) The Secretary of the Navy shall transmit to the Secretary of Defense, and to the Board of Visitors of the Naval Academy, each report received by the Secretary under this subsection, together with the Secretary's comments on the report.

"(B) The Secretary of Defense shall transmit each such report, together with the Secretary's comments on the report, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.".

(3) UNITED STATES AIR FORCE ACADEMY.—Chapter 903 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9361. Policy on sexual harassment and sexual violence

"(a) REQUIRED POLICY.—Under guidance prescribed by the Secretary of Defense, the Secretary of the Air Force shall direct the Superintendent of the Academy to prescribe a policy on sexual harassment and sexual violence applicable to the cadets and other personnel of the Academy.

"(b) MATTERS TO BE SPECIFIED IN POLICY.—The policy on sexual harassment and sexual violence prescribed

1 under this section shall include specification of the fol-
2 lowing:
3 "(1) Programs to promote awareness of the in-
4 cidence of rape, acquaintance rape, and other sexual
5 offenses of a criminal nature that involve cadets or
6 other Academy personnel.
7 "(2) Procedures that a cadet should follow in
8 the case of an occurrence of sexual harassment or
9 sexual violence, including—
10 "(A) if the cadet chooses to report an oc-
11 currence of sexual harassment or sexual vio-
12 lence, a specification of the person or persons to
13 whom the alleged offense should be reported
14 and the options for confidential reporting;
15 "(B) a specification of any other person
16 whom the victim should contact; and
17 "(C) procedures on the preservation of evi-
18 dence potentially necessary for proof of criminal
19 sexual assault.
20 "(3) Procedures for disciplinary action in cases
21 of alleged criminal sexual assault involving a cadet
22 or other Academy personnel.
23 "(4) Any other sanction authorized to be im-
24 posed in a substantiated case of sexual harassment
25 or sexual violence involving a cadet or other Acad-

emy personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

''(5) Required training on the policy for all cadets and other Academy personnel, including the specific training required for personnel who process allegations of sexual harassment or sexual violence involving Academy personnel.

''(c) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretary of the Air Force, shall direct the Superintendent to conduct at the Academy during each Academy program year an assessment, to be administered by the Department of Defense, to determine the effectiveness of the policies, training, and procedures of the Academy with respect to sexual harassment and sexual violence involving Academy personnel.

''(2) For the assessment at the Academy under paragraph (1) with respect to an Academy program year that begins in an odd-numbered calendar year, the Secretary of the Air Force shall conduct a survey, to be administered by the Department of Defense, of Academy personnel—

''(A) to measure—

''(i) the incidence, during that program year, of sexual harassment and sexual violence events, on or off the Academy reservation, that

have been reported to officials of the Academy; and

"(ii) the incidence, during that program year, of sexual harassment and sexual violence events, on or off the Academy reservation, that have not been reported to officials of the Academy; and

"(B) to assess the perceptions of Academy personnel of—

"(i) the policies, training, and procedures on sexual harassment and sexual violence involving Academy personnel;

"(ii) the enforcement of such policies;

"(iii) the incidence of sexual harassment and sexual violence involving Academy personnel; and

"(iv) any other issues relating to sexual harassment and sexual violence involving Academy personnel.

"(d) ANNUAL REPORT.—(1) The Secretary of the Air Force shall direct the Superintendent of the Academy to submit to the Secretary a report on sexual harassment and sexual violence involving cadets or other personnel at the Academy for each Academy program year.

"(2) Each report under paragraph (1) shall include, for the Academy program year covered by the report, the following:

"(A) The number of sexual assaults, rapes, and other sexual offenses involving cadets or other Academy personnel that have been reported to Academy officials during the program year and, of those reported cases, the number that have been substantiated.

"(B) The policies, procedures, and processes implemented by the Secretary of the Air Force and the leadership of the Academy in response to sexual harassment and sexual violence involving cadets or other Academy personnel during the program year.

"(C) A plan for the actions that are to be taken in the following Academy program year regarding prevention of and response to sexual harassment and sexual violence involving cadets or other Academy personnel.

"(3) Each report under paragraph (1) for an Academy program year that begins in an odd-numbered calendar year shall include the results of the survey conducted in that program year under subsection (c)(2).

"(4)(A) The Secretary of the Air Force shall transmit to the Secretary of Defense, and to the Board of Visitors

of the Academy, each report received by the Secretary under this subsection, together with the Secretary's comments on the report.

''(B) The Secretary of Defense shall transmit each such report, together with the Secretary's comments on the report, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.''.

(b) FURTHER INFORMATION FROM CADETS AND MIDSHIPMEN AT THE SERVICE ACADEMIES ON SEXUAL ASSAULT AND SEXUAL HARASSMENT ISSUES.—

(1) USE OF FOCUS GROUPS FOR YEARS WHEN SURVEY NOT REQUIRED.—In any year in which the Secretary of a military department is not required by law to conduct a survey at the service academy under the Secretary's jurisdiction on matters relating to sexual assault and sexual harassment issues at that Academy, the Secretary shall provide for focus groups to be conducted at that Academy for the purposes of ascertaining information relating to sexual assault and sexual harassment issues at that Academy.

(2) INCLUSION IN REPORT.—Information ascertained from a focus group conducted pursuant to paragraph (1) shall be included in the Secretary's

annual report to Congress on sexual harassment and sexual violence at the service academies.

(3) SERVICE ACADEMIES.—For purposes of this subsection, the term ''service academy'' means the following:

(A) The United States Military Academy.

(B) The United States Naval Academy.

(C) The United States Air Force Academy.

(c) REPEAL OF PRIOR LAW.—Section 527 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1469; 10 U.S.C. 4331 note) is repealed.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 403 of title 10, United States Code, is amended by adding at the end the following new item:

''4361. Policy on sexual harassment and sexual violence.''.

(2) The table of sections at the beginning of chapter 603 of such title is amended by adding at the end the following new item:

''6980. Policy on sexual harassment and sexual violence.''.

(3) The table of sections at the beginning of chapter 903 of such title is amended by adding at the end the following new item:

''9361. Policy on sexual harassment and sexual violence.''.

SEC. 533. DEPARTMENT OF DEFENSE POLICY ON SERVICE ACADEMY AND ROTC GRADUATES SEEKING TO PARTICIPATE IN PROFESSIONAL SPORTS BEFORE COMPLETION OF THEIR ACTIVE-DUTY SERVICE OBLIGATIONS.

(a) POLICY REQUIRED.—

(1) IN GENERAL.—Not later than July 1, 2007, the Secretary of Defense shall prescribe the policy of the Department of Defense on—

(A) whether to authorize graduates of the service academies and the Reserve Officers' Training Corps to participate in professional sports before the completion of their obligations for service on active duty as commissioned officers; and

(B) if so, the obligations for service on active duty as commissioned officers of such graduates who participate in professional sports before the satisfaction of the obligations referred to in subparagraph (A).

(2) REVIEW OF CURRENT POLICIES.—In prescribing the policy, the Secretary shall review current policies, practices, and regulations of the military departments on the obligations for service on active duty as commissioned officers of graduates of the service academies and the Reserve Officers'

Training Corps, including policies on authorized leaves of absence and policies under excess leave programs.

(3) CONSIDERATIONS.—In prescribing the policy, the Secretary shall take into account the following:

(A) The compatibility of participation in professional sports (including training for professional sports) with service on active duty in the Armed Forces or as a member of a reserve component of the Armed Forces.

(B) The benefits for the Armed Forces of waiving obligations for service on active duty for cadets, midshipmen, and commissioned officers in order to permit such individuals to participate in professional sports.

(C) The manner in which the military departments have resolved issues relating to the participation of personnel in professional sports, including the extent of and any reasons for, differences in the resolution of such issues by such departments.

(D) The recoupment of the costs of education provided by the service academies or under the Reserve Officers' Training Corps pro-

gram if graduates of the service academies or the Reserve Officers' Training Corps, as the case may be, do not complete the period of obligated service to which they have agreed by reason of participation in professional sports.

(E) Any other matters that the Secretary considers appropriate.

(b) ELEMENTS OF POLICY.—The policy prescribed under subsection (a) shall address the following matters:

(1) The eligibility of graduates of the service academies and the Reserve Officers' Training Corps for a reduction in the obligated length of service on active duty as a commissioned officer otherwise required of such graduates on the basis of their participation in professional sports.

(2) Criteria for the treatment of an individual as a participant or potential participant in professional sports.

(3) The effect on obligations for service on active duty as a commissioned officer of any unsatisfied obligations under prior enlistment contracts or other forms of advanced education assistance.

(4) Any authorized variations in the policy that are warranted by the distinctive requirements of a particular Armed Force.

(5) The eligibility of individuals for medical discharge or disability benefits as a result of injuries incurred while participating in professional sports.

(6) A prospective effective date for the policy and for the application of the policy to individuals serving on such effective date as a commissioned officer, cadet, or midshipman.

(c) APPLICATION OF POLICY TO ARMED FORCES.—Not later than December 1, 2007, the Secretary of each military department shall prescribe regulations, or modify current regulations, in order to implement the policy prescribed by the Secretary of Defense under subsection (a) with respect to the Armed Forces under the jurisdiction of such Secretary.

PART II—SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAMS

SEC. 535. AUTHORITY TO PERMIT MEMBERS WHO PARTICIPATE IN THE GUARANTEED RESERVE FORCES DUTY SCHOLARSHIP PROGRAM TO PARTICIPATE IN THE HEALTH PROFESSIONS SCHOLARSHIP PROGRAM AND SERVE ON ACTIVE DUTY.

Paragraph (3) of section 2107a(b) of title 10, United States Code, is amended—

(1) by inserting ''or a cadet or former cadet under this section who signs an agreement under section 2122 of this title,'' after ''military junior college,''; and

(2) by inserting '', or former cadet,'' after ''consent of the cadet'' and after ''submitted by the cadet''.

SEC. 536. DETAIL OF COMMISSIONED OFFICERS AS STUDENTS AT MEDICAL SCHOOLS.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2004 the following new section:

''§ 2004a. Detail of commissioned officers as students at medical schools

''(a) DETAIL AUTHORIZED.—The Secretary of each military department may detail commissioned officers of

the armed forces as students at accredited medical schools or schools of osteopathy located in the United States for a period of training leading to the degree of doctor of medicine. No more than 25 officers from each military department may commence such training in any single fiscal year.

"(b) ELIGIBILITY FOR DETAIL.—To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

"(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade 0–3 or below as of the time the training is to begin; and

"(2) sign an agreement that unless sooner separated the officer will—

"(A) complete the educational course of medical training;

"(B) accept transfer or detail as a medical officer within the military department concerned when the officer's training is completed; and

"(C) agree to serve, following completion of the officer's training, on active duty (or on active duty and in the Selected Reserve) for a period as specified pursuant to subsection (c).

1 "(c) SERVICE OBLIGATION.—An agreement under
2 subsection (c) shall provide that the officer shall serve on
3 active duty for two years for each year or part thereof
4 of the officer's medical training under subsection (a), ex-
5 cept that the agreement may authorize the officer to serve
6 a portion of the officer's service obligation on active duty
7 and to complete the service obligation that remains upon
8 separation from active duty in the Selected Reserve, in
9 which case the officer shall serve three years in the Se-
10 lected Reserve for each year or part thereof of the officer's
11 medical training under subsection (a) for any service obli-
12 gation that was not completed before separation from ac-
13 tive duty.

14 "(d) SELECTION OF OFFICERS FOR DETAIL.—Offi-
15 cers detailed for medical training under subsection (a)
16 shall be selected on a competitive basis by the Secretary
17 of the military department concerned.

18 "(e) RELATION OF SERVICE OBLIGATIONS TO OTHER
19 SERVICE OBLIGATIONS.—Any service obligation incurred
20 by an officer under an agreement entered into under sub-
21 section (b) shall be in addition to any service obligation
22 incurred by the officer under any other provision of law
23 or agreement.

1 ''(f) EXPENSES.—Expenses incident to the detail of
2 officers under this section shall be paid from any funds
3 appropriated for the military department concerned.
4 ''(g) FAILURE TO COMPLETE PROGRAM.—(1) An of-
5 ficer who is dropped from a program of medical training
6 to which detailed under subsection (a) for deficiency in
7 conduct or studies, or for other reasons, may be required
8 to perform active duty in an appropriate military capacity
9 in accordance with the active duty obligation imposed on
10 the officer under regulations issued by the Secretary of
11 Defense for purposes of this section.
12 ''(2) In no case shall an officer be required to serve
13 on active duty under paragraph (1) for any period in ex-
14 cess of one year for each year or part thereof the officer
15 participated in the program.
16 ''(h) LIMITATION ON DETAILS.—No agreement de-
17 tailing an officer of the armed forces to an accredited med-
18 ical school or school of osteopathy may be entered into
19 during any period in which the President is authorized by
20 law to induct persons into the armed forces involuntarily.
21 Nothing in this subsection shall affect any agreement en-
22 tered into during any period when the President is not
23 authorized by law to so induct persons into the armed
24 forces''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2004 the following new item:

"2004a. Detail of commissioned officers as students at medical schools.".

SEC. 537. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT UNDER EDUCATION LOAN REPAYMENT FOR OFFICERS IN SPECIFIED HEALTH PROFESSIONS.

(a) INCREASE IN MAXIMUM AMOUNT.—Section 2173(e)(2) of title 10, United States Code, is amended by striking "$22,000" and inserting "$60,000".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 2173 of title 10, United States Code, on or after that date.

(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.

SEC. 538. HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM FOR ACTIVE SERVICE.

(a) MAXIMUM STIPEND AMOUNT.—Section 2121(d) of title 10, United States Code, is amended—

(1) by striking ''at the rate of $579 per month'' and inserting ''at a monthly rate established by the Secretary of Defense, but not to exceed a total of $30,000 per year''; and

(2) by striking ''That rate'' and inserting ''The maximum annual amount of the stipend''.

(b) MAXIMUM ANNUAL GRANT.—Section 2127(e) of such title is amended—

(1) by striking ''$15,000'' and inserting ''in an amount not to exceed $45,000''; and

(2) by striking ''The amount'' and inserting ''The maximum amount''.

(c) REPORT ON PROGRAM.—Not later than March 1, 2007, the Secretary of Defense shall submit to the Congress a report on the Health Professions Scholarship and Financial Assistance Program for Active Service under subchapter I of chapter 105 of title 10, United States Code. The report shall include the following:

(1) An assessment of the success of each military department in achieving its recruiting goals

under the program during each of fiscal years 2000 through 2006.

(2) If any military department failed to achieve its recruiting goals under the program during any fiscal year covered by paragraph (1), an explanation of the failure of the military department to achieve such goal during such fiscal year.

(3) An assessment of the adequacy of the stipend authorized by section 2121(d) of title 10, United States Code, in meeting the objectives of the program.

(4) Such recommendations for legislative or administrative action as the Secretary considers appropriate to enhance the effectiveness of the program in meeting the annual recruiting goals of the military departments for medical personnel covered by the program.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 2006.

(2) PROHIBITION ON ADJUSTMENTS.—The adjustments required by the second sentence of subsection (d) of section 2121 of title 10, United States Code, and the second sentence of subsection (e) of

section 2127 of such title to be made in 2007 shall not be made.

PART III—JUNIOR ROTC PROGRAM

SEC. 539. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTOR QUALIFICATIONS.

(a) IN GENERAL.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2033. Instructor qualifications

''(a) IN GENERAL.—In order for a retired officer or noncommissioned officer to be employed as an instructor in the program, the officer must be certified by the Secretary of the military department concerned as a qualified instructor in leadership, wellness and fitness, civics, and other courses related to the content of the program, according to the qualifications set forth in subsection (b)(2) or (c)(2), as appropriate.

''(b) SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Senior military instructors shall be retired officers of the armed forces and shall serve as instructional leaders who oversee the program.

''(2) QUALIFICATIONS.—A senior military instructor shall have the following qualifications:

"(A) Professional military qualification, as determined by the Secretary of the military department concerned.

"(B) Award of a baccalaureate degree from an institution of higher learning.

"(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

"(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

"(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

"(ii) professional development to meet content knowledge and instructional skills; and

"(iii) performance evaluation of competencies and standards within the program through site visits and inspections.

"(c) NON-SENIOR MILITARY INSTRUCTORS.—

"(1) ROLE.—Non-senior military instructors shall be retired noncommissioned officers of the armed forces and shall serve as instructional leaders

and teach independently of, but share program responsibilities with, senior military instructors.

"(2) QUALIFICATIONS.—A non-senior military instructor shall demonstrate a depth of experience, proficiency, and expertise in coaching, mentoring, and practical arts in executing the program, and shall have the following qualifications:

"(A) Professional military qualification, as determined by the Secretary of the military department concerned.

"(B) Award of an associates degree from an institution of higher learning within five years of employment.

"(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

"(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

"(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

"(ii) professional development to meet content knowledge and instructional skills; and

"(iii) performance evaluation of competencies and standards within the program through site visits and inspections.".

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

"2033. Instructor qualifications.".

SEC. 540. EXPANSION OF MEMBERS ELIGIBLE TO BE EMPLOYED TO PROVIDE JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION.

(a) ELIGIBILITY OF "GRAY-AREA" GUARD AND RESERVE MEMBERS.—Section 2031 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) Instead of, or in addition to, detailing officers and noncommissioned officers on active duty under subsection (c)(1) and authorizing the employment of retired officers and noncommissioned officers who are in receipt of retired pay and members of the Fleet Reserve and Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program officers and noncommissioned officers

who are under 60 years of age and who, but for age, would be eligible for retired pay for non-regular service under section 12731 of this title and whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

"(1) The Secretary concerned shall pay to the institution an amount equal to one-half of the amount paid to the member by the institution for any period, up to a maximum of one-half of the difference between—

"(A) the retired or retainer pay for an active duty officer or noncommissioned officer of the same grade and years of service for such period; and

"(B) the active duty pay and allowances which the member would have received for that period if on active duty.

"(2) Notwithstanding the limitation in paragraph (1), the Secretary concerned may pay to the institution more than one-half of the amount paid to the member by the institution if (as determined by the Secretary)—

"(A) the institution is in an educationally and economically deprived area; and

"(B) the Secretary determines that such action is in the national interest.

"(3) Payments by the Secretary concerned under this subsection shall be made from funds appropriated for that purpose.

"(4) Amounts may be paid under this subsection with respect to a member after the member reaches the age of 60.

"(5) Notwithstanding any other provision of law, a member employed by a qualified institution pursuant to an authorization under this subsection is not, while so employed, considered to be on active duty or inactive duty training for any purpose.".

(b) CLARIFICATION OF STATUS OF RETIRED MEMBERS PROVIDING INSTRUCTION.—Subsection (d) of such section is amended in the matter preceding paragraph (1) by inserting "who are in receipt of retired pay" after "retired officers and noncommissioned officers".

SEC. 541. EXPANSION OF JUNIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

(a) IN GENERAL.—The Secretaries of the military departments shall take appropriate actions to increase the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized under chapter 102 of title 10, United States Code.

(b) EXPANSION TARGETS.—In increasing under subsection (a) the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized, the Secretaries of the military departments shall seek to organize units at an additional number of institutions as follows:

(1) In the case of Army units, 15 institutions.

(2) In the case of Navy units, 10 institutions.

(3) In the case of Marine Corps units, 15 institutions.

(4) In the case of Air Force units, 10 institutions.

SEC. 542. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps pro-

gram as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

(b) REPORT.—The Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the review not later than 180 days after the date of the enactment of this Act.

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

PART IV—OTHER EDUCATION AND TRAINING PROGRAMS

SEC. 543. EXPANDED ELIGIBILITY FOR ENLISTED MEMBERS FOR INSTRUCTION AT NAVAL POSTGRADUATE SCHOOL.

(a) CERTIFICATE PROGRAMS AND COURSES.—Subparagraph (C) of subsection (a)(2) of section 7045 of title 10, United States Code, is amended by striking ''Navy or Marine Corps'' and inserting ''armed forces''.

(b) GRADUATE-LEVEL INSTRUCTION.—Such subsection is further amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D)(i) The Secretary may permit an eligible enlisted member of the armed forces to receive graduate-level instruction at the Naval Postgraduate School in a program leading to a master's degree in a technical, analytical, or engineering curriculum.

''(ii) To be eligible to be provided instruction under this subparagraph, the enlisted member must have been awarded a baccalaureate degree by an institution of higher education.

''(iii) Instruction under this subparagraph may be provided only on a space-available basis.

"(iv) An enlisted member who successfully completes a course of instruction under this subparagraph may be awarded a master's degree under section 7048 of this title.

"(v) Instruction under this subparagraph shall be provided pursuant to regulations prescribed by the Secretary. Such regulations may include criteria for eligibility of enlisted members for instruction under this subparagraph and specification of obligations for further service in the armed forces relating to receipt of such instruction.".

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subparagraph (E) of subsection (a)(2), as redesignated by subsection (b)(1), by striking "and (C)" and inserting "(C), and (D)"; and

(2) in subsection (b)(2), by striking "(a)(2)(D)" and inserting "(a)(2)(E)".

(d) DEADLINE FOR SUBMISSION OF PREVIOUSLY REQUIRED REPORT.—The report required by subsection (c) of section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3246), relating to the rationale and plans of the Navy to provide enlisted members an opportunity to obtain graduate degrees, shall be submitted, in accordance with that subsection, not later than March 30, 2007.

(e) REPEAL OF REQUIREMENT FOR REPORT ON PILOT PROGRAM.—

(1) REPEAL.—Subsection (d) of section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3246) is repealed.

(2) CONFORMING AMENDMENT.—Subsection (c)(2) of such section is amended by striking ", particularly in the career fields under consideration for the pilot program referred to in subsection (d)".

(f) REPORT ON USE OF NPS AND AFIT.—Not later than March 30, 2007, the Secretary of the Navy and the Secretary of the Air Force shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a joint report on the manner by which each Secretary intends to use the Naval Postgraduate School and the Air Force Institute of Technology during fiscal years 2008 through 2013 to meet the overall requirements of the Navy and Marine Corps and of the Air Force for enlisted members with graduate degrees. The report shall include the following:

(1) The numbers and occupational specialities of enlisted members that each Secretary plans to en-

roll as candidates for graduate degrees each year in each of the two schools.

(2) A description of the graduate degrees that those enlisted members will pursue at those schools.

(3) Other matters that the two Secretaries jointly consider to be useful for the committees to better understand the future role that the two schools will each have in meeting service requirements for enlisted members with graduate degrees.

Subtitle D—General Service Authorities

SEC. 546. TEST OF UTILITY OF TEST PREPARATION GUIDES AND EDUCATION PROGRAMS IN ENHANCING RECRUIT CANDIDATE PERFORMANCE ON THE ARMED SERVICES VOCATIONAL APTITUDE BATTERY (ASVAB) AND ARMED FORCES QUALIFICATION TEST (AFQT).

(a) REQUIREMENT FOR TEST.—The Secretary of Defense shall conduct a test of the utility of commercially available test preparation guides and education programs designed to assist recruit candidates achieve scores on military recruit qualification testing that better reflect the full potential of those recruit candidates in terms of aptitude and mental category. The test shall be conducted through the Secretaries of the Army, Navy, and Air Force.

(b) ASSESSMENT OF COMMERCIALLY AVAILABLE GUIDES AND PROGRAMS.—The test shall assess commercially available test preparation guides and education programs designed to enhance test performance. The test preparation guides assessed shall test both written formats and self-paced computer-assisted programs. Education programs assessed may test both self-study textbook and computer-assisted courses and instructor-led courses.

(c) OBJECTIVES.—The objectives of the test are to determine the following:

(1) The degree to which test preparation assistance degrades test reliability and accuracy.

(2) The degree to which test preparation assistance allows more accurate testing of skill aptitudes and mental capability.

(3) The degree to which test preparation assistance allows individuals to achieve higher scores without sacrificing reliability and accuracy.

(4) What role is recommended for test preparation assistance in military recruiting.

(d) CONTROL GROUP.—As part of the test, the Secretary shall identify a population of recruit candidates who will not receive test preparation assistance and will serve as a control group for the test. Data from recruit candidates participating in the test and data from recruit can-

1 didates in the control group shall be compared in terms
2 of both (1) test performance, and (2) subsequent duty per-
3 formance in training and unit settings following entry on
4 active duty.

5 (e) NUMBER OF PARTICIPANTS.—The Secretary shall
6 provide test preparation assistance to a minimum of 2,000
7 recruit candidates and shall identify an equal number to
8 be established as the control group population.

9 (f) DURATION OF TEST.—The Secretary shall begin
10 the test not later than nine months after the date of the
11 enactment of this Act. The test shall identify participants
12 over a one-year period from the start of the test and shall
13 assess duty performance for each participant for 18
14 months following entry on active duty. The last partici-
15 pant shall be identified, but other participants may not
16 be identified.

17 (g) REPORT ON FINDINGS.—Not later than six
18 months after completion of the duty performance assess-
19 ment of the last identified participant in the test, the Sec-
20 retary of Defense shall submit to the Committee on Armed
21 Services of the Senate and the Committee on Armed Serv-
22 ices of the House of Representatives a report providing
23 the findings of the Secretary with respect to each of the
24 objectives specified in subsection (c) and the Secretary's
25 recommendations.

SEC. 547. CLARIFICATION OF NONDISCLOSURE REQUIREMENTS APPLICABLE TO CERTAIN SELECTION BOARD PROCEEDINGS.

(a) ACTIVE-DUTY SELECTION BOARD PROCEEDINGS.—

(1) EXTENSION TO ALL ACTIVE-DUTY BOARDS.—Chapter 36 of title 10, United States Code, is amended by inserting after section 613 the following new section:

"§ 613a. Nondisclosure of board proceedings

''(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 611 this title may not be disclosed to any person not a member of the board.

''(b) PROHIBITED USES OF BOARD DISCUSSIONS, DELIBERATIONS, AND RECORDS.—The discussions and deliberations of a selection board described in subsection (a) and any written or documentary record of such discussions and deliberations—

''(1) are immune from legal process;

''(2) may not be admitted as evidence; and

''(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(2) CONFORMING AMENDMENT.—Section 618 of such title is amended by striking subsection (f).

(b) RESERVE SELECTION BOARD PROCEEDINGS.—Section 14104 of such title is amended to read as follows:

"§ 14104. Nondisclosure of board proceedings

''(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 14101 of this title may not be disclosed to any person not a member of the board.

''(b) PROHIBITED USES OF BOARD DISCUSSIONS, DELIBERATIONS, AND RECORDS.—The discussions and deliberations of a selection board described in subsection (a) and any written or documentary record of such discussions and deliberations—

''(1) are immune from legal process;

''(2) may not be admitted as evidence; and

''(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(c) APPLICABILITY.—Section 613a of title 10, United States Code, as added by subsection (a), shall apply with respect to the proceedings of all selection boards convened under section 611 of that title, including selection boards convened before the date of the enactment of this Act. Section 14104 of such title, as amended by subsection (b), shall apply with respect to the proceedings of all selection boards convened under section 14101 of that title, includ-

ing selection boards convened before the date of the enactment of this Act.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of subchapter I of chapter 36 of title 10, United States Code, is amended by inserting after the item relating to section 613 the following new item:

"613a. Nondisclosure of board proceedings.".

(2) The item relating to section 14104 in the table of sections at the beginning of chapter 1403 of such title is amended to read as follows:

"14104. Nondisclosure of board proceedings.".

SEC. 548. REPORT ON EXTENT OF PROVISION OF TIMELY NOTICE OF LONG-TERM DEPLOYMENTS.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the number of members of the Armed Forces (shown by service and within each service by reserve component and active component) who, during the period beginning on January 1, 2005, and ending on the date of the enactment of this Act, have not received at least 30 days notice (in the form of an official order) before a deployment that will last 180 days or more. With respect to members of the reserve components, the report shall describe the degree of compliance

(or noncompliance) with Department of Defense policy concerning the amount of notice to be provided before long-term mobilizations or deployments.

Subtitle E—Military Justice Matters

SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE TO MEMBERS OF THE ARMED FORCES ORDERED TO DUTY OVERSEAS IN INACTIVE DUTY FOR TRAINING STATUS.

Not later than March 1, 2007, the Secretaries of the military departments shall prescribe regulations, or amend current regulations, in order to provide that members of the Armed Forces who are ordered to duty at locations overseas in an inactive duty for training status are subject to the jurisdiction of the Uniform Code of Military Justice, pursuant to the provisions of section 802(a)(3) of title 10, United States Code (article 2(a)(3) of the Uniform Code of Military Justice), continuously from the commencement of execution of such orders to the conclusion of such orders.

SEC. 552. CLARIFICATION OF APPLICATION OF UNIFORM CODE OF MILITARY JUSTICE DURING A TIME OF WAR.

Paragraph (10) of section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military

Justice), is amended by striking ''war'' and inserting ''declared war or a contingency operation''.

Subtitle F—Decorations and Awards

SEC. 555. AUTHORITY FOR PRESENTATION OF MEDAL OF HONOR FLAG TO LIVING MEDAL OF HONOR RECIPIENTS AND TO LIVING PRIMARY NEXT-OF-KIN OF DECEASED MEDAL OF HONOR RECIPIENTS.

(a) FUTURE PRESENTATIONS.—Sections 3755, 6257, and 8755 of title 10, United States Code, and section 505 of title 14, United States Code, are each amended—

(1) by striking ''after October 23, 2002''; and

(2) by adding at the end the following new sentence: ''In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented.''.

(b) PRESENTATION OF FLAG FOR PRIOR RECIPIENTS OF MEDAL OF HONOR.—

(1) LIVING RECIPIENTS.—The President shall provide for the presentation of the Medal of Honor Flag as expeditiously as possible after the date of the enactment of this Act to each living recipient of

the Medal of Honor who has not already received a Medal of Honor Flag.

(2) SURVIVORS OF DECEASED RECIPIENTS.—In the case of presentation of the Medal of Honor Flag for a recipient of the Medal of Honor who was awarded the Medal of Honor before the date of the enactment of this Act and who is deceased as of such date (or who dies after such date and before the presentation required by paragraph (1)), the President shall provide for posthumous presentation of the Medal of Honor Flag, upon written application therefor, to the primary living next of kin, as determined under regulations or procedures prescribed by the Secretary of Defense for the purposes of this paragraph (and notwithstanding the amendments made by paragraph (2) of subsection (a)).

(3) MEDAL OF HONOR FLAG.—In this subsection, the term ''Medal of Honor Flag'' means the flag designated under section 903 of title 36, United States Code.

SEC. 556. REVIEW OF ELIGIBILITY OF PRISONERS OF WAR FOR AWARD OF THE PURPLE HEART.

(a) REPORT.—Not later than March 1, 2007, the President shall transmit to the Committees on Armed Services of the Senate and House of Representatives a re-

1 port on the advisability of modifying the criteria for the
2 award of the Purple Heart to authorize the award of the
3 Purple Heart—
4 (1) to a member of the Armed Forces who dies
5 in captivity as a prisoner of war under unknown cir-
6 cumstances or as a result of conditions and treat-
7 ment that, under criteria for eligibility for the Pur-
8 ple Heart as in effect on the date of the enactment
9 of this Act, do not qualify the decedent for award of
10 the Purple Heart; and
11 (2) to an individual who while a member of the
12 Armed Forces survives captivity as a prisoner of
13 war, but who dies thereafter as a result of disease
14 or disability, or a result of disease and condition and
15 treatment, incurred during such captivity.
16 (b) DETERMINATION.—As part of the review under-
17 taken in order to prepare the report required by subsection
18 (a), the President shall make a determination on the ad-
19 visability of expanding eligibility for the award of the Pur-
20 ple Heart to deceased servicemembers held as a prisoner
21 of war after December 7, 1941, who meet the criteria for
22 eligibility for the prisoner-of-war medal under section
23 1128 of title 10, United States Code (including the cri-
24 terion under subsection (e) of that section with respect

to honorable conduct), but who do not meet the criteria for eligibility for the Purple Heart.

(c) REQUIREMENTS.—In making the determination required by subsection (b), the President shall take into consideration the following:

(1) The brutal treatment endured by thousands of prisoners of war incarcerated by enemy forces.

(2) The circumstance that many servicemembers held as prisoners of war died during captivity due to causes that do not meet the criteria for eligibility for award of the Purple Heart, including starvation, abuse, the deliberate withholding of medical treatment for injury or disease, or other causes.

(3) The circumstance that some members of the Armed Forces died in captivity under circumstances establishing eligibility for the prisoner-of-war medal but under circumstances not otherwise establishing eligibility for the Purple Heart.

(4) The circumstance that some members and former members of the Armed Forces who were held as prisoners of war and following captivity were issued the prisoner-of-war medal subsequently died due to a disease or disability that was incurred during that captivity, without otherwise having been

1 awarded the Purple Heart due to the injury or con-
2 ditions resulting in that disease or disability or oth-
3 erwise having been awarded the Purple Heart for in-
4 jury incurring during captivity.
5 (5) The views of veterans service organizations,
6 including the Military Order of the Purple Heart.
7 (6) The importance that has been assigned to
8 determining all available facts before a decision is
9 made to award the Purple Heart.
10 (7) The views of the Secretary of Defense and
11 the Chairman of the Joint Chiefs of Staff.

12 **SEC. 557. REPORT ON DEPARTMENT OF DEFENSE PROCESS**
13 **FOR AWARDING DECORATIONS.**

14 (a) REVIEW.—The Secretary of Defense shall con-
15 duct a review of the policy, procedures, and processes of
16 the military departments for awarding decorations to
17 members of the Armed Forces.
18 (b) TIME PERIODS.—As part of the review under
19 subsection (a), the Secretary shall compare the time
20 frames of the awards process between active duty and re-
21 serve components—
22 (1) from the time a recommendation for the
23 award of a decoration is submitted until the time the
24 award of the decoration is approved; and

(2) from the time the award of a decoration is approved until the time when the decoration is presented to the recipient.

(c) RESERVE COMPONENTS.—If the Secretary, in conducting the review under subsection (a), finds that the timeliness of the awards process for members of the reserve components is not the same as, or similar to, that for members of the active components, the Secretary shall take appropriate steps to address the discrepancy.

(d) REPORT.—Not later than August 1, 2007, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the Secretary's findings as a result of the review under subsection (a), together with a plan for implementing whatever changes are determined to be appropriate to the process for awarding decorations in order to ensure that decorations are awarded in a timely manner, to the extent practicable.

Subtitle G—Matters Relating to Casualties

SEC. 561. AUTHORITY FOR RETENTION AFTER SEPARATION FROM SERVICE OF ASSISTIVE TECHNOLOGY AND DEVICES PROVIDED WHILE ON ACTIVE DUTY.

(a) IN GENERAL.—Chapter 58 of title 10, United States Code, is amended by inserting after section 1150 the following new section:

"§ 1151. Retention of assistive technology and services provided before separation

''(a) AUTHORITY.—A member of the armed forces who is provided an assistive technology or assistive technology device for a severe or debilitating illness or injury incurred or aggravated by such member while on active duty may, under regulations prescribed by the Secretary of Defense, be authorized to retain such assistive technology or assistive technology device upon the separation of the member from active service.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology' and 'assistive technology device' have the meaning given those terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting

after the item relating to section 1150 the following new item:

"1151. Retention of assistive technology and services provided before separation.".

SEC. 562. TRANSPORTATION OF REMAINS OF CASUALTIES DYING IN A THEATER OF COMBAT OPERATIONS.

(a) REQUIRED TRANSPORTATION.—In the case of a member of the Armed Forces who dies in a combat theater of operations and whose remains are returned to the United States through the mortuary facility at Dover Air Force Base, Delaware, the Secretary concerned, under regulations prescribed by the Secretary of Defense, shall provide transportation of the remains of that member from Dover Air Force Base to the applicable escorted remains destination in accordance with section 1482(a)(8) of title 10, United States Code, and this section.

(b) ESCORTED REMAINS DESTINATION.—In this section, the term "escorted remains destination" means the place to which remains are authorized to be transported under section 1482(a)(8) of title 10, United States Code.

(c) AIR TRANSPORTATION FROM DOVER AFB.—

(1) MILITARY TRANSPORTATION.—If transportation of remains under subsection (a) includes transportation by air, such transportation (except as

provided under paragraph (2)) shall be made by military aircraft or military-contracted aircraft.

(2) ALTERNATIVE TRANSPORTATION BY AIRCRAFT.—The provisions of paragraph (1) shall not be applicable to the transportation of remains by air to the extent that the person designated to direct disposition of the remains directs otherwise.

(3) PRIMARY MISSION.—When remains are transported by military aircraft or military-contracted aircraft under this section, the primary mission of the aircraft providing that transportation shall be the transportation of such remains. However, more than one set of remains may be transported on the same flight.

(d) ESCORT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary concerned shall ensure that remains transported under this section are continuously escorted from Dover Air Force Base to the applicable escorted remains destination by a member of the Armed Forces in an appropriate grade, as determined by the Secretary.

(2) OTHER ESCORT.—If a specific military escort is requested by the person designated to direct disposition of such remains and the Secretary ap-

proves that request, then the Secretary is not required to provide an additional military escort under paragraph (1).

(e) HONOR GUARD DETAIL.—

(1) PROVISION OF DETAIL.—Except in a case in which the person designated to direct disposition of remains requests that no military honor guard be present, the Secretary concerned shall ensure that an honor guard detail is provided in each case of the transportation of remains under this section. The honor guard detail shall be in addition to the escort provided for the transportation of remains under section (d).

(2) COMPOSITION.—An honor guard detail provided under this section shall consist of sufficient members of the Armed Forces to perform the duties specified in paragraph (3). The members of the honor guard detail shall be in uniform.

(3) DUTIES.—Except to the extent that the person designated to direct disposition of remains requests that any of the following functions not be performed, an honor guard detail under this section—

(A) shall—

(i) travel with the remains during transportation; or

(ii) meet the remains at the place to which transportation by air (or by rail or motor vehicle, if applicable) is made for the transfer of the remains;

(B) shall provide appropriate honors at the arrival of the remains referred to in subparagraph (A)(ii) (unless airline or other security requirements do not permit such honors to be provided); and

(C) shall participate in the transfer of the remains from an aircraft, when airport and airline security requirements permit, by carrying out the remains with a flag draped over the casket to a hearse or other form of ground transportation for travel to a funeral home or other place designated by the person designated to direct disposition of such remains.

(f) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' has the meaning given that term in section 101(a)(9) of title 10, United States Code.

(g) EFFECTIVE DATE.—This section shall take effect at such time as may be prescribed by the Secretary of Defense, but not later than January 1, 2007.

SEC. 563. ANNUAL BUDGET DISPLAY OF FUNDS FOR POW/MIA ACTIVITIES OF DEPARTMENT OF DEFENSE.

(a) CONSOLIDATED BUDGET JUSTIFICATION.—Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 234. POW/MIA activities: display of budget information

''(a) SUBMISSION WITH ANNUAL BUDGET JUSTIFICATION DOCUMENTS.—The Secretary of Defense shall submit to Congress, as a part of the defense budget materials for a fiscal year, a consolidated budget justification display, in classified and unclassified form, that covers all programs and activities of Department of Defense POW/MIA accounting and recovery organizations.

''(b) REQUIREMENTS FOR BUDGET DISPLAY.—The budget display under subsection (a) for a fiscal year shall include for each such organization the following:

''(1) A statement of what percentage of the requirements originally requested by the organization in the budget review process that the budget requests funds for.

"(2) A summary of actual or estimated expenditures by that organization for the fiscal year during which the budget is submitted and for the fiscal year preceding that year.

"(3) The amount in the budget for that organization.

"(4) A detailed explanation of the shortfalls, if any, in the funding of any requirement shown pursuant to paragraph (1), when compared to the amount shown pursuant to paragraph (3).

"(5) The budget estimate for that organization for the five fiscal years after the fiscal year for which the budget is submitted.

"(c) DEPARTMENT OF DEFENSE POW/MIA ACCOUNTING AND RECOVERY ORGANIZATIONS.—In this section, the term 'Department of Defense POW/MIA accounting and recovery organization' means any of the following (and any successor organization):

"(1) The Defense Prisoner of War/Missing Personnel Office (DPMO).

"(2) The Joint POW/MIA Accounting Command (JPAC).

"(3) The Armed Forces DNA Identification Laboratory (AFDIL).

"(4) The Life Sciences Equipment Laboratory (LSEL) of the Air Force.

"(5) Any other element of the Department of Defense the mission of which (as designated by the Secretary of Defense) involves the accounting for and recovery of members of the armed forces who are missing in action or prisoners of war or who are unaccounted for.

"(d) OTHER DEFINITIONS.—In this section:

"(1) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.

"(2) The term 'budget', with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.".

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

"234. POW/MIA activities: display of budget information.".

SEC. 564. MILITARY SEVERELY INJURED CENTER.

(a) CENTER REQUIRED.—In support of the comprehensive policy on the provision of assistance to severely wounded or injured servicemembers required by section 563 of the National Defense Authorization Act for Fiscal

Year 2006 (Public Law 109–163; 119 Stat. 3269; 10 U.S.C. 113 note), the Secretary of Defense shall establish within the Department of Defense a center to augment and support the programs and activities of the military departments for the provision of such assistance, including the programs of the military departments referred to in subsection (c).

(b) DESIGNATION.—The center established under subsection (a) shall be known as the ''Military Severely Injured Center'' (in this section referred to as the ''Center'').

(c) PROGRAMS OF THE MILITARY DEPARTMENTS.—The programs of the military departments referred to in this subsection are the following:

(1) The Army Wounded Warrior Support Program.

(2) The Navy Safe Harbor Program.

(3) The Palace HART Program of the Air Force.

(4) The Marine for Life Injured Support Program of the Marine Corps.

(d) ACTIVITIES OF CENTER.—

(1) IN GENERAL.—The Center shall carry out such programs and activities to augment and support the programs and activities of the military de-

1 partments for the provision of assistance to severely
2 wounded or injured servicemembers and their fami-
3 lies as the Secretary of Defense, in consultation with
4 the Secretaries of the military departments and the
5 heads of other appropriate departments and agencies
6 of the Federal Government (including the Secretary
7 of Labor and the Secretary of Veterans Affairs), de-
8 termines appropriate.

9 (2) DATABASE.—The activities of the Center
10 under this subsection shall include the establishment
11 and maintenance of a central database. The data-
12 base shall be transparent and shall be accessible for
13 use by all of the programs of the military depart-
14 ments referred to in subsection (c).

15 (e) RESOURCES.—The Secretary of Defense shall al-
16 locate to the Center such personnel and other resources
17 as the Secretary of Defense, in consultation with the Sec-
18 retaries of the military departments, considers appropriate
19 in order to permit the Center to carry out effectively the
20 programs and activities assigned to the Center under sub-
21 section (d).

SEC. 565. COMPREHENSIVE REVIEW ON PROCEDURES OF THE DEPARTMENT OF DEFENSE ON MORTUARY AFFAIRS.

(a) REPORT.—As soon as practicable after the completion of a comprehensive review of the procedures of the Department of Defense on mortuary affairs, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the review.

(b) ADDITIONAL ELEMENTS.—In conducting the comprehensive review described in subsection (a), the Secretary shall address, in addition to any other matter covered by the review, the following:

(1) The use of additional or increased refrigeration (including icing) in combat theaters in order to enhance preservation of remains.

(2) The location of refrigeration assets further forward in the field.

(3) Specific time standards for the movement of remains from combat units.

(4) The forward location of autopsy and embalming operations.

(5) Any other matter that the Secretary considers appropriate in order to expedite the return of remains to the United States in a nondecomposed state.

SEC. 566. ADDITIONAL ELEMENTS OF POLICY ON CASUALTY ASSISTANCE TO SURVIVORS OF MILITARY DECEDENTS.

Section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3267; 10 U.S.C. 1475 note) is amended by adding at the end the following new paragraph:

"(12) The process by which the Department of Defense, upon request, provides information (in person and otherwise) to survivors of a military decedent on the cause of, and any investigation into, the death of such military decedent and on the disposition and transportation of the remains of such decedent, which process shall—

"(A) provide for the provision of such information (in person and otherwise) by qualified Department of Defense personnel;

"(B) ensure that information is provided as soon as possible after death and that, when requested, updates are provided, in accordance with the procedures established under this paragraph, in a timely manner when new information becomes available;

"(C) ensure that—

"(i) the initial provision of such information, and each such update, relates the

most complete and accurate information available at the time, subject to limitations applicable to classified information; and

''(ii) incomplete or unverified information is identified as such during the course of the provision of such information or update; and

''(D) include procedures by which such survivors shall, upon request, receive updates or supplemental information from qualified Department of Defense personnel.''.

SEC. 567. REQUIREMENT FOR DEPLOYING MILITARY MEDICAL PERSONNEL TO BE TRAINED IN PRESERVATION OF REMAINS UNDER COMBAT OR COMBAT-RELATED CONDITIONS.

(a) REQUIREMENT.—The Secretary of each military department shall ensure that each military health care professional under that Secretary's jurisdiction who is deployed to a theater of combat operations is trained, before such deployment, in the preservation of remains under combat or combat-related conditions.

(b) MATTERS COVERED BY TRAINING.—The training under subsection (a) shall include, at a minimum, the following:

(1) Best practices and procedures for the preservation of the remains of a member of the Armed Forces after death, taking into account the conditions likely to be encountered and the objective of returning the remains to the member's family in the best possible condition.

(2) Practical case studies based on experience of the Armed Forces in a variety of climactic conditions.

(c) COVERED MILITARY HEALTH CARE PROFESSIONALS.—In this section, the term ''military health care professional'' means—

(1) a physician, nurse, nurse practitioner, physician assistant, or combat medic; and

(2) any other medical personnel with medical specialties who may provide direct patient care and who are designated by the Secretary of the military department concerned.

(d) EFFECTIVE DATE.—Subsection (a) shall apply with respect to any military health care professional who is deployed to a theater of combat operations after the end of the 90-day period beginning on the date of the enactment of this Act.

Subtitle H—Impact Aid and Defense Dependents Education System

SEC. 571. ENROLLMENT IN DEFENSE DEPENDENTS' EDUCATION SYSTEM OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.

(a) TEMPORARY ENROLLMENT AUTHORITY.—Section 1404A of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923a) is amended—

(1) in subsection (a)—

(A) by striking ''of the children'' and inserting ''of—

''(1) the children'';

(B) by striking the period at the end and inserting ''; and''; and

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

''(2) the children of a foreign military member assigned to the Supreme Headquarters Allied Powers, Europe, but only in a school of the defense dependents' education system in Mons, Belgium, and only through the 2010-2011 school year.''; and

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

''(c) SPECIAL RULES REGARDING ENROLLMENT OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.—(1) In the regulations required by subsection (a), the Secretary shall prescribe a methodology based on the estimated total number of dependents of sponsors under section 1414(2) enrolled in schools of the defense dependents' education system in Mons, Belgium, to determine the number of children described in paragraph (2) of subsection (a) who will be authorized to enroll under such subsection.

''(2) If the number of children described in paragraph (2) of subsection (a) who seek enrollment in schools of the defense dependents' education system in Mons, Belgium, exceeds the number authorized by the Secretary under paragraph (1), the Secretary may enroll the additional children on a space-available, tuition-free basis notwithstanding section 1404(d)(2).''.

(b) REPORT ON LONG-TERM PLAN FOR EDUCATION OF DEPENDENTS OF MILITARY PERSONNEL ASSIGNED TO SHAPE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report evaluating alternatives for the

education of dependents of United States military personnel and dependents of foreign military personnel assigned to Supreme Headquarters Allied Powers, Europe, including—

(1) an evaluation of the feasibility of establishing an international school at Supreme Headquarters Allied Powers, Europe; and

(2) an estimate of the timeframe necessary for transition to any new model for educating such dependents.

SEC. 572. CONTINUATION OF AUTHORITY TO ASSIST LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) ASSISTANCE TO SCHOOLS WITH SIGNIFICANT NUMBERS OF MILITARY DEPENDENT STUDENTS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (a) of section 572 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b).

(b) ASSISTANCE TO SCHOOLS WITH ENROLLMENT CHANGES DUE TO BASE CLOSURES, FORCE STRUCTURE CHANGES, OR FORCE RELOCATIONS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $10,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (b) of such section 572.

(c) LOCAL EDUCATIONAL AGENCY DEFINED.—In this section, the term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 573. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

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

SEC. 574. PLAN AND AUTHORITY TO ASSIST LOCAL EDUCATIONAL AGENCIES EXPERIENCING GROWTH IN ENROLLMENT DUE TO FORCE STRUCTURE CHANGES, RELOCATION OF MILITARY UNITS, OR BASE CLOSURES AND REALIGNMENTS.

(a) PLAN REQUIRED.—Not later than January 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan to provide assistance to local educational agencies that experience growth in the enrollment of military dependent students as a result of any of the following events:

(1) Force structure changes.

(2) The relocation of a military unit.

(3) The closure or realignment of military installations pursuant to defense base closure and realignment under the base closure laws.

(b) ELEMENTS.—The report required by subsection (a), and each updated report required by subsection (c), shall include the following:

(1) An identification, current as of the date of the report, of the total number of military dependent students who are anticipated to be arriving at or departing from military installations as a result of any event described in subsection (a), including—

(A) an identification of the military installations affected by such arrivals and departures;

(B) an estimate of the number of such students arriving at or departing from each such installation; and

(C) the anticipated schedule of such arrivals and departures.

(2) Such recommendations as the Office of Economic Adjustment of the Department of Defense considers appropriate for means of assisting affected local educational agencies in accommodating increases in enrollment of military dependent students as a result of any such event.

(3) A plan for outreach to be conducted to affected local educational agencies, commanders of military installations, and members of the Armed Forces and civilian personnel of the Department of Defense regarding information on the assistance to be provided under the plan under subsection (a).

(c) UPDATED REPORTS.—Not later than March 1, 2008, and annually thereafter to coincide with the submission of the budget of the President for a fiscal year under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees an update of the report required by subsection (a).

(d) TRANSITION OF MILITARY DEPENDENTS FROM DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS TO OTHER SCHOOLS.—During the period beginning on the date of the enactment of this Act and ending on September 30, 2011, the Secretary of Defense shall work collaboratively with the Secretary of Education in any efforts to ease the transition of military dependent students from attendance in Department of Defense dependent schools to attendance in schools of local educational agencies. The Secretary of Defense may use funds of the Department of Defense Education Activity to share expertise and experience of the Activity with local educational agencies as military dependent students make such transition, including such a transition resulting from the closure or realignment of military installations under a base closure law, global rebasing, and force restructuring.

(e) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given that term in section 101 of title 10, United States Code.

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

(3) The term ''military dependent students'' refers to—

(A) elementary and secondary school students who are dependents of members of the Armed Forces; and

(B) elementary and secondary school students who are dependents of civilian employees of the Department of Defense.

SEC. 575. PILOT PROGRAM ON PARENT EDUCATION TO PROMOTE EARLY CHILDHOOD EDUCATION FOR DEPENDENT CHILDREN AFFECTED BY MILITARY DEPLOYMENT OR RELOCATION OF MILITARY UNITS.

(a) PILOT PROGRAM AUTHORIZED.—Using such funds as may be appropriated for this purpose, the Secretary of Defense may carry out a pilot program on the provision of educational and support tools to the parents of preschool-age children—

(1) whose parent or parents serve as members of the Armed Forces on active duty (including members of the Selected Reserve on active duty pursuant to a call or order to active duty of 180 days or more); and

(2) who are affected by the deployment of their parent or parents or the relocation of the military unit of which their parent or parents are a member.

(b) PURPOSE.—The purpose of the pilot program is to develop models for improving the capability of military child and youth programs on or near military installations to provide assistance to military parents with young children through a program of activities focusing on the unique needs of children described in subsection (a).

(c) LIMITS ON COMMENCEMENT AND DURATION OF PROGRAM.—The Secretary of Defense may not commence the pilot program before October 1, 2007, and shall conclude the pilot program not later than the end of the three-year period beginning on the date on which the Secretary commences the program.

(d) SCOPE OF PROGRAM.—Under the pilot program, the Secretary of Defense shall utilize one or more models, demonstrated through research, of universal access of parents of children described in subsection (a) to assistance under the pilot program to achieve the following goals:

(1) The identification and mitigation of specific risk factors for such children related to military life.

(2) The maximization of the educational readiness of such children.

(e) LOCATIONS AND GOALS.—

(1) SELECTION OF PARTICIPATING INSTALLATIONS.—In selecting military installations to participate in the pilot program, the Secretary of Defense shall limit selection to those military installations whose military personnel are experiencing significant transition or deployment or which are undergoing transition as a result of the relocation or activation of military units or activities relating to defense base closure and realignment.

(2) SELECTION OF CERTAIN INSTALLATIONS.—At least one of the installations selected under paragraph (1) shall be a military installation that will permit, under the pilot program, the meaningful evaluation of a model under subsection (d) that provides outreach to parents in families with a parent who is a member of the National Guard or Reserve, which families live more than 40 miles from the installation.

(3) GOALS OF PARTICIPATING INSTALLATIONS.—If a military installation is selected under paragraph (1), the Secretary shall require appropriate personnel at the military installation to develop goals, and specific outcome measures with respect to such goals, for the conduct of the pilot program at the installation.

(4) EVALUATION REQUIRED.—Upon completion of the pilot program at a military installation, the personnel referred to in paragraph (3) at the installation shall be required to conduct an evaluation and assessment of the success of the pilot program at the installation in meeting the goals developed for that installation.

(f) GUIDELINES.—As part of conducting the pilot program, the Secretary of Defense shall issue guidelines regarding—

(1) the goals to be developed under subsection (e)(3);

(2) specific outcome measures; and

(3) the selection of curriculum and the conduct of developmental screening under the pilot program.

(g) REPORT.—Upon completion of the pilot program, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on all of the evaluations prepared under subsection (e)(4) for the military installations participating in the pilot program. The report shall describe the results of the evaluations, and may include such recommendations for legislative or administrative action as the Secretary considers ap-

propriate in light of the evaluations, including recommendations for the continuation of the pilot program.

Subtitle I—Armed Forces Retirement Home

SEC. 578. REPORT ON LEADERSHIP AND MANAGEMENT OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report evaluating the following:

(1) The effect of changing the title of the Chief Operating Officer of the Armed Forces Retirement Home to a chief executive officer who will be responsible to the Secretary of Defense for the overall direction, operation, and management of the Retirement Home.

(2) The effect of no longer permitting a civilian with experience as a continuing care retirement community professional to serve as the Director for a facility of the Armed Forces Retirement Home, but to instead limit eligibility for such positions to members of the Armed Forces serving on active duty in a grade below brigadier general or, in the case of the Navy, rear admiral (lower half).

(3) The management of the Armed Forces Retirement Home and whether or not there is a need for a greater role by members of the Armed Forces serving on active duty in the overall direction, operation, and management of the Retirement Home.

SEC. 579. REPORT ON LOCAL BOARDS OF TRUSTEES OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing the following:

(1) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Washington under section 1516 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 416).

(2) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Gulfport under such section.

(3) The feasibility and effect of including as a member of each Local Board of Trustees of the Armed Forces Retirement Home a member of the Armed Forces who is serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half).

Subtitle J—Reports

SEC. 581. REPORT ON PERSONNEL REQUIREMENTS FOR AIRBORNE ASSETS IDENTIFIED AS LOW-DENSITY, HIGH-DEMAND AIRBORNE ASSETS.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets based on combatant commander requirements to conduct and sustain operations for the global war on terrorism.

(b) MATTER TO BE INCLUDED.—The report shall include the following for each airborne asset identified as a Low-Density, High-Demand Airborne Asset:

(1) The numbers of operations and maintenance crews to meet tasking contemplated to conduct operations for the global war on terrorism.

(2) The current numbers of operations and maintenance crews.

(3) If applicable, shortages of operations and maintenance crews.

(4) Whether such shortages are addressed in the future-years defense program.

(5) Whether end-strength increases are required to meet any such shortages.

(6) Estimated manpower costs of personnel needed to address shortfalls.

(7) If applicable, the number and types of equipment needed to address training shortfalls.

SEC. 582. REPORT ON FEASIBILITY OF ESTABLISHMENT OF MILITARY ENTRANCE PROCESSING COMMAND STATION ON GUAM.

(a) REVIEW.—The Secretary of Defense shall review the feasibility and cost effectiveness of establishing on Guam a station of the Military Entrance Processing Command to process new recruits for the Armed Forces who are drawn from the western Pacific region. For the purposes of the review, the cost effectiveness of establishing such a facility on Guam shall be measured, in part, against the system in effect in early 2006 of using Hawaii and other locations for the processing of new recruits from Guam and other locations in the western Pacific region.

(b) REPORT.—Not later than June 1, 2007, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report providing the results of the study under subsection (a).

SEC. 583. INCLUSION IN ANNUAL DEPARTMENT OF DEFENSE REPORT ON SEXUAL ASSAULTS OF INFORMATION ON RESULTS OF DISCIPLINARY ACTIONS.

Section 577(f)(2)(B) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1927) is amended to read as follows:

"(B) A synopsis of each such substantiated case and, for each such case, the disciplinary action taken in the case, including the type of disciplinary or administrative sanction imposed, if any.".

SEC. 584. REPORT ON PROVISION OF ELECTRONIC COPY OF MILITARY RECORDS ON DISCHARGE OR RELEASE OF MEMBERS FROM THE ARMED FORCES.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the feasibility and advisability of providing an electronic copy of military records (including all military service, medical, and other military records) to members of the Armed Forces on their discharge or release from the Armed Forces.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An estimate of the costs of the provision of military records as described in subsection (a).

(2) An assessment of providing military records as described in that subsection through the distribution of a portable, readily accessible medium (such as a computer disk or other similar medium) containing such records.

(3) A description and assessment of the mechanisms required to ensure the privacy of members of the Armed Forces in providing military records as described in that subsection.

(4) An assessment of the benefits to the members of the Armed Forces of receiving their military records as described in that subsection.

(5) If the Secretary determines that providing military records to members of the Armed Forces as described in that subsection is feasible and advisable, a plan (including a schedule) for providing such records to members of the Armed Forces as so described in order to ensure that each member of the Armed Forces is provided such records upon discharge or release from the Armed Forces.

(6) Any other matter to relating to the provision of military records as described in that subsection that the Secretary considers appropriate.

SEC. 585. REPORT ON OMISSION OF SOCIAL SECURITY ACCOUNT NUMBERS FROM MILITARY IDENTIFICATION CARDS.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the assessment of the Secretary of the feasibility of utilizing military identification cards that do not contain, display, or exhibit the social security account number of the individual identified by a military identification card.

(b) MILITARY IDENTIFICATION CARD DEFINED.—In this section, the term ''military identification card'' means a card or other form of identification used for purposes of demonstrating eligibility for any benefit from the Department of Defense.

SEC. 586. REPORT ON MAINTENANCE AND PROTECTION OF DATA HELD BY THE SECRETARY OF DEFENSE AS PART OF THE DEPARTMENT OF DEFENSE JOINT ADVERTISING, MARKET RESEARCH AND STUDIES (JAMRS) PROGRAM.

Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on how the data, including social security account numbers, held by the Secretary as part of the Joint Advertising, Market Research

and Studies (JAMRS) program of the Department of Defense are maintained and protected, including a description of the security measures in place to prevent unauthorized access or inadvertent disclosure of such data that could lead to identity theft.

SEC. 587. COMPTROLLER GENERAL REPORT ON MILITARY CONSCIENTIOUS OBJECTORS.

(a) REPORT REQUIRED.—Not later than September 1, 2007, the Comptroller General shall submit to Congress a report concerning members of the Armed Forces who claimed status as a military conscientious objector between September 11, 2001, and December 31, 2006.

(b) CONTENT OF REPORT.—The report required by subsection (a) shall specifically address the following:

(1) The number of all applications for status as a military conscientious objector, broken down by Armed Force, including the Coast Guard, and regular and reserve components.

(2) Number of discharges or reassignments given.

(3) The process generally used to consider applications, including average processing times and any provision for assignment or reassignment of members while their application is pending.

(4) Reasons for approval or disapproval of applications.

(5) Any difference in benefits upon discharge as a military conscientious objector compared to other discharges.

(6) Pre-war statistical comparisons.

Subtitle K—Other Matters

SEC. 591. MODIFICATION IN DEPARTMENT OF DEFENSE CONTRIBUTIONS TO MILITARY RETIREMENT FUND.

(a) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—

(1) CALCULATION OF ANNUAL DEPARTMENT OF DEFENSE CONTRIBUTION.—Subsection (b)(1) of section 1465 of title 10, United States Code, is amended—

(A) in subparagraph (A)(ii), by striking ''to members of'' and all that follows and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding the amount expected to be paid for any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title.''; and

(B) in subparagraph (B)(ii)—

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

(ii) by striking ''Coast Guard and other than members on full-time National Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

(2) QUADRENNIAL ACTUARIAL VALUATION.—Subsection (c)(1) of such section is amended—

(A) in subparagraph (A), by striking ''for members of the armed forces'' and all that follows through ''for training only)'' and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding the amount expected to be paid for any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title''; and

(B) in subparagraph (B)—

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

(ii) by striking ''Coast Guard and other than members on full-time National

Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

(b) PAYMENTS INTO THE FUND.—Section 1466(a) of such title is amended—

(1) in paragraph (1)(B), by striking ''by members'' and all that follows and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding the amount expected to be paid for any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title''; and

(2) in paragraph (2)(B)—

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

(B) by striking ''Coast Guard and other than members on full-time National Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 592. REVISION IN GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.—Section 1111 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''of the Department of Defense'' and inserting ''of the uniformed services'' ; and

(2) in subsection (b), by adding at the end of the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the Coast Guard Academy or a midshipman at the United States Naval Academy.''.

(b) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—Section 1115 of such title is amended—

(1) in subsection (b)—

(A) in paragraph (1)(B), by striking ''on active duty'' and all that follows through ''training only)'' and inserting the following: ''on active duty and full-time National Guard duty, but excluding any member who would be

excluded for active-duty end strength purposes by section 115(i) of this title''; and

(B) in paragraph (2)(B)—

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

(ii) by striking ''(other than members on full-time National Guard duty other than for training)''; and

(2) in subsection (c)—

(A) in paragraph (1)(A), by striking ''on active duty'' and all that follows through ''training only)'' and inserting the following: ''on active duty and full-time National Guard duty, but excluding any member who would be excluded for active-duty end strength purposes by section 115(i) of this title''; and

(B) in paragraph (1)(B)—

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

(ii) by striking ''(other than members on full-time National Guard duty other than for training)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to payments

under chapter 56 of title 10, United States Code, beginning with fiscal year 2008.

SEC. 593. DENTAL CORPS OF THE NAVY BUREAU OF MEDICINE AND SURGERY.

(a) DELETION OF REFERENCES TO DENTAL DIVISION.—Section 5138 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence; and

(B) by striking ''the Dental Division'' and inserting ''the Dental Corps'';

(2) in subsection (b), by striking ''Dental Division'' and inserting ''Dental Corps''; and

(3) in subsection (c)—

(A) by striking ''Dental Division'' at the end of the first sentence and inserting ''Dental Corps''; and

(B) by striking ''that Division'' at the end of the second sentence and inserting ''the Chief of the Dental Corps''.

(b) FUNCTIONS OF CHIEF OF DENTAL CORPS.—Subsection (d) of such section is amended to read as follows:

''(d) The Chief of the Dental Corps shall—

''(1) establish professional standards and policies for dental practice;

"(2) initiate and recommend action pertaining to complements, strength, appointments, advancement, training assignment, and transfer of dental personnel; and

"(3) serve as the advisor for the Bureau on all matters relating directly to dentistry.".

(c) FURTHER CLARIFYING AMENDMENTS.—Subsection (c) of such section is further amended—

(1) by striking "so" after "shall be"; and

(2) by striking "that all such functions will be" and inserting "so that all such functions are".

(d) CLERICAL AMENDMENTS.—

(1) The heading of such section is amended to read as follows:

"§ 5138. Bureau of Medicine and Surgery: Dental Corps; Chief; functions".

(2) The item relating to such section in the table of sections at the beginning of chapter 513 of such title is amended to read as follows:

"5138. Bureau of Medicine and Surgery: Dental Corps; Chief; functions.".

SEC. 594. PERMANENT AUTHORITY FOR PRESENTATION OF RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Section 2261 of title 10, United States Code, is amended by striking subsection (d).

SEC. 595. PERSONS AUTHORIZED TO ADMINISTER ENLISTMENT AND APPOINTMENT OATHS.

(a) ENLISTMENT OATH.—Section 502 of title 10, United States Code, is amended—

(1) by inserting ''(a) ENLISTMENT OATH.—'' before ''Each person enlisting'';

(2) by striking the last sentence; and

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

''(b) WHO MAY ADMINISTER.—The oath may be taken before the President, the Vice-President, the Secretary of Defense, any commissioned officer, or any other person designated under regulations prescribed by the Secretary of Defense.''.

(b) OATHS GENERALLY.—Section 1031 of such title is amended by striking ''Any commissioned officer of any component of an armed force, whether or not on active duty, may administer any oath'' and inserting ''The President, the Vice-President, the Secretary of Defense, any commissioned officer, and any other person designated under regulations prescribed by the Secretary of Defense may administer any oath''.

SEC. 596. MILITARY VOTING MATTERS.

(a) REPEAL OF REQUIREMENT FOR PERIODIC INSPECTOR GENERAL INSTALLATION VISITS FOR ASSESSMENT OF VOTING ASSISTANCE PROGRAM COMPLIANCE.—

1 Section 1566 of title 10, United States Code, is amended
2 by striking subsection (d).
3 (b) USE OF ELECTRONIC VOTING TECHNOLOGY.—
4 (1) CONTINUATION OF INTERIM VOTING ASSIST-
5 ANCE SYSTEM.—The Secretary of Defense shall con-
6 tinue the Interim Voting Assistance System (IVAS)
7 ballot request program with respect to all absent
8 uniformed services voters (as defined under section
9 107(1) of the Uniformed and Overseas Citizens Ab-
10 sentee Voting Act (42 U.S.C. 1973ff-6(1))) and
11 overseas employees of the Department of Defense
12 for the general election and all elections through De-
13 cember 31, 2006.
14 (2) REPORTS.—
15 (A) IN GENERAL.—Not later than 30 days
16 after the date of the regularly scheduled general
17 election for Federal office for November 2006,
18 the Secretary of Defense shall submit to the
19 Congress a report setting forth—
20 (i) an assessment of the success of the
21 implementation of the Interim Voting As-
22 sistance System ballot request program
23 carried out under paragraph (1);

(ii) recommendations for continuation of the Interim Voting Assistance System and for improvements to that system; and

(iii) an assessment of available technologies and other means of achieving enhanced use of electronic and Internet-based capabilities under the Interim Voting Assistance System.

(B) FUTURE ELECTIONS.—Not later than May 15, 2007, the Secretary of Defense shall submit to the Congress a report setting forth in detail plans for expanding the use of electronic voting technology for individuals covered under the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.) for elections through November 30, 2010.

(c) COMPTROLLER GENERAL REPORT.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to Congress a report containing the assessment of the Comptroller General with respect to the following:

(1) The programs and activities undertaken by the Department of Defense to facilitate voter registration, transmittal of ballots to absentee voters, and voting utilizing electronic means of communica-

tion (such as electronic mail and fax transmission) for military and civilian personnel covered by the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(2) The progress of the Department of Defense and the Election Assistance Commission in developing a secure, deployable system for Internet-based electronic voting pursuant to the amendment made by section 567 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1919).

(d) REPEAL OF EXPIRED PROVISION.—Section 1566(g)(2) of title 10, United States Code, is amended by striking the last sentence.

SEC. 597. PHYSICAL EVALUATION BOARDS.

(a) IN GENERAL.—

(1) PROCEDURAL REQUIREMENTS.—Chapter 61 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1222. Physical evaluation boards

''(a) RESPONSE TO APPLICATIONS AND APPEALS.—The Secretary of each military department shall ensure, in the case of any member of the armed forces appearing before a physical evaluation board under that Secretary's supervision, that documents announcing a decision of the

1 board in the case convey the findings and conclusions of
2 the board in an orderly and itemized fashion with specific
3 attention to each issue presented by the member in regard
4 to that member's case. The requirement under the pre-
5 ceding sentence applies to a case both during initial con-
6 sideration and upon subsequent consideration due to ap-
7 peal by the member or other circumstance.

8 ''(b) LIAISON OFFICER (PEBLO) REQUIREMENTS
9 AND TRAINING.—(1) The Secretary of Defense shall pre-
10 scribe regulations establishing—

11 ''(A) a requirement for the Secretary of each
12 military department to make available to members
13 of the armed forces appearing before physical eval-
14 uation boards operated by that Secretary employees,
15 designated as physical evaluation board liaison offi-
16 cers, to provide advice, counsel, and general informa-
17 tion to such members on the operation of physical
18 evaluation boards operated by that Secretary; and

19 ''(B) standards and guidelines concerning the
20 training of such physical evaluation board liaison of-
21 ficers.

22 ''(2) The Secretary shall ensure compliance by the
23 Secretary of each military department with physical eval-
24 uation board liaison officer requirements and training
25 standards and guidelines at least once every three years.

"(c) STANDARDIZED STAFF TRAINING AND OPERATIONS.—(1) The Secretary of Defense shall prescribe regulations on standards and guidelines concerning the physical evaluation board operated by each of the Secretaries of the military departments with regard to—

"(A) assignment and training of staff;

"(B) operating procedures; and

"(C) timeliness of board decisions.

"(2) The Secretary shall ensure compliance with standards and guidelines prescribed under paragraph (1) by each physical evaluation board at least once every three years.".

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

"1222. Physical evaluation boards.".

(b) EFFECTIVE DATE.—Section 1222 of title 10, United States Code, as added by subsection (a), shall apply with respect to decisions rendered on cases commenced more than 120 days after the date of the enactment of this Act.

SEC. 598. MILITARY ID CARDS FOR RETIREE DEPENDENTS WHO ARE PERMANENTLY DISABLED.

(a) IN GENERAL.—Subsection (a) of section 1060b of title 10, United States Code, is amended to read as follows:

"(a) ISSUANCE OF PERMANENT ID CARD.—(1) In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent as follows:

"(A) A retiree dependent who has attained 75 years of age.

"(B) A retiree dependent who is permanently disabled.

"(2) A permanent ID card shall be issued to a retiree dependent under paragraph (1)(A) upon the expiration, after the retiree dependent attains 75 years of age, of any earlier, renewable military card or, if earlier, upon the request of the retiree dependent after attaining age 75.".

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 1060b. Military ID cards: dependents and survivors of retirees".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of such title is amended by striking the item relating to section 1060b and inserting the following new item:

"1060b. Military ID cards: dependents and survivors of retirees.".

SEC. 599. UNITED STATES MARINE BAND AND UNITED STATES MARINE DRUM AND BUGLE CORPS.

(a) IN GENERAL.—Section 6222 of title 10, United States Code, is amended to read as follows:

"§ 6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members

"(a) UNITED STATES MARINE BAND.—The band of the Marine Corps shall be composed of one director, two assistant directors, and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

"(b) UNITED STATES MARINE DRUM AND BUGLE CORPS.—The drum and bugle corps of the Marine Corps shall be composed of one commanding officer and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

"(c) APPOINTMENT AND PROMOTION.—(1) The Secretary of the Navy shall prescribe regulations for the appointment and promotion of members of the Marine Band and members of the Marine Drum and Bugle Corps.

"(2) The President may from time to time appoint members of the Marine Band and members of the Marine Drum and Bugle Corps to grades not above the grade of captain. The authority of the President to make appoint-

1 ments under this paragraph may be delegated only to the
2 Secretary of Defense.

3 ''(3) The President, by and with the advice and con-
4 sent of the Senate, may from time to time appoint any
5 member of the Marine Band or of the Marine Drum and
6 Bugle Corps to a grade above the grade of captain.

7 ''(d) RETIREMENT.—Unless otherwise entitled to
8 higher retired grade and retired pay, a member of the Ma-
9 rine Band or Marine Drum and Bugle Corps who holds,
10 or has held, an appointment under this section is entitled,
11 when retired, to be retired in, and with retired pay based
12 on, the highest grade held under this section in which the
13 Secretary of the Navy determines that such member
14 served satisfactorily.

15 ''(e) REVOCATION OF APPOINTMENT.—The Secretary
16 of the Navy may revoke any appointment of a member
17 of the Marine Band or Marine Drum and Bugle Corps.
18 When a member's appointment to a commissioned grade
19 terminates under this subsection, such member is entitled,
20 at the option of such member—

21 ''(1) to be discharged from the Marine Corps;
22 or

23 ''(2) to revert to the grade and status such
24 member held at the time of appointment under this
25 section.''.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of chapter 565 of such title is amended
3 by striking the item relating to section 6222 and inserting
4 the following new item:

"6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members.".

5 TITLE VI—COMPENSATION AND 6 OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Fiscal year 2007 increase in military basic pay and reform of basic pay rates.
Sec. 602. Increase in maximum rate of basic pay for general and flag officer grades to conform to increase in pay cap for Senior Executive Service personnel.
Sec. 603. One-year extension of prohibition against requiring certain injured members to pay for meals provided by military treatment facilities.
Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
Sec. 606. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.
Sec. 607. Clarification of effective date of prohibition on compensation for correspondence courses.
Sec. 608. Extension of pilot program on contributions to Thrift Savings Plan for initial enlistees in the Army.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonus and special pay authorities for health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 615. Expansion of eligibility of dental officers for additional special pay.
Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 617. Expansion and enhancement of accession bonus authorities for certain officers in health care specialities.
Sec. 618. Authority to provide lump sum payment of nuclear officer incentive pay.

Sec. 619. Increase in maximum amount of nuclear career accession bonus.
Sec. 620. Increase in maximum amount of incentive bonus for transfer between Armed Forces.
Sec. 621. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.
Sec. 622. Accession bonus for members of the Armed Forces appointed as commissioned officers after completing officer candidate school.
Sec. 623. Modification of certain authorities applicable to the targeted shaping of the Armed Forces.
Sec. 624. Enhancement of bonus to encourage certain persons to refer other persons for enlistment in the Army.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Retired pay of general and flag officers to be based on rates of basic pay provided by law.
Sec. 642. Inapplicability of retired pay multiplier maximum percentage to certain service of members of the Armed Forces in excess of 30 years.
Sec. 643. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.
Sec. 644. Modification of eligibility for commencement of authority for optional annuities for dependents under the Survivor Benefit Plan.
Sec. 645. Study of training costs, manning, operations tempo, and other factors that affect retention of members of the Armed Forces with special operations designations.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 661. Treatment of price surcharges of certain merchandise sold at commissary stores.
Sec. 662. Limitations on lease of non-excess Department of Defense property for protection of morale, welfare, and recreation activities and revenue.
Sec. 663. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.
Sec. 664. Study and report regarding access of disabled persons to morale, welfare, and recreation facilities and activities.

Subtitle F—Other Matters

Sec. 670. Limitations on terms of consumer credit extended to servicemembers and dependents.
Sec. 671. Enhancement of authority to waive claims for overpayment of pay and allowances and travel and transportation allowances.
Sec. 672. Exception for notice to consumer reporting agencies regarding debts or erroneous payments pending a decision to waive, remit, or cancel.

Sec. 673. Expansion and enhancement of authority to remit or cancel indebtedness of members and former members of the Armed Forces incurred on active duty.
Sec. 674. Phased recovery of overpayments of pay made to members of the uniformed services.
Sec. 675. Joint family support assistance program.
Sec. 676. Special working group on transition to civilian employment of National Guard and Reserve members returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 677. Audit of pay accounts of members of the Army evacuated from a combat zone for inpatient care.
Sec. 678. Report on eligibility and provision of assignment incentive pay.
Sec. 679. Sense of Congress calling for payment to World War II veterans who survived Bataan Death March.

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 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) JANUARY 1, 2007, INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.2 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade (and with years of service computed under section 205 of title 37, United States Code) are as follows:

COMMISSIONED OFFICERS[1]

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O–7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O–6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O–5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O–4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O–3[3]	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O–2[3]	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O–1[3]	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O–7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O–6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O–5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O–4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O–3[3]	4,833.00	4,982.70	5,228.40	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$13,659.00	$13,725.90	$14,011.20	$14,508.60
O–9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O–8	10,900.80	11,319.00	11,598.30	11,598.30	11,598.30
O–7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O–6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O–5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O–10[2]	$14,508.60	$15,234.00	$15,234.00	$15,995.70	$15,995.70
O–9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O–8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O–7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O–6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O–5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O–10[2]	$16,795.50	$16,795.50			
O–9	14,819.10	14,819.10			
O–8	12,185.70	12,185.70			
O–7	10,493.70	10,493.70			
O–6	9,216.30	9,216.30			
O–5	7,373.10	7,373.10			
O–4	6,252.30	6,252.30			
O–3[3]	5,355.90	5,355.90			
O–2[3]	3,936.60	3,936.60			
O–1[3]	3,106.50	3,106.50			

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0–7 through 0–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is $17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$4,392.00	$4,602.00
O–2E	0.00	0.00	0.00	3,857.40	3,936.60
O–1E	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
0–3E	$4,833.00	$4,982.70	$5,228.40	$5,435.40	$5,554.20
0–2E	4,062.00	4,273.50	4,437.00.	4,558.80	4,558.80
0–1E	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
0–3E	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
0–2E	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
0–1E	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 28	Over 30	Over 32	Over 34	Over 36
0–3E	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
0–2E	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
0–1E	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
0–3E	$5,715.90	$5,715.90			
0–2E	4,558.80	4,558.80			
0–1E	3,857.40	3,857.40			

WARRANT OFFICERS[1]

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40
W–3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W–2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W–1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W–3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W–2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W–1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,049.50	$6,356.40	$6,585.00	$6,838.20
W–4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W–3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W–2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W–1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W–5	$6,838.20	$7,180.20	$7,180.20	$7,539.30	$7,539.30
W–4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W–3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W–2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W–1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W–5	$7,916.40	$7,916.40			
W–4	6,337.80	6,337.80			
W–3	5,450.10	5,450.10			
W–2	4,589.40	4,589.40			
W–1	4,170.00	4,170.00			

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS[1]

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E–6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E–5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E–4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E–3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1[3]	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$4,110.60	$4,203.90	$4,321.20	$4,459.50
E–8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E–7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E–6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1[3]	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$4,598.40	$4,821.60	$5,010.30	$5,209.20	$5,512.80
E–8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E–7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1[3]	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E–9[2]	$5,512.80	$5,788.50	$5,788.50	$6,078.00	$6,078.00
E–8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E–7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E–9[2]	$6,381.90	$6,381.90			
E–8	4,799.10	4,799.10			
E–7	4,204.20	4,204.20			
E–6	3,133.50	3,133.50			
E–5	2,630.10	2,630.10			
E–4	2,062.80	2,062.80			
E–3	1,729.20	1,729.20			
E–2	1,458.90	1,458.90			
E–1	1,301.40	1,301.40			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff is $6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,203.90.

SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR GENERAL AND FLAG OFFICER GRADES TO CONFORM TO INCREASE IN PAY CAP FOR SENIOR EXECUTIVE SERVICE PERSONNEL.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007, and shall apply with respect to months beginning on or after that date.

SEC. 603. ONE-YEAR EXTENSION OF PROHIBITION AGAINST REQUIRING CERTAIN INJURED MEMBERS TO PAY FOR MEALS PROVIDED BY MILITARY TREATMENT FACILITIES.

(a) EXTENSION.—Section 402(h)(3) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPORT ON ADMINISTRATION OF PROHIBITION.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense com-

mittees a report on the administration of section 402(h) of title 37, United States Code. The report shall include—

(1) a description and assessment of the mechanisms used by the military departments to implement the prohibition contained in such section; and

(2) such recommendations as the Secretary considers appropriate regarding making such prohibition permanent.

SEC. 604. AVAILABILITY OF SECOND BASIC ALLOWANCE FOR HOUSING FOR CERTAIN RESERVE COMPONENT OR RETIRED MEMBERS SERVING IN SUPPORT OF CONTINGENCY OPERATIONS.

(a) AVAILABILITY.—Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) The Secretary concerned may provide a basic allowance for housing to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing established under subsection (b) or the overseas basic allowance for housing established under subsection (c), whichever applies to the location at which the member is serving, for members in the same grade

at that location without dependents. The member may receive both a basic allowance for housing under paragraph (1) and under this paragraph for the same month, but may not receive the portion of the allowance authorized under section 404 of this title, if any, for lodging expenses if a basic allowance for housing is provided under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

(b) EFFECTIVE DATE.—Paragraph (2) of section 403(g) of title 37, United States Code, as added by subsection (a), shall apply with respect to months beginning on or after October 1, 2006.

SEC. 605. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE ALSO MEMBERS.

(a) EXTENSION.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

"(3) An allowance may be paid under paragraph (2) to the spouse of the deceased member even though the spouse is also a member of the uniformed services. The allowance paid under such paragraph is in addition to any other pay and allowances to which the spouse is entitled as a member.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

(2) TRANSITIONAL RULE.—After October 1, 2006, the Secretary of Defense, and the Secretary of Homeland Security in the case of the Coast Guard, may pay the allowance authorized by section 403(l)(2) of title 37, United States Code, to a member of the uniformed services who is the spouse of a member who died on active duty during the one-year period ending on that date, except that the payment of the allowance must terminate within 365 days after the date of the member's death.

SEC. 606. PAYMENT OF FULL PREMIUM FOR COVERAGE UNDER SERVICEMEMBERS' GROUP LIFE INSURANCE PROGRAM DURING SERVICE IN OPERATION ENDURING FREEDOM OR OPERATION IRAQI FREEDOM.

(a) ENHANCED ALLOWANCE TO COVER SGLI DEDUCTIONS.—Subsection (a)(1) of section 437 of title 37, United States Code, is amended by striking ''for the first $150,000'' and all that follows through ''of such title'' and inserting ''for the amount of Servicemembers' Group Life Insurance coverage held by the member under section 1967 of such title''.

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a)—

(A) by striking ''(1)'' before ''in the case of''; and

(B) by striking paragraph (2);

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b) and in paragraph (2) of that subsection by striking ''coverage amount specified in subsection (a)(1) or in effect pursuant to subsection (b),'' and inserting ''maximum coverage amount available for such insurance,''.

(c) CLERICAL AMENDMENTS.—The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 7 of such title, are each amended by striking the fourth and fifth words.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act and shall apply with respect to service by members of the Armed Forces in the theater of operations for Operation Enduring Freedom or Operation Iraqi Freedom for months beginning on or after that date.

SEC. 607. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in paragraph (1), including the prohibition as it relates to a member of the National Guard while not in Federal service, applies to—

''(A) any work or study performed on or after September 7, 1962, unless that work or study is specifically covered by the exception in paragraph (2); and

"(B) any claim based on that work or study arising after that date.".

SEC. 608. EXTENSION OF PILOT PROGRAM ON CONTRIBUTIONS TO THRIFT SAVINGS PLAN FOR INITIAL ENLISTEES IN THE ARMY.

(a) EXTENSION.—Subsection (a) of section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking "During fiscal year 2006" and inserting "During the period beginning on January 6, 2006, and ending on December 31, 2008".

(b) REPORT DATE.—Subsection (d)(1) of such section is amended by striking "February 1, 2007" and inserting "February 1, 2008".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking "December 31, 2006" and inserting "December 31, 2007".

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended

by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(f)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by strik-

ing ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY UNITS.—Section 323(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) INCENTIVE BONUS FOR TRANSFER BETWEEN THE ARMED FORCES.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2009''.

SEC. 615. EXPANSION OF ELIGIBILITY OF DENTAL OFFICERS FOR ADDITIONAL SPECIAL PAY.

(a) REPEAL OF INTERNSHIP AND RESIDENCY EXCEPTION.—Section 302b(a)(4) of title 37, United States Code, is amended by striking the first sentence and inserting the following new sentence: ''An officer who is entitled to variable special pay under paragraph (2) or (3) is also entitled to additional special pay for any 12-month period during which an agreement executed under subsection (b) is in effect with respect to the officer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 616. INCREASE IN MAXIMUM ANNUAL RATE OF SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

(a) INCREASE.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 302g of title 37, United States Code, on or after that date.

SEC. 617. EXPANSION AND ENHANCEMENT OF ACCESSION BONUS AUTHORITIES FOR CERTAIN OFFICERS IN HEALTH CARE SPECIALITIES.

(a) INCREASE IN MAXIMUM AMOUNT OF ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(2) of title 37, United States Code, is amended by striking ''$30,000'' and inserting ''$200,000''.

(b) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302j the following new section:

''§ 302k. Special pay: accession bonus for medical officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—A person who is a graduate of an accredited school of medicine or osteopathy in a specialty designated by regulations as a critically short wartime specialty and who executes a written agreement described in subsection (d) to accept a commission as an officer of the armed forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(b) AMOUNT OF BONUS.—The amount of an accession bonus under subsection (a) may not exceed $400,000.

1 "(c) LIMITATION ON ELIGIBILITY FOR BONUS.—A
2 person may not be paid a bonus under subsection (a) if—
3 "(1) the person, in exchange for an agreement
4 to accept an appointment as an officer, received fi-
5 nancial assistance from the Department of Defense
6 to pursue a course of study in medicine or osteop-
7 athy; or
8 "(2) the Secretary concerned determines that
9 the person is not qualified to become and remain
10 certified as a doctor or osteopath in a specialty des-
11 ignated by regulations as a critically short wartime
12 specialty.
13 "(d) AGREEMENT.—The agreement referred to in
14 subsection (a) shall provide that, consistent with the needs
15 of the armed force concerned, the person executing the
16 agreement will be assigned to duty, for the period of obli-
17 gated service covered by the agreement, as an officer of
18 the Medical Corps of the Army or the Navy or as an offi-
19 cer of the Air Force designated as a medical officer in
20 a specialty designated by regulations as a critically short
21 wartime specialty.
22 "(e) REPAYMENT.—A person who, after executing an
23 agreement under subsection (a) is not commissioned as
24 an officer of the armed forces, does not become licensed
25 as a doctor or osteopath, as the case may be, or does not

complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

"(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.".

(c) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Such chapter is further amended by inserting after section 302k, as added by subsection (b), the following new section:

"§ 302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties

"(a) ACCESSION BONUS AUTHORIZED.—A person who is a graduate of an accredited dental school in a specialty designated by regulations as a critically short wartime specialty and who executes a written agreement described in subsection (d) to accept a commission as an officer of the armed forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

1 ''(b) AMOUNT OF BONUS.—The amount of an acces-
2 sion bonus under subsection (a) may not exceed $400,000.
3 ''(c) LIMITATION ON ELIGIBILITY FOR BONUS.—A
4 person may not be paid a bonus under subsection (a) if—
5 ''(1) the person, in exchange for an agreement
6 to accept an appointment as an officer, received fi-
7 nancial assistance from the Department of Defense
8 to pursue a course of study in dentistry; or
9 ''(2) the Secretary concerned determines that
10 the person is not qualified to become and remain
11 certified as a dentist in a specialty designated by
12 regulations as a critically short wartime specialty.
13 ''(d) AGREEMENT.—The agreement referred to in
14 subsection (a) shall provide that, consistent with the needs
15 of the armed force concerned, the person executing the
16 agreement will be assigned to duty, for the period of obli-
17 gated service covered by the agreement, as an officer of
18 the Dental Corps of the Army or the Navy or as an officer
19 of the Air Force designated as a dental officer in a spe-
20 cialty designated by regulations as a critically short war-
21 time specialty.
22 ''(e) REPAYMENT.—A person who, after executing an
23 agreement under subsection (a) is not commissioned as
24 an officer of the armed forces, does not become licensed
25 as a dentist, or does not complete the period of active duty

in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

"(f) COORDINATION WITH OTHER ACCESSION BONUS AUTHORITY.—A person eligible to execute an agreement under both subsection (a) and section 302h of this title shall elect which authority to execute the agreement under. A person may not execute an agreement under both subsection (a) and such section 302h.

"(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.".

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 302j the following new items:

"302k. Special pay: accession bonus for medical officers in critically short wartime specialties.
"302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply to agreements—

(1) entered into or revised under section 302h of title 37, United States Code, on or after that date; or

(2) entered into under section 302k or 302l of such title, as added by subsections (b) and (c), on or after that date.

SEC. 618. AUTHORITY TO PROVIDE LUMP SUM PAYMENT OF NUCLEAR OFFICER INCENTIVE PAY.

(a) LUMP SUM PAYMENT OPTION.—Subsection (a) of section 312 of title 37, United States Code, is amended in the matter after paragraph (3)—

(1) by striking ''in equal annual installments'' and inserting ''in a single lump-sum or in annual installments of equal or different amounts''; and

(2) by striking ''with the number of installments being equal to the number of years covered by the contract plus one'' and inserting ''and, if the special pay will be paid in annual installments, the number of installments may not exceed the number of years covered by the agreement plus one''.

(b) STYLISTIC AND CONFORMING AMENDMENTS.—Such section is further amended—

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

(2) in subsection (a)—

(A) by striking ''an officer'' in the matter before paragraph (1) and inserting ''the Sec-

retary may pay special pay under subsection (b) to an officer'';

(B) by striking the comma at the end of paragraph (3) and inserting a period;

(C) by striking ''may, upon'' and all that follows through ''The Secretary of the Navy shall'' and inserting the following:

''(b) PAYMENT AMOUNT; PAYMENT OPTIONS.—(1) The total amount paid to an officer under an agreement under subsection (a) or (e)(1) may not exceed $30,000 for each year of the active-service agreement. Amounts paid under the agreement are in addition to all other compensation to which the officer is entitled.

''(2) The Secretary shall'';

(D) by striking ''Upon acceptance of the agreement by the Secretary or his designee'' and inserting the following:

''(3) Upon acceptance of an agreement under subsection (a) or (e)(1) by the Secretary''; and

(E) by striking ''The Secretary (or his designee)'' and inserting the following:

''(4) The Secretary'';

(3) in subsection (c), as redesignated by paragraph (1), by striking ''subsection (a) or subsection (d)(1)'' and inserting ''subsection (b) or (e)(1)''; and

(4) in the first sentence of subsection (e)(1), as redesignated by paragraph (1)—

(A) by striking ''such subsection'' and inserting ''subsection (b)''; and

(B) by striking ''that subsection'' and inserting ''this subsection''.

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''SPECIAL PAY AUTHORIZED; ELIGIBILITY.—'' after ''(a)'';

(2) in subsection (c), as redesignated by subsection (b)(1), by inserting ''REPAYMENT.—'' after ''(c)'';

(3) in subsection (d), as redesignated by subsection (b)(1), by inserting ''RELATION TO SERVICE OBLIGATION.—'' after ''(d)'';

(4) in subsection (e), as redesignated by subsection (b)(1), by inserting ''NEW AGREEMENT.—'' after ''(e)''; and

(5) in subsection (f), as redesignated by subsection (b)(1), by inserting ''DURATION OF AUTHORITY.—'' after ''(f)''.

SEC. 619. INCREASE IN MAXIMUM AMOUNT OF NUCLEAR CAREER ACCESSION BONUS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 312b of title 37, United States Code, on or after that date.

SEC. 620. INCREASE IN MAXIMUM AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.

(a) INCREASE.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 327 of title 37, United States Code, on or after that date.

SEC. 621. ADDITIONAL AUTHORITIES AND INCENTIVES TO ENCOURAGE RETIRED MEMBERS AND RESERVE COMPONENT MEMBERS TO VOLUNTEER TO SERVE ON ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY ASSIGNMENTS.

(a) AUTHORITY TO OFFER INCENTIVE BONUS.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments

"(a) INCENTIVE BONUS AUTHORIZED.—The Secretary of Defense may pay a bonus under this section to a retired member or former member of the Army, Navy, Air Force, or Marine Corps or to a member of a reserve component of the Army, Navy, Air Force, or Marine Corps (who is not otherwise serving on active duty) who executes a written agreement to serve on active duty for a period specified in the agreement in an assignment intended to alleviate the need for members in a high-demand, low-density military capability or in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements.

"(b) MAXIMUM AMOUNT OF BONUS.—A bonus under subsection (a) and any incentive developed under subsection (d) may not exceed $50,000.

"(c) METHODS OF PAYMENT.—At the election of the Secretary of Defense, a bonus under subsection (a) and any incentive developed under subsection (d) shall be paid or provided—

"(1) when the member commences service on active duty; or

"(2) in annual installments in such amounts as may be determined by the Secretary.

"(d) DEVELOPMENT OF ADDITIONAL INCENTIVES.—(1) The Secretary of Defense may develop and provide to members referred to in subsection (a) additional incentives to encourage such members to return to active duty in assignments intended to alleviate the need for members in a high-demand, low-density military capability or in others specialties designated by the Secretary as critical to meet wartime or peacetime requirements.

"(2) The provision of any incentive developed under this subsection shall be subject to an agreement, as required for bonuses under subsection (a).

"(3) Not later than 30 days before first offering any incentive developed under this subsection, the Secretary shall submit to the congressional defense committees a report that contains a description of that incentive and an explanation why a bonus under subsection (a) or other pay and allowances are not sufficient to alleviate the high-de-

mand, low-density military capability or otherwise fill critical military specialties.

"(4) In this subsection, the term 'congressional defense committees' has the meaning given that term in section 101(a)(16) of title 10.

"(e) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus or other incentive paid or provided to a member under this section is in addition to any other pay and allowances to which the member is entitled.

"(f) PROHIBITION ON PROMOTIONS.—The written agreement required by subsections (a) and (d) shall specify that a member who is paid or receives a bonus or other incentive under this section is not eligible for promotion while serving in the assignment for which the bonus or other incentive is provided.

"(g) REPAYMENT.—A member who does not complete the period of active duty specified in the agreement executed under subsection (a) or (d) shall be subject to the repayment provisions of section 303a(e) of this title.

"(h) HIGH-DEMAND, LOW-DENSITY MILITARY CAPABILITY.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational specialty that the Secretary of Defense determines has funding, equipment, or personnel levels that are substan-

tially below the levels required to fully meet or sustain actual or expected operational requirements set by regional commanders.

"(i) REGULATIONS.—The Secretary of Defense may prescribe such regulations as the Secretary considers necessary to carry out this section.

"(j) TERMINATION OF AUTHORITY.—No agreement under subsection (a) or (d) may be entered into after December 31, 2010.".

(b) TEMPORARY AUTHORITY TO ORDER RETIRED MEMBERS TO ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY MILITARY CAPABILITY.—Section 688a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence and inserting the following new sentence: "The Secretary of a military department may order to active duty a retired member who agrees to serve on active duty in an assignment intended to alleviate a high-demand, low-density military capability or in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements."; and

(B) in the second sentence, by striking ''officer'' both places it appears and inserting ''member'';

(2) in subsection (b), by striking ''an officer'' and inserting ''a member'';

(3) in subsection (c), by striking ''500 officers'' and inserting ''1,000 members'';

(4) in subsection (d), by striking ''officer'' and inserting ''member'';

(5) in subsection (e), by striking ''Officers'' and inserting ''Retired members'';

(6) in subsection (f)—

(A) by striking ''An officer'' and inserting ''A retired member''; and

(B) by striking ''September 30, 2008'' and inserting ''December 31, 2010''; and

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

''(g) HIGH-DEMAND, LOW-DENSITY MILITARY CAPABILITY DEFINED.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational specialty that the Secretary of Defense determines has funding, equipment, or personnel levels that are substantially below the levels required to fully meet

or sustain actual or expected operational requirements set by regional commanders.''.

(c) EXCLUSION FROM ACTIVE-DUTY LIST.—Section 641 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(6) Officers appointed pursuant to an agreement under section 329 of title 37.''.

(d) CLERICAL AMENDMENTS.—

(1) TITLE 37.—The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by adding at the end the following new item:

''329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments.''.

(2) TITLE 10.—(A) The heading of section 688a of title 10, United States Code, is amended to read as follows:

''§ 688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments''.

(B) The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 688a and inserting the following new item:

''688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments.''.

(e) EFFECTIVE DATE.—No agreement may be entered into under section 329 of title 37, United States Code, as added by subsection (a), before October 1, 2006.

(f) LIMITATION ON FISCAL YEAR 2007 OBLIGATIONS.—During fiscal year 2007, obligations incurred under section 329 of title 37, United States Code, as added by subsection (a), to provide bonuses or other incentives to retired members and former members of the Army, Navy, Air Force, or Marine Corps or to members of the reserve components of the Army, Navy, Air Force, and Marine Corps may not exceed $5,000,000.

SEC. 622. ACCESSION BONUS FOR MEMBERS OF THE ARMED FORCES APPOINTED AS COMMISSIONED OFFICERS AFTER COMPLETING OFFICER CANDIDATE SCHOOL.

(a) ACCESSION BONUS AUTHORIZED.—

(1) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by inserting after section 329, as added by section 621 of this Act, the following new section:

"§ 330. Special pay: accession bonus for officer candidates

''(a) ACCESSION BONUS AUTHORIZED.—Under regulations prescribed by the Secretary concerned, a person who executes a written agreement described in subsection

(c) may be paid an accession bonus under this section upon acceptance of the agreement by the Secretary concerned.

"(b) AMOUNT OF BONUS.—The amount of an accession bonus under subsection (a) may not exceed $8,000.

"(c) AGREEMENT.—A written agreement referred to in subsection (a) is a written agreement by a person—

"(1) to complete officer candidate school;

"(2) to accept a commission or appointment as an officer of the armed forces; and

"(3) to serve on active duty as a commissioned officer for a period specified in the agreement.

"(d) PAYMENT METHOD.—Upon acceptance of a written agreement under subsection (a) by the Secretary concerned, the total amount of the accession bonus payable under the agreement becomes fixed. The agreement shall specify whether the accession bonus will be paid in a lump sum or installments.

"(e) REPAYMENT.—A person who, having received all or part of the bonus under a written agreement under subsection (a), does not complete the total period of active duty as a commissioned officer as specified in such agreement shall be subject to the repayment provisions of section 303a(e) of this title.

"(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 329, as added by section 621, the following new item:

"330. Special pay: accession bonus for officer candidates.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2006.

(b) AUTHORITY FOR PAYMENT OF BONUS UNDER EARLIER AGREEMENTS.—

(1) AUTHORITY.—The Secretary of the Army may pay a bonus to any person who, during the period beginning on April 1, 2005, and ending on April 6, 2006, executed an agreement to enlist for the purpose of attending officer candidate school and receive a bonus under section 309 of title 37, United States Code, and who has completed the terms of the agreement required for payment of the bonus.

(2) AMOUNT OF BONUS.—The amount of the bonus payable to a person under this subsection may not exceed $8,000.

(3) RELATION TO ENLISTMENT BONUS.—The bonus payable under this subsection is in addition to

a bonus payable under section 309 of title 37, United States Code, or any other provision of law.

SEC. 623. MODIFICATION OF CERTAIN AUTHORITIES APPLICABLE TO THE TARGETED SHAPING OF THE ARMED FORCES.

(a) VOLUNTARY SEPARATION PAY AND BENEFITS.—

(1) INCREASE IN MAXIMUM AMOUNT OF PAY.—Subsection (f) of section 1175a of title 10, United States Code, is amended by striking ''two times'' and inserting ''four times''.

(2) EXTENSION OF AUTHORITY.—Subsection (k)(1) of such section is amended by striking ''December 31, 2008'' and inserting ''December 31, 2012''.

(3) REPEAL OF LIMITATION ON APPLICABILITY.—Subsection (b) of section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310; 10 U.S.C. 1175a note) is repealed.

(b) ENHANCED AUTHORITY FOR EARLY DISCHARGES.—

(1) RENEWAL OF AUTHORITY.—Subsection (a) of section 638a of title 10, United States Code, is amended by inserting ''and for the purpose of subsection (b)(4) during the period beginning on Octo-

ber 1, 2006, and ending on December 31, 2012,'' after ''December 31, 2001,''.

(2) RELAXATION OF LIMITATION ON SELECTIVE EARLY DISCHARGE.—Subsection (d)(2) of such section is amended—

(A) in subparagraph (A), by inserting before the semicolon the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''; and

(B) in subparagraph (B), by inserting before the period the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''.

SEC. 624. ENHANCEMENT OF BONUS TO ENCOURAGE CERTAIN PERSONS TO REFER OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

(a) INDIVIDUALS ELIGIBLE FOR BONUS.—Subsection (a) of section 645 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) AUTHORITY.—The Secretary'';

(2) by striking ''a member of the Army, whether in the regular component of the Army or in the Army National Guard or Army Reserve,'' and inserting ''an individual referred to in paragraph (2)''; and

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

''(2) INDIVIDUALS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following individuals are eligible for a referral bonus under this section:

''(A) A member in the regular component of the Army.

''(B) A member of the Army National Guard.

''(C) A member of the Army Reserve.

"(D) A member of the Army in a retired status, including a member under 60 years of age who, but for age, would be eligible for retired pay.

"(E) A civilian employee of the Department of the Army.".

(b) CERTAIN REFERRALS INELIGIBLE.—Subsection (c) of such section is amended by adding at the end the following new paragraph:

"(3) JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTORS.—A member of the Army detailed under subsection (c)(1) of section 2031 of title 10, United States Code, to serve as an administrator or instructor in the Junior Reserve Officers' Training Corps program or a retired member of the Army employed as an administrator or instructor in the program under subsection (d) of such section may not be paid a bonus under subsection (a).".

(c) AMOUNT OF BONUS.—Subsection (d) of such section is amended to read as follows:

"(d) AMOUNT OF BONUS.—The amount of the bonus payable for a referral under subsection (a) may not exceed $2,000. The amount shall be payable in two lump sums as provided in subsection (e).".

(d) PAYMENT OF BONUS.—Subsection (e) of such section is amended to read as follows:

''(e) PAYMENT.—A bonus payable for a referral of a person under subsection (a) shall be paid as follows:

''(1) Not more than $1,000 shall be paid upon the commencement of basic training by the person referred.

''(2) Not more than $1,000 shall be paid upon the completion of basic training and individual advanced training by the person referred.''.

(e) COORDINATION WITH RECEIPT OF RETIRED PAY.—Such section is further amended—

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

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

''(g) COORDINATION WITH RECEIPT OF RETIRED PAY.—A bonus paid under this section to a member of the Army in a retired status is in addition to any compensation to which the member is entitled under title 10, 37, or 38, United States Code, or any other provision of law.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to bonuses pay-

able under section 645 of the National Defense Authorization Act for Fiscal Year 2006, as amended by this section, on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRANSPORTATION OF FAMILY MEMBERS INCIDENT TO ILLNESS OR INJURY OF MEMBERS.

Section 411h(b)(1) of title 37, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; and''; and

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

''(E) a person related to the member as described in subparagraph (A), (B), (C), or (D) who is also a member of the uniformed services.''.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. RETIRED PAY OF GENERAL AND FLAG OFFICERS TO BE BASED ON RATES OF BASIC PAY PROVIDED BY LAW.

(a) DETERMINATION OF RETIRED PAY BASE.—Chapter 71 of title 10, United States Code, is amended by inserting after section 1407 the following new section:

"§ 1407a. Retired pay base: officers retired in general or flag officer grades

''(a) RATES OF BASIC PAY TO BE USED IN DETERMINATION.—In a case in which the determination under section 1406 or 1407 of this title of the retired pay base applicable to the computation of the retired pay of a covered general or flag officer involves a rate of basic pay payable to that officer for any period that was subject to a reduction under section 203(a)(2) of title 37 for such period, such retired-pay-base determination shall be made using the rate of basic pay for such period provided by law, rather than such rate as so reduced.

''(b) COVERED GENERAL AND FLAG OFFICERS.—In this section, the term 'covered general or flag officer' means a member or former member who after September 30, 2006, is retired in a general officer grade or flag officer grade.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1407 the following new item:

"1407a. Retired pay base: officers retired in general or flag officer grades.".

SEC. 642. INAPPLICABILITY OF RETIRED PAY MULTIPLIER MAXIMUM PERCENTAGE TO CERTAIN SERVICE OF MEMBERS OF THE ARMED FORCES IN EXCESS OF 30 YEARS.

(a) IN GENERAL.—Paragraph (3) of section 1409(b) of title 10, United States Code, is amended to read as follows:

"(3) 30 YEARS OF SERVICE.—

"(A) RETIREMENT BEFORE JANUARY 1, 2007.—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

"(B) RETIREMENT AFTER DECEMBER 31, 2006.—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

"(i) 75 percent; and

"(ii) the product (stated as a percentage) of—

"(I) 2½; and

"(II) the member's years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.".

(b) RETIRED PAY FOR NON-REGULAR SERVICE.—Section 12739(c) of such title is amended—

(1) by striking "The total amount" and inserting "(1) Except as provided in paragraph (2), the total amount"; and

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

"(2) In the case of a person who retires after December 31, 2006, with more than 30 years of service credited to that person under section 12733 of this title, the total amount of the monthly retired pay computed under subsections (a) and (b) may not exceed the sum of—

"(A) 75 percent of the retired pay base upon which the computation is based; and

"(B) the product of—

"(i) the retired pay base upon which the computation is based; and

"(ii) 2½ percent of the years of service credited to that person under section 12733 of this title, for service under conditions authorized for purposes of this paragraph during a period designated by the Secretary of Defense for purposes of this paragraph.".

SEC. 643. MILITARY SURVIVOR BENEFIT PLAN BENEFICIARIES UNDER INSURABLE INTEREST COVERAGE.

(a) AUTHORITY TO ELECT NEW BENEFICIARY.—Section 1448(b)(1) of title 10, United States Code, is amended—

(1) by inserting "or under subparagraph (G) of this paragraph" in the second sentence of subparagraph (E) before the period at the end; and

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

"(G) ELECTION OF NEW BENEFICIARY UPON DEATH OF PREVIOUS BENEFICIARY.—

"(i) AUTHORITY FOR ELECTION.—If the reason for discontinuation in the Plan is the death of the beneficiary, the partici-

pant in the Plan may elect a new beneficiary. Any such beneficiary must be a natural person with an insurable interest in the participant. Such an election may be made only during the 180-day period beginning on the date of the death of the previous beneficiary.

''(ii) PROCEDURES.—Such an election shall be in writing, signed by the participant, and made in such form and manner as the Secretary concerned may prescribe. Such an election shall be effective the first day of the first month following the month in which the election is received by the Secretary.

''(iii) VITIATION OF ELECTION BY PARTICIPANT WHO DIES WITHIN TWO YEARS OF ELECTION.—If a person providing an annuity under a election under clause (i) dies before the end of the two-year period beginning on the effective date of the election—

''(I) the election is vitiated; and

''(II) the amount by which the person's retired pay was reduced

under section 1452 of this title that is attributable to the election shall be paid in a lump sum to the person who would have been the deceased person's beneficiary under the vitiated election if the deceased person had died after the end of such two-year period.''.

(b) CHANGE IN PREMIUM FOR COVERAGE OF NEW BENEFICIARY.—Section 1452(c) of such title is amended by adding at the end the following new paragraph:

''(5) RULE FOR DESIGNATION OF NEW INSURABLE INTEREST BENEFICIARY FOLLOWING DEATH OF ORIGINAL BENEFICIARY.—The Secretary of Defense shall prescribe in regulations premiums which a participant making an election under section 1448(b)(1)(G) of this title shall be required to pay for participating in the Plan pursuant to that election. The total amount of the premiums to be paid by a participant under the regulations shall be equal to the sum of the following:

''(A) The total additional amount by which the retired pay of the participant would have been reduced before the effective date of the election if the original beneficiary (i) had not died and had been covered under the Plan

through the date of the election, and (ii) had been the same number of years younger than the participant (if any) as the new beneficiary designated under the election.

''(B) Interest on the amounts by which the retired pay of the participant would have been so reduced, computed from the dates on which the retired pay would have been so reduced at such rate or rates and according to such methodology as the Secretary of Defense determines reasonable.

''(C) Any additional amount that the Secretary determines necessary to protect the actuarial soundness of the Department of Defense Military Retirement Fund against any increased risk for the fund that is associated with the election.''.

(c) TRANSITION.—

(1) TRANSITION PERIOD.—In the case of a participant in the Survivor Benefit Plan who made a covered insurable-interest election (as defined in paragraph (2)) and whose designated beneficiary under that election dies before the date of the enactment of this Act or during the 18-month period beginning on such date, the time period applicable for

purposes of the limitation in the third sentence of subparagraph (G)(i) of section 1448(b)(1) of title 10, United States Code, as added by subsection (a), shall be the two-year period beginning on the date of the enactment of this Act (rather than the 180-day period specified in that sentence).

(2) COVERED INSURABLE-INTEREST ELECTIONS.—For purposes of paragraph (1), a covered insurable-interest election is an election under section 1448(b)(1) of title 10, United States Code, made before the date of the enactment of this Act, or during the 18-month period beginning on such date, by a participant in the Survivor Benefit Plan to provide an annuity under that plan to a natural person with an insurable interest in that person.

(3) SURVIVOR BENEFIT PLAN.—For purposes of this subsection, the term ''Survivor Benefit Plan'' means the program under subchapter II of chapter 73 of title 10, United States Code.

SEC. 644. MODIFICATION OF ELIGIBILITY FOR COMMENCEMENT OF AUTHORITY FOR OPTIONAL ANNUITIES FOR DEPENDENTS UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by striking ''who dies

after November 23, 2003'' and inserting ''who dies after October 7, 2001''.

(b) APPLICABILITY.—Any annuity payable to a dependent child under subchapter II of chapter 73 of title 10, United States Code, by reason of the amendment made by subsection (a) shall be payable only for months beginning on or after the date of the enactment of this Act.

SEC. 645. STUDY OF TRAINING COSTS, MANNING, OPERATIONS TEMPO, AND OTHER FACTORS THAT AFFECT RETENTION OF MEMBERS OF THE ARMED FORCES WITH SPECIAL OPERATIONS DESIGNATIONS.

(a) REPORT REQUIRED.—Not later than August 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on factors that affect retention of members of the Armed Forces who have a special operations forces designation.

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) Information on the cost of training of members of the Armed Forces who have a special operations forces designation, with such information dis-

played separately and shown as aggregate costs of training for such members at the 4-year, 8-year, 12-year, 16-year, and 20-year points of service.

(2) The average cost of special operations-unique training, both predeployment and during deployment, for the number of members of the Armed Forces who have a special operations forces designation who have been deployed at least twice to areas in which they were eligible for hostile fire pay.

(3) For each component of the United States Special Operations Command, an estimate of when the assigned strength of that component will be under 90 percent of the authorized strength of that component, taking into account anticipated growth planned for in the most recent Quadrennial Defense Review.

(4) The percentage of members of the Armed Forces with a special operations forces designation who have accumulated over 48 months of hostile fire pay and the percentage who have accumulated over 60 months of such pay.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 661. TREATMENT OF PRICE SURCHARGES OF CERTAIN MERCHANDISE SOLD AT COMMISSARY STORES.

(a) MERCHANDISE PROCURED FROM EXCHANGES.—Subsection (c)(3) of section 2484 of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(3)'';

(2) by striking ''Subsections'' and inserting ''Except as provided in subparagraph (B), subsections''; and

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

''(B) When a military exchange is the vendor of tobacco products or other merchandise authorized for sale in a commissary store under paragraph (1), any revenue above the cost of procuring the merchandise shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).''.

(b) MERCHANDISE TREATED AS NONCOMMISSARY STORE INVENTORY.—Subsection (g) of such section is amended—

(1) by inserting ''(1)'' before ''Notwithstanding'';

(2) by striking ''Subsections'' and inserting ''Except as provided in paragraph (2), subsections''; and

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

''(2) When tobacco products are authorized for sale in a commissary store as noncommissary store inventory, any revenue above the cost of procuring the tobacco products shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).''.

SEC. 662. LIMITATIONS ON LEASE OF NON-EXCESS DEPARTMENT OF DEFENSE PROPERTY FOR PROTECTION OF MORALE, WELFARE, AND RECREATION ACTIVITIES AND REVENUE.

(a) ADDITIONAL CONDITION ON USE OF LEASE AUTHORITY.—Subsection (b) section 2667 of title 10, United States Code, is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period and inserting ''; and''; and

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

"(6) except as otherwise provided in subsection (d), shall require the lessee to provide the covered entities specified in paragraph (1) of that subsection the right to establish and operate a community support facility or provide community support services, or seek equitable compensation for morale, welfare, and recreation programs of the Department of Defense in lieu of the operation of such a facility or the provision of such services, if the Secretary determines that the lessee will provide merchandise or services in direct competition with covered entities through the lease.".

(b) APPLICATION OF CONDITION; WAIVER.—Such section is further amended—

(1) by redesignating subsections (d) through (i) as subsections (e) through (j), respectively; and

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

"(d) COMMUNITY SUPPORT FACILITIES AND COMMUNITY SUPPORT SERVICES UNDER LEASE; WAIVER.—(1) In this subsection and subsection (b)(6), the term 'covered entity' means each of the following:

"(A) The Army and Air Force Exchange Service.

"(B) The Navy Exchange Service Command.

1 ''(C) The Marine Corps exchanges.
2 ''(D) The Defense Commissary Agency.
3 ''(E) The revenue-generating nonappropriated
4 fund activities of the Department of Defense con-
5 ducted for the morale, welfare, and recreation of
6 members of the armed forces.
7 ''(2) The Secretary of a military department may
8 waive the requirement in subsection (b)(6) with respect
9 to a lease if—
10 ''(A) the lease is entered into under subsection
11 (g); or
12 ''(B) the Secretary determines that the waiver
13 is in the best interests of the Government.
14 ''(3) The Secretary of the military department con-
15 cerned shall provide to the congressional defense commit-
16 tees written notice of each waiver under paragraph (2),
17 including the reasons for the waiver.
18 ''(4) The covered entities shall exercise the right pro-
19 vided in subsection (b)(6) with respect to a lease, if at
20 all, not later than 90 days after receiving notice from the
21 Secretary of the military department concerned regarding
22 the opportunity to exercise such right with respect to the
23 lease. The Secretary may, at the discretion of the Sec-
24 retary, extend the period under this paragraph for the ex-

1 ercise of the right with respect to a lease for such addi-
2 tional period as the Secretary considers appropriate.
3 ''(5) The Secretary of Defense shall prescribe in regu-
4 lations uniform procedures and criteria for the evaluation
5 of proposals for enhanced use leases involving the oper-
6 ation of community support facilities or the provision of
7 community support services by either a lessee under this
8 section or a covered entity.
9 ''(6) The Secretary of the military department con-
10 cerned shall provide written notification to the Committee
11 on Armed Services of the Senate and the Committee on
12 Armed Services of the House of Representatives regarding
13 all leases under this section that include the operation of
14 a community support facility or the provision of commu-
15 nity support services, regardless of whether the facility will
16 be operated by a covered entity or the lessee or the services
17 will be provided by a covered entity or the lessee.''.
18 (c) DEFINITIONS.—Subsection (i) of such section, as
19 redesignated by subsection (b)(1) of this section, is
20 amended to read as follows:
21 ''(i) DEFINITIONS.—In this section:
22 ''(1) The term 'community support facility' in-
23 cludes an ancillary supporting facility (as that term
24 is defined in section 2871(1) of this title).

"(2) The term 'community support services' includes revenue-generating food, recreational, lodging support services, and resale operations and other retail facilities and services intended to support a community.

"(3) The term 'military installation' has the meaning given such term in section 2687(e)(1) of this title.".

(d) STYLISTIC, TECHNICAL, AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "LEASE AUTHORITY.—" after "(a)";

(2) in subsection (b), by inserting "CONDITIONS ON LEASES.—" after "(b)";

(3) in subsection (c), by inserting "TYPES OF IN-KIND CONSIDERATION.—" after "(c)";

(4) in subsection (e), as redesignated by subsection (b)(1) of this section—

(A) by inserting "DEPOSIT AND USE OF PROCEEDS.—" after "(e)"; and

(B) in paragraph (5), by striking "subsection (f)" and inserting "subsection (g)";

(5) in subsection (f), as redesignated by subsection (b)(1) of this section, by inserting "TREAT-

MENT OF LESSEE INTEREST IN PROPERTY.—'' after ''(f)'';

(6) in subsection (g), as redesignated by subsection (b)(1) of this section—

(A) by inserting ''SPECIAL RULES FOR BASE CLOSURE AND REALIGNMENT PROPERTY.—'' after ''(g)''; and

(B) in paragraph (1), by striking ''subsection (a)(3)'' and inserting ''subsection (a)(2)'';

(7) in subsection (h), as redesignated by subsection (b)(1) of this section, by inserting ''COMPETITIVE PROCEDURES FOR SELECTION OF CERTAIN LESSEES; EXCEPTION.—'' after ''(h)'' and

(8) in subsection (j), as redesignated by subsection (b)(1) of this section, by inserting ''EXCLUSION OF CERTAIN LANDS.—'' after ''(j)''.

SEC. 663. REPORT ON COST EFFECTIVENESS OF PURCHASING COMMERCIAL INSURANCE FOR COMMISSARY AND EXCHANGE FACILITIES AND FACILITIES OF OTHER MORALE, WELFARE, AND RECREATION PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) REPORT REQUIRED.—Not later than July 31, 2007, the Secretary of Defense shall submit to Congress a report evaluating the cost effectiveness of the Defense Commissary Agency and the nonappropriated fund activities specified in subsection (b) purchasing commercial insurance to protect financial interests in facilities operated by the Defense Commissary Agency or those nonappropriated fund activities.

(b) COVERED NONAPPROPRIATED FUND ACTIVITIES.—The report shall apply with respect to—

(1) the Army and Air Force Exchange Service;

(2) the Navy Exchange Service Command;

(3) the Marine Corps exchanges; and

(4) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

SEC. 664. STUDY AND REPORT REGARDING ACCESS OF DISABLED PERSONS TO MORALE, WELFARE, AND RECREATION FACILITIES AND ACTIVITIES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study regarding the current capability of morale, welfare, and recreation facilities and activities operated by nonappropriated fund instrumentalities of the Department of Defense to provide access to and accommodate disabled persons who are otherwise eligible to use such facilities or participate in such activities and the legal requirements regarding such access and accommodation applicable to these morale, welfare, and recreation facilities and activities, with specific attention to the applicability of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(b) ELEMENTS OF STUDY.—In conducting the study, the Secretary of Defense shall address at a minimum the following:

(1) The current plans of the Secretary of Defense and the Secretaries of the military departments to improve the access and accommodation of disabled persons to morale, welfare, and recreation facilities and activities operated by nonappropriated fund instrumentalities of the Department of Defense, including plans to make available additional golf carts at military golf courses that are accessible

for disabled persons authorized to use such courses, and whether any portion of these plans require congressional authorization or funding.

(2) The timing and cost of making these morale, welfare, and recreation facilities and activities fully accessible to disabled persons.

(3) The expected utilization rates of these morale, welfare, and recreation facilities and activities by disabled persons, if the facilities and activities were fully accessible to disabled persons.

(4) Any legal requirements applicable to providing golf carts at military golf courses that are accessible for disabled persons authorized to use such courses and the current availability of accessible golf carts at such courses.

(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the results of the study and any related findings, conclusions, and recommendations that the Secretary considers to be appropriate concerning the access of disabled persons to morale, welfare, and recreation facilities and activities, and specifically the Secretary's conclusions on making accessible golf carts available at all military golf

courses for use by disabled persons authorized to use such courses.

Subtitle F—Other Matters

SEC. 670. LIMITATIONS ON TERMS OF CONSUMER CREDIT EXTENDED TO SERVICEMEMBERS AND DEPENDENTS.

(a) TERMS OF CONSUMER CREDIT.—Chapter 49 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 987. Terms of consumer credit extended to members and dependents: limitations

''(a) INTEREST.—A creditor who extends consumer credit to a covered member of the armed forces or a dependent of such a member shall not require the member or dependent to pay interest with respect to the extension of such credit, except as—

''(1) agreed to under the terms of the credit agreement or promissory note;

''(2) authorized by applicable State or Federal law; and

''(3) not specifically prohibited by this section.

''(b) ANNUAL PERCENTAGE RATE.—A creditor described in subsection (a) may not impose an annual percentage rate of interest greater than 36 percent with re-

1 spect to the consumer credit extended to a covered mem-
2 ber or a dependent of a covered member.
3 "(c) MANDATORY LOAN DISCLOSURES.—
4 "(1) INFORMATION REQUIRED.—With respect
5 to any extension of consumer credit (including any
6 consumer credit originated or extended through the
7 internet) to a covered member or a dependent of a
8 covered member, a creditor shall provide to the
9 member or dependent the following information oral-
10 ly and in writing before the issuance of the credit:
11 "(A) A statement of the annual percentage
12 rate of interest applicable to the extension of
13 credit.
14 "(B) Any disclosures required under the
15 Truth in Lending Act (15 U.S.C. 1601 et seq.).
16 "(C) A clear description of the payment
17 obligations of the member or dependent, as ap-
18 plicable.
19 "(2) TERMS.—Such disclosures shall be pre-
20 sented in accordance with terms prescribed by the
21 regulations issued by the Board of Governors of the
22 Federal Reserve System to implement the Truth in
23 Lending Act (15 U.S.C. 1601 et seq.).
24 "(d) PREEMPTION.—

1 "(1) INCONSISTENT LAWS.—Except as provided
2 in subsection (f)(2), this section preempts any State
3 or Federal law, rule, or regulation, including any
4 State usury law, to the extent that such law, rule,
5 or regulation is inconsistent with this section, except
6 that this section shall not preempt any such law,
7 rule, or regulation that provides protection to a cov-
8 ered member or a dependent of such a member in
9 addition to the protection provided by this section.
10 "(2) DIFFERENT TREATMENT UNDER STATE
11 LAW OF MEMBERS AND DEPENDENTS PROHIB-
12 ITED.—States shall not—
13 "(A) authorize creditors to charge covered
14 members and their dependents annual percent-
15 age rates of interest for loans higher than the
16 legal limit for residents of the State; or
17 "(B) permit violation or waiver of any
18 State consumer lending protections for the ben-
19 efit of residents of the State on the basis of
20 nonresident or military status of a covered
21 member or dependent of such a member, re-
22 gardless of the member's or dependent's domi-
23 cile or permanent home of record.

1 ''(e) LIMITATIONS.—It shall be unlawful for any
2 creditor to extend consumer credit to a covered member
3 or a dependent of such a member with respect to which—
4 ''(1) the creditor rolls over, renews, repays, refi-
5 nances, or consolidates any consumer credit ex-
6 tended to the borrower by the same creditor with the
7 proceeds of other credit extended to the same cov-
8 ered member or a dependent;
9 ''(2) the borrower is required to waive the bor-
10 rower's right to legal recourse under any otherwise
11 applicable provision of State or Federal law, includ-
12 ing any provision of the Servicemembers Civil Relief
13 Act;
14 ''(3) the creditor requires the borrower to sub-
15 mit to arbitration or imposes onerous legal notice
16 provisions in the case of a dispute;
17 ''(4) the creditor demands unreasonable notice
18 from the borrower as a condition for legal action;
19 ''(5) the creditor uses a check or other method
20 of access to a deposit, savings, or other financial ac-
21 count maintained by the borrower, or the title of a
22 vehicle as security for the obligation;
23 ''(6) the creditor requires as a condition for the
24 extension of credit that the borrower establish an al-
25 lotment to repay an obligation; or

1 "(7) the borrower is prohibited from prepaying
2 the loan or is charged a penalty or fee for prepaying
3 all or part of the loan.
4 "(f) PENALTIES AND REMEDIES.—
5 "(1) MISDEMEANOR.—A creditor who know-
6 ingly violates this section shall be fined as provided
7 in title 18, or imprisoned for not more than one
8 year, or both.
9 "(2) PRESERVATION OF OTHER REMEDIES.—
10 The remedies and rights provided under this section
11 are in addition to and do not preclude any remedy
12 otherwise available under law to the person claiming
13 relief under this section, including any award for
14 consequential and punitive damages.
15 "(3) CONTRACT VOID.—Any credit agreement,
16 promissory note, or other contract prohibited under
17 this section is void from the inception of such con-
18 tract.
19 "(4) ARBITRATION.—Notwithstanding section 2
20 of title 9, or any other Federal or State law, rule,
21 or regulation, no agreement to arbitrate any dispute
22 involving the extension of consumer credit shall be
23 enforceable against any covered member or depend-
24 ent of such a member, or any person who was a cov-

1 ered member or dependent of that member when the
2 agreement was made.
3 ''(g) SERVICEMEMBERS CIVIL RELIEF ACT PROTEC-
4 TIONS UNAFFECTED.—Nothing in this section may be
5 construed to limit or otherwise affect the applicability of
6 section 207 of the Servicemembers Civil Relief Act (50
7 U.S.C. App. 527).
8 ''(h) REGULATIONS.—(1) The Secretary of Defense
9 shall prescribe regulations to carry out this section.
10 ''(2) Such regulations shall establish the following:
11 ''(A) Disclosures required of any creditor that
12 extends consumer credit to a covered member or de-
13 pendent of such a member.
14 ''(B) The method for calculating the applicable
15 annual percentage rate of interest on such obliga-
16 tions, in accordance with the limit established under
17 this section.
18 ''(C) A maximum allowable amount of all fees,
19 and the types of fees, associated with any such ex-
20 tension of credit, to be expressed and disclosed to
21 the borrower as a total amount and as a percentage
22 of the principal amount of the obligation, at the time
23 at which the transaction is entered into.
24 ''(D) Definitions of 'creditor' under paragraph
25 (5) and 'consumer credit' under paragraph (6) of

subsection (i), consistent with the provisions of this section.

"(E) Such other criteria or limitations as the Secretary of Defense determines appropriate, consistent with the provisions of this section.

"(3) In prescribing regulations under this subsection, the Secretary of Defense shall consult with the following:

"(A) The Federal Trade Commission.

"(B) The Board of Governors of the Federal Reserve System.

"(C) The Office of the Comptroller of the Currency.

"(D) The Federal Deposit Insurance Corporation.

"(E) The Office of Thrift Supervision.

"(F) The National Credit Union Administration

"(G) The Treasury Department.

"(i) DEFINITIONS.—In this section:

"(1) COVERED MEMBER.—The term 'covered member' means a member of the armed forces who is—

"(A) on active duty under a call or order that does not specify a period of 30 days or less; or

"(B) on active Guard and Reserve Duty.

1 "(2) DEPENDENT.—The term 'dependent', with
2 respect to a covered member, means—
3 "(A) the member's spouse;
4 "(B) the member's child (as defined in sec-
5 tion 101(4) of title 38); or
6 "(C) an individual for whom the member
7 provided more than one-half of the individual's
8 support for 180 days immediately preceding an
9 extension of consumer credit covered by this
10 section.
11 "(3) INTEREST.—The term 'interest' includes
12 all cost elements associated with the extension of
13 credit, including fees, service charges, renewal
14 charges, credit insurance premiums, any ancillary
15 product sold with any extension of credit to a
16 servicemember or the servicemember's dependent, as
17 applicable, and any other charge or premium with
18 respect to the extension of consumer credit.
19 "(4) ANNUAL PERCENTAGE RATE.—The term
20 'annual percentage rate' has the same meaning as in
21 section 107 of the Truth and Lending Act (15
22 U.S.C. 1606), as implemented by regulations of the
23 Board of Governors of the Federal Reserve System.
24 For purposes of this section, such term includes all
25 fees and charges, including charges and fees for sin-

gle premium credit insurance and other ancillary products sold in connection with the credit transaction, and such fees and charges shall be included in the calculation of the annual percentage rate.

"(5) CREDITOR.—The term 'creditor' means a person—

"(A) who—

"(i) is engaged in the business of extending consumer credit; and

"(ii) meets such additional criteria as are specified for such purpose in regulations prescribed under this section; or

"(B) who is an assignee of a person described in subparagraph (A) with respect to any consumer credit extended.

"(6) CONSUMER CREDIT.—The term 'consumer credit' has the meaning provided for such term in regulations prescribed under this section, except that such term does not include (A) a residential mortgage, or (B) a loan procured in the course of purchasing a car or other personal property, when that loan is offered for the express purpose of financing the purchase and is secured by the car or personal property procured.".

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

"987. Terms of consumer credit extended to members and dependents: limitations.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), section 987 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2007, or on such earlier date as may be prescribed by the Secretary of Defense, and shall apply with respect to extensions of consumer credit on or after such effective date.

(2) AUTHORITY TO PRESCRIBE REGULATIONS.—Subsection (h) of such section shall take effect on the date of the enactment of this Act.

(3) PUBLICATION OF EARLIER EFFECTIVE DATE.—If the Secretary of Defense prescribes an effective date for section 987 of title 10, United States Code, as added by subsection (a), earlier than October 1, 2007, the Secretary shall publish that date in the Federal Register. Such publication shall be made not less than 90 days before that earlier effective date.

(d) INTERIM REGULATIONS.—The Secretary of Defense may prescribe interim regulations as necessary to

carry out such section. For the purpose of prescribing such interim regulations, the Secretary is excepted from compliance with the notice-and-comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this subsection that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 987 of title 10, United States Code, as added by this section.

SEC. 671. ENHANCEMENT OF AUTHORITY TO WAIVE CLAIMS FOR OVERPAYMENT OF PAY AND ALLOWANCES AND TRAVEL AND TRANSPORTATION ALLOWANCES.

(a) MAXIMUM WAIVER AMOUNT; TIME FOR EXERCISE OF AUTHORITY.—Section 2774 of title 10, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking ''$1,500'' and inserting ''$10,000''; and

(2) in subsection (b)(2), by striking ''three years'' and inserting ''five years''.

(b) CONFORMING AMENDMENTS REGARDING NATIONAL GUARD.—Section 716 of title 32, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking ''$1,500'' and inserting ''$10,000''; and

(2) in subsection (b)(2), by striking ''three years'' and inserting ''five years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007.

SEC. 672. EXCEPTION FOR NOTICE TO CONSUMER REPORTING AGENCIES REGARDING DEBTS OR ERRONEOUS PAYMENTS PENDING A DECISION TO WAIVE, REMIT, OR CANCEL.

(a) EXCEPTION.—Section 2780(b) of title 10, United States Code, is amended—

(1) by striking ''The Secretary'' and inserting ''(1) Except as provided in paragraph (2), the Secretary of Defense''; and

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

''(2) No disclosure shall be made under paragraph (1) with respect to an indebtedness while a decision regarding waiver of collection of the indebtedness is pending under section 2774 of this title or section 716 of title 32, or while a decision regarding remission or cancellation of the indebtedness is pending under section 4837, 6161, or 9837 of this title, unless the Secretary concerned (as defined in section 101(5) of title 37) determines that disclosure under that paragraph pending such decision is in the best interests of the United States.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2007.

(2) APPLICATION TO PRIOR ACTIONS.—Paragraph (2) of section 2780(b) of title 10, United States Code, as added by subsection (a), shall not be construed to apply to or invalidate any action taken under such section before March 1, 2007.

(c) REPORT.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the requirement in section 2780(b) of title 10, United States Code, to disclose to consumer reporting agencies in accordance with section 3711 of title 31, United States Code, information concerning certain indebtedness owed to the United States. The report shall include the following:

(1) The total number of members of the Armed Forces whose indebtedness has been disclosed to consumer reporting agencies under section 2780(b), United States Code, during the period beginning on January 1, 2003, and ending on June 30, 2006.

(2) The circumstances under which a decision to recover the indebtedness was made, rather than a decision to waive, remit, or cancel the indebtedness under the provisions of law referred to in paragraph

(2) of such section, as added by subsection (a), and the title of the person who made the decision.

(3) The cost of contracts for collection services to recover indebtedness owed to the United States that is delinquent.

(4) An evaluation of whether or not such contracts, and the practice of disclosing to consumer reporting agencies the identity of members of the Armed Forces who owe a delinquent debt to the United States, has been effective in reducing indebtedness to the United States.

(5) Such recommendations as the Secretary considers appropriate regarding the continuing disclosure of such information with respect to members of the Armed Forces.

SEC. 673. EXPANSION AND ENHANCEMENT OF AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES INCURRED ON ACTIVE DUTY.

(a) DEPARTMENT OF THE ARMY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''of a member'' and all that follows through ''on active duty'' and inserting ''of a person to the United

States or any instrumentality of the United States incurred while the person was serving on active duty as a member of the Army''.

(2) REPEAL OF LIMITATION ON TIME FOR EXERCISE OF AUTHORITY.—Such section is further amended—

(A) by striking subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3322; 10 U.S.C. 4837 note) is repealed.

(b) DEPARTMENT OF THE NAVY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Section 6161 of title 10, United States Code, is amended by striking ''of a member'' and all that follows through ''on active duty'' and inserting ''of a person to the United States or any instrumentality of the United States incurred while the person was serving on active duty as a member of the naval service''.

(2) REPEAL OF LIMITATION ON TIME FOR EXERCISE OF AUTHORITY.—Such section is further amended—

(A) by striking subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(b) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3323; 10 U.S.C. 6161 note) is repealed.

(c) DEPARTMENT OF THE AIR FORCE.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 9837 of title 10, United States Code, is amended by striking ''of a member'' and all that follows through ''on active duty'' and inserting ''of a person to the United States or any instrumentality of the United States incurred while the person was serving on active duty as a member of the Air Force''.

(2) REPEAL OF LIMITATION ON TIME FOR EXERCISE OF AUTHORITY.—Such section is further amended—

(A) by striking subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3324; 10 U.S.C. 9837 note) is repealed.

(d) DEADLINE FOR REGULATIONS.—The Secretary of Defense shall prescribe the regulations required for purposes of sections 4837, 6161, and 9837 of title 10, United States Code, as amended by this section, not later than March 1, 2007.

(e) CLARIFYING AND EDITORIAL AMENDMENTS.—

(1) SECRETARY OF THE ARMY.—Subsection (a) of section 4837 of title 10, United States Code, as amended by subsection (a)(1), is further amended—

(A) by striking ''If the'' and all that follows through ''States, the Secretary'' and inserting ''The Secretary of the Army''; and

(B) by inserting before the period at the end '', but only if the Secretary considers such action to be in the best interest of the United States''.

(2) SECRETARY OF THE NAVY.—Subsection (a) of section 6161 of such title, as amended by subsection (b)(1), is further amended—

(A) by striking ''If the'' and all that follows through ''States, the Secretary'' and inserting ''The Secretary of the Navy''; and

(B) by inserting before the period at the end '', but only if the Secretary considers such action to be in the best interest of the United States''.

(3) SECRETARY OF THE AIR FORCE.—Subsection (a) of section 9837 of such title, as amended by subsection (c)(1), is further amended—

(A) by striking ''If the'' and all that follows through ''States, the Secretary'' and inserting ''The Secretary of the Air Force''; and

(B) by inserting before the period at the end '', but only if the Secretary considers such action to be in the best interest of the United States''.

SEC. 674. PHASED RECOVERY OF OVERPAYMENTS OF PAY MADE TO MEMBERS OF THE UNIFORMED SERVICES.

(a) PHASED RECOVERY REQUIRED; MAXIMUM MONTHLY INSTALLMENT.—Subsection (c) of section 1007

of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) If the indebtedness of a member of the uniformed services to the United States is due to the overpayment of pay or allowances to the member through no fault of the member, the amount of the overpayment shall be recovered in monthly installments. The amount deducted from the pay of the member for a month to recover the overpayment amount may not exceed 20 percent of the member's pay for that month unless the member requests or consents to collection of the overpayment at an accelerated rate.''.

(b) RECOVERY DELAY FOR INJURED MEMBERS.—Such subsection is further amended by inserting after paragraph (3), as added by subsection (a), the following new paragraph:

''(4) If a member of the uniformed services is injured or wounded under the circumstances described in section 310(a)(2)(C) of this title or, while in the line of duty, incurs a wound, injury, or illness in a combat operation or combat zone designated by the Secretary of Defense, any overpayment of pay or allowances made to the member while the member recovers from the wound, injury, or illness may not be deducted from the member's pay until—

"(A) the end of the 90-day period beginning on the date on which the member is notified of the overpayment; or

"(B) such earlier date as may be requested or agreed to by the member.".

(c) CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) by inserting "(1)" before "Under regulations";

(2) by striking "his pay" both places it appears and inserting "the member's pay";

(3) by striking "However, after" and inserting the following:

"(2) After"; and

(4) by inserting "by a member of the uniformed services" after "actually received".

SEC. 675. JOINT FAMILY SUPPORT ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing to families of members of the Armed Forces the following types of assistance:

(1) Financial and material assistance.

(2) Mobile support services.

(3) Sponsorship of volunteers and family support professionals for the delivery of support services.

(4) Coordination of family assistance programs and activities provided by Military OneSource, Military Family Life Consultants, counselors, the Department of Defense, other Federal agencies, State and local agencies, and non-profit entities.

(5) Facilitation of discussion on military family assistance programs, activities, and initiatives between and among the organizations, agencies, and entities referred to in paragraph (4).

(6) Such other assistance that the Secretary considers appropriate.

(b) LOCATIONS.—The Secretary of Defense shall carry out the program in not more than six areas of the United States selected by the Secretary. Up to three of the areas selected for the program shall be areas that are geographically isolated from military installations.

(c) RESOURCES AND VOLUNTEERS.—The Secretary of Defense shall provide personnel and other resources of the Department of Defense necessary for the implementation and operation of the program and may accept and utilize the services of non-Government volunteers and non-profit entities under the program.

(d) PROCEDURES.—The Secretary of Defense shall establish procedures for the operation of the program and for the provision of assistance to families of members of the Armed Forces under the program.

(e) RELATION TO FAMILY SUPPORT CENTERS.—The program is not intended to operate in lieu of existing family support centers, but is instead intended to augment the activities of the family support centers.

(f) IMPLEMENTATION PLAN.—

(1) PLAN REQUIRED.—Not later than 90 days after the date on which funds are first obligated for the program, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the implementation of the program.

(2) ELEMENTS.—The plan required under paragraph (1) shall include the following:

(A) A description of the actions taken to select the areas in which the program will be conducted.

(B) A description of the procedures established under subsection (d).

(C) A review of proposed actions to be taken under the program to improve coordination of family assistance program and activities

between and among the Department of Defense, other Federal agencies, State and local agencies, and non-profit entities.

(g) REPORT.—

(1) REPORT REQUIRED.—Not later than 270 days after the date on which funds are first obligated for the program, the Secretary of Defense shall submit to the congressional defense committees a report on the program.

(2) ELEMENTS.—The report shall include the following:

(A) A description of the program, including the areas in which the program is conducted, the procedures established under subsection (d) for operation of the program, and the assistance provided through the program for families of members of the Armed Forces.

(B) An assessment of the effectiveness of the program in providing assistance to families of members of the Armed Forces.

(C) An assessment of the advisability of extending the program or making it permanent.

(h) DURATION.—The authority to carry out the program shall expire at the end of the three-year period be-

ginning on the date on which funds are first obligated for the program.

SEC. 676. SPECIAL WORKING GROUP ON TRANSITION TO CIVILIAN EMPLOYMENT OF NATIONAL GUARD AND RESERVE MEMBERS RETURNING FROM DEPLOYMENT IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) WORKING GROUP REQUIRED.—The Secretary of Defense shall establish within the Department of Defense a working group to identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in making the transition to civilian employment on their return from such deployment.

(b) MEMBERS.—

(1) APPOINTMENT.—Subject to paragraph (2), the Secretary of Defense shall appoint the members of the working group. The Secretary of Defense shall attempt to achieve a balance of members on the working group from among employees of the following agencies:

(A) The Department of Defense.

(B) The Department of Veterans Affairs.

(C) The Department of Labor.

(2) CONCURRENCE.—The appointment of employees of the Department of Veterans Affairs and the Department of Labor under paragraph (1) shall be subject to the concurrence of the Secretary of Veterans Affairs and the Secretary of Labor, respectively.

(c) RESPONSIBILITIES.—The working group shall—

(1) identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in making the transition to civilian employment on their return from deployment, including the needs of—

(A) members who were self-employed before deployment and seek to return to such employment after deployment;

(B) members who were students before deployment and seek to return to school or commence employment after deployment;

(C) members who have experienced multiple recent deployments; and

(D) members who have been wounded or injured during deployment;

(2) identify and assess the extent to which such members receive promotions on their return from de-

ployment in Operation Iraqi Freedom or Operation Enduring Freedom or experience constructive termination by their employers as a result of such deployment; and

(3) develop recommendations on means of improving assistance to such members in meeting the needs identified in paragraph (1) on their return from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

(d) CONSULTATION.—In carrying out its responsibilities under subsection (c), the working group shall consult with the following:

(1) Employees of the Small Business Administration.

(2) Representatives of employers that employ, and associations of employers whose members employ, members of the National Guard and Reserve deployed in Operation Iraqi Freedom or Operation Enduring Freedom.

(3) Representatives of employee assistance organizations.

(4) Representatives of organizations that assist wounded or injured members of the National Guard and Reserves in finding or sustaining employment.

(5) Representatives of such other public or private organizations and entities as the working group considers appropriate.

(e) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the working group established under subsection (a) shall submit to the Secretary of Defense and Congress a report on its activities under subsection (c).

(2) ELEMENTS.—The report shall include the following:

(A) The results of the identifications and assessments required under subsection (c).

(B) The recommendations developed under subsection (c)(3), including recommendations on the following:

(i) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the employment and transition needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

(ii) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the needs of family members of such members.

(iii) The improvement of collaboration between the pubic and private sectors in order to ensure the successful transition of such members into civilian employment upon their return from such deployment.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make the report available to the public, including through the Internet website of the Department of Defense.

(f) TERMINATION.—The working group shall terminate on the date that is two years after the date of the enactment of this Act.

(g) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 677. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE ARMY EVACUATED FROM A COMBAT ZONE FOR INPATIENT CARE.

(a) AUDIT REQUIRED.—The Secretary of the Army shall conduct a complete audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006.

(b) REPORT ON RESULTS OF AUDIT.—

(1) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the audit conducted under subsection (a).

(2) IDENTIFICATION OF MEMBERS.—The report shall include a list of each member of the Army described in subsection (a) identified, in a manner that protects the privacy of the members, by—

(A) the date of the wound or injury that is the basis for the inclusion of the member on the list; and

(B) the grade of the member and unit designation as of that date.

1 (3) ADDITIONAL REPORT ELEMENTS.—For
2 each member included on the list prepared under
3 paragraph (2), the report shall include the following:
4 (A) A statement of any underpayment of
5 each of any pay, allowance, or other monetary
6 benefit to which the member was entitled dur-
7 ing the period beginning on the date on which
8 the wound or injury was incurred and ending
9 on April 30, 2006, including basic pay, haz-
10 ardous duty pay, imminent danger pay, basic
11 allowance for housing, basic allowance for sub-
12 sistence, any family separation allowance, any
13 tax exclusion for combat duty, and any other
14 pay, allowance, or monetary benefit to which
15 such member was entitled during such period.
16 (B) A statement of any disbursements
17 made to correct underpayments made to the
18 member, as identified under subparagraph (A).
19 (C) A statement of any debts to the United
20 States collected or pending collection from the
21 member.
22 (D) A statement of any reimbursements or
23 debt relief granted to the member for a debt
24 identified under subparagraph (C).

(E) If the members has applied to the United States for a relief of debt—

(i) a description of the nature of the debt for which relief was applied; and

(ii) a description of the disposition of the application, including—

(I) if relief was granted, the date of disbursement of relief; and

(II) if relief was denied, the reasons for the denial of relief.

(F) A report of any referral of the member to a collection or credit agency.

(4) FORM OF REPORT.—The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 678. REPORT ON ELIGIBILITY AND PROVISION OF ASSIGNMENT INCENTIVE PAY.

Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report—

(1) specifying the number of members of the Army National Guard and the Army Reserve adversely affected by the disparate treatment afforded to members who previously served under a call or order to active duty under section 12304 of title 10,

United States Code, in determining eligibility for assignment incentive pay; and

(2) containing proposed remedies or courses of action to correct this disparity, including allowing time served during a call or order to active duty under such section 12304 to count toward the time needed to qualify for assignment incentive pay.

SEC. 679. SENSE OF CONGRESS CALLING FOR PAYMENT TO WORLD WAR II VETERANS WHO SURVIVED BATAAN DEATH MARCH.

(a) CALL FOR APPROPRIATE COMPENSATION.—It is the sense of Congress that—

(1) there should be paid to each living Bataan Death March survivor an appropriate amount of compensation in recognition of their captivity during World War II; and

(2) in the case of a Bataan Death March survivor who is deceased, but who has an unremarried surviving spouse, such compensation should be paid to that surviving spouse.

(b) BATAAN DEATH MARCH SURVIVOR.—In this section, the term ''Bataan Death March survivor'' means an individual who as a member of the Armed Forces during World War II was captured on the peninsula of Bataan or island of Corregidor in the territory of the Philippines

1 by Japanese forces and participated in and survived the
2 Bataan Death March.

3 TITLE VII—HEALTH CARE
4 PROVISIONS

Subtitle A—TRICARE Program Improvements

Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
Sec. 703. Improvements to descriptions of cancer screening for women.
Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
Sec. 705. Demonstration project on coverage of selected over-the-counter drugs under the pharmacy benefits program.
Sec. 706. Expanded eligibility of Selected Reserve members under TRICARE program.
Sec. 707. Relationship between the TRICARE program and employer-sponsored group health care plans.
Sec. 708. Temporary prohibition on increase in copayments under retail pharmacy system of pharmacy benefits program.

Subtitle B—Studies and Reports

Sec. 711. Department of Defense task force on the future of military health care.
Sec. 712. Study relating to chiropractic health care services.
Sec. 713. Comptroller General audits of Department of Defense health care costs and cost-saving measures.
Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
Sec. 715. Study on allowing dependents of activated members of reserve components to retain civilian health care coverage.
Sec. 716. Study of health effects of exposure to depleted uranium.
Sec. 717. Report and plan on services to military dependent children with autism.
Sec. 718. Comptroller General study on Department of Defense pharmacy benefits program.
Sec. 719. Review of Department of Defense medical quality improvement program.
Sec. 720. Report on distribution of hemostatic agents for use in the field.
Sec. 721. Longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.

Subtitle C—Planning, Programming, and Management

Sec. 731. Standardization of claims processing under TRICARE program and Medicare program.
Sec. 732. Requirements for support of military treatment facilities by civilian contractors under TRICARE.

Sec. 733. Standards and tracking of access to health care services for wounded, injured, or ill servicemembers returning to the United States from a combat zone.
Sec. 734. Disease and chronic care management.
Sec. 735. Additional elements of assessment of Department of Defense task force on mental health relating to mental health of members who were deployed in Operation Iraqi Freedom and Operation Enduring Freedom.
Sec. 736. Additional authorized option periods for extension of current contracts under TRICARE.
Sec. 737. Military vaccination matters.
Sec. 738. Enhanced mental health screening and services for members of the Armed Forces.

Subtitle D—Other Matters

Sec. 741. Pilot projects on early diagnosis and treatment of post traumatic stress disorder and other mental health conditions.
Sec. 742. Requirement to certify and report on conversion of military medical and dental positions to civilian medical and dental positions.
Sec. 743. Three-year extension of joint incentives program on sharing of health care resources by the Department of Defense and Department of Veterans Affairs.
Sec. 744. Training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury.
Sec. 745. Recognition of Representative Lane Evans upon his retirement from the House of Representatives.

Subtitle A—TRICARE Program Improvements

SEC. 701. TRICARE COVERAGE FOR FORENSIC EXAMINATION FOLLOWING SEXUAL ASSAULT OR DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(17) Forensic examinations following a sexual assault or domestic violence may be provided.".

SEC. 702. AUTHORIZATION OF ANESTHESIA AND OTHER COSTS FOR DENTAL CARE FOR CHILDREN AND CERTAIN OTHER PATIENTS.

Paragraph (1) of section 1079(a) of title 10, United States Code, is amended to read as follows:

"(1) With respect to dental care—

"(A) except as provided in subparagraph (B), only that care required as a necessary adjunct to medical or surgical treatment may be provided; and

"(B) in connection with dental treatment for patients with developmental, mental, or physical disabilities or for pediatric patients age 5 or under, only institutional and anesthesia services may be provided.".

SEC. 703. IMPROVEMENTS TO DESCRIPTIONS OF CANCER SCREENING FOR WOMEN.

(a) TERMS RELATED TO PRIMARY AND PREVENTIVE HEALTH CARE SERVICES FOR WOMEN.—Section 1074d of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: "The services described in paragraphs (1) and (2) of subsection (b) shall be provided under such procedures and at such intervals as the Secretary of Defense shall prescribe."; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''Papanicolaou tests (pap smear)'' and inserting ''Cervical cancer screening''; and

(B) in paragraph (2), by striking ''Breast examinations and mammography'' and inserting ''Breast cancer screening''.

(b) TERMS RELATED TO CONTRACTS FOR MEDICAL CARE FOR SPOUSES AND CHILDREN.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of cervical cancer screenings and breast cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms'' and inserting ''cervical and breast cancer screenings''.

SEC. 704. PROHIBITION ON INCREASES IN CERTAIN HEALTH CARE COSTS FOR MEMBERS OF THE UNIFORMED SERVICES.

(a) PROHIBITION ON INCREASE IN CHARGES UNDER CONTRACTS FOR MEDICAL CARE.—Section 1097(e) of title 10, United States Code, is amended by adding at the end the following: ''A premium, deductible, copayment, or

other charge prescribed by the Secretary under this subsection may not be increased during the period beginning on April 1, 2006, and ending on September 30, 2007.''.

(b) PROHIBITION ON INCREASE IN CHARGES FOR INPATIENT CARE.—Section 1086(b)(3) of title 10, United States Code, is amended by inserting after ''charges for inpatient care'' the following: '', except that in no case may the charges for inpatient care for a patient exceed $535 per day during the period beginning on April 1, 2006, and ending on September 30, 2007.''.

(c) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR CERTAIN MEMBERS IN THE SELECTED RESERVE.—Section 1076d(d)(3) of title 10, United States Code, is amended by adding at the end the following: ''During the period beginning on April 1, 2006, and ending on September 30, 2007, the monthly amount of the premium may not be increased above the amount in effect for the month of March 2006.''.

(d) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR MEMBERS OF THE READY RESERVE.—Section 1076b(e)(3) of title 10, United States Code, is amended by adding at the end the following: ''During the period beginning on April 1, 2006, and ending on September 30, 2007, the monthly amount of a premium under paragraph (2) may not be increased

above the amount in effect for the first month health care is provided under this section as amended by Public Law 109–163.''.

SEC. 705. DEMONSTRATION PROJECT ON COVERAGE OF SELECTED OVER-THE-COUNTER DRUGS UNDER THE PHARMACY BENEFITS PROGRAM.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION.—The Secretary of Defense shall conduct a demonstration project under section 1092 of title 10, United States Code, to allow particular over-the-counter drugs to be included on the uniform formulary under section 1074g of such title.

(b) ELEMENTS OF DEMONSTRATION PROJECT.—

(1) INCLUSION OF CERTAIN OVER-THE-COUNTER DRUGS.—(A) As part of the demonstration project, the Secretary shall modify uniform formulary specifications under section 1074g(a) of such title to include an over-the-counter drug (referred to in this section as an ''OTC drug'') on the uniform formulary if the Pharmacy and Therapeutics Committee finds that the OTC drug is cost-effective and therapeutically equivalent to a prescription drug. If the Pharmacy and Therapeutics Committee makes such a finding, the OTC drug shall be considered to

be in the same therapeutic class of pharmaceutical agents as the prescription drug.

(B) An OTC drug shall be made available to a beneficiary through the demonstration project, but only if—

(i) the beneficiary has a prescription for a drug requiring a prescription; and

(ii) pursuant to subparagraph (A), the OTC drug—

(I) is on the uniform formulary; and

(II) has been determined to be therapeutically equivalent to the prescription drug.

(2) CONDUCT THROUGH MILITARY FACILITIES, RETAIL PHARMACIES, OR MAIL ORDER PROGRAM.—The Secretary shall conduct the demonstration project through at least two of the means described in subparagraph (E) of section 1074g(a)(2)(E) of such title through which OTC drugs are provided and may conduct the demonstration project throughout the entire pharmacy benefits program or at a limited number of sites. If the project is conducted at a limited number of sites, the number of sites shall be not less than five in each TRICARE region

for each of the two means described in such subparagraph.

(3) PERIOD OF DEMONSTRATION.—The Secretary shall provide for conducting the demonstration project for a period of time necessary to evaluate the feasibility and cost effectiveness of the demonstration. Such period shall be at least as long as the period covered by pharmacy contracts in existence on the date of the enactment of this Act (including any extensions of the contracts), or five years, whichever is shorter.

(4) IMPLEMENTATION DEADLINE.—Implementation of the demonstration project shall begin not later than May 1, 2007.

(c) EVALUATION OF DEMONSTRATION PROJECT.—The Secretary shall evaluate the demonstration project for the following:

(1) The costs and benefits of providing OTC drugs under the pharmacy benefits program in each of the means chosen by the Secretary to conduct the demonstration project.

(2) The clinical effectiveness of providing OTC drugs under the pharmacy benefits program.

(3) Customer satisfaction with the demonstration project.

(d) REPORT.—Not later than two years after implementation of the demonstration project begins, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the demonstration project. The report shall contain—

(1) the evaluation required by subsection (c);

(2) recommendations for improving the provision of OTC drugs under the pharmacy benefits program; and

(3) recommendations on whether permanent authority should be provided to cover OTC drugs under the pharmacy benefits program.

(e) CONTINUATION OF DEMONSTRATION PROJECT.—If the Secretary recommends in the report under subsection (d) that permanent authority should be provided, the Secretary may continue the demonstration project for up to one year after submitting the report.

(f) DEFINITIONS.—In this section:

(1) The term ''drug'' means a drug, including a biological product, within the meaning of section 1074g(f)(2) of title 10, United States Code.

(2) The term ''OTC drug'' has the meaning indicated for such term in subsection (b)(1)(A).

(3) The term ''over-the-counter drug'' means a drug that is not subject to section 503(b) of the Federal Food, Drug, and Cosmetic Act.

(4) The term ''prescription drug'' means a drug that is subject to section 503(b) of the Federal Food, Drug, and Cosmetic Act.

SEC. 706. EXPANDED ELIGIBILITY OF SELECTED RESERVE MEMBERS UNDER TRICARE PROGRAM.

(a) GENERAL ELIGIBILITY.—Subsection (a) of section 1076d of title 10, United States Code, is amended—

(1) by striking ''(a) ELIGIBILITY.—A member'' and inserting ''(a) ELIGIBILITY.—(1) Except as provided in paragraph (2), a member'';

(2) by striking ''after the member completes'' and all that follows through ''one or more whole years following such date''; and

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

''(2) Paragraph (1) does not apply to a member who is enrolled, or is eligible to enroll, in a health benefits plan under chapter 89 of title 5.''.

(b) CONDITION FOR TERMINATION OF ELIGIBILITY.—Subsection (b) of such section is amended—

(1) by striking ''(b) PERIOD OF COVERAGE.—(1) TRICARE Standard'' and all that follows

through "(4) Eligibility" and inserting "(b) TERMINATION OF ELIGIBILITY UPON TERMINATION OF SERVICE.—Eligibility"; and

(2) by striking paragraph (5).

(c) CONFORMING AMENDMENTS.—

(1) Such section is further amended—

(A) by striking subsection (e);

(B) by redesignating subsection (g) as subsection (e) and transferring such subsection within such section so as to appear following subsection (d); and

(C) by striking paragraph (3) of subsection (f).

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

"§ 1076d. TRICARE program: TRICARE standard coverage for members of the Selected Reserve".

(d) REPEAL OF OBSOLETE PROVISION.—Effective October 1, 2007, section 1076b of title 10, United States Code, is repealed.

(e) CLERICAL AMENDMENTS.—Effective October 1, 2007, the table of sections at the beginning of chapter 55 of title 10, United States Code, is amended—

(1) by striking the item relating to section 1076b; and

(2) by striking the item relating to section 1076d and inserting the following:

"1076d. TRICARE program: TRICARE Standard coverage for members of the Selected Reserve.".

(f) SAVINGS PROVISION.—Enrollments in TRICARE Standard that are in effect on the day before the date of the enactment of this Act under section 1076d of title 10, United States Code, as in effect on such day, shall be continued until terminated after such day under such section 1076d as amended by this section.

(g) EFFECTIVE DATE.—The Secretary of Defense shall ensure that health care under TRICARE Standard is provided under section 1076d of title 10, United States Code, as amended by this section, beginning not later than October 1, 2007.

SEC. 707. RELATIONSHIP BETWEEN THE TRICARE PROGRAM AND EMPLOYER-SPONSORED GROUP HEALTH CARE PLANS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097b the following new section:

"§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

"(a) PROHIBITION ON FINANCIAL INCENTIVES NOT TO ENROLL IN A GROUP HEALTH PLAN.—(1) Except as provided in this subsection, the provisions of section 1862(b)(3)(C) of the Social Security Act shall apply with respect to financial or other incentives for a TRICARE-eligible employee not to enroll (or to terminate enrollment) under a health plan which would (in the case of such enrollment) be a primary plan under sections 1079(j)(1) and 1086(g) of this title in the same manner as such section 1862(b)(3)(C) applies to financial or other incentives for an individual entitled to benefits under title XVIII of the Social Security Act not to enroll (or to terminate enrollment) under a group health plan or a large group health plan which would (in the case of enrollment) be a primary plan (as defined in section 1862(b)(2)(A) of such Act).

"(2)(A) The Secretary of Defense may by regulation adopt such additional exceptions to the prohibition referenced and applied under paragraph (1) as the Secretary deems appropriate and such paragraph (1) shall be implemented taking into account the adoption of such exceptions.

"(B) The Secretary of Defense and the Secretary of Health and Human Services are authorized to enter into agreements for carrying out this subsection. Any such

1 agreement shall provide that any expenses incurred by the
2 Secretary of Health and Human Services pertaining to
3 carrying out this subsection shall be reimbursed by the
4 Secretary of Defense.

5 ''(C) Authorities of the Inspector General of the De-
6 partment of Defense shall be available for oversight and
7 investigations of responsibilities of employers and other
8 entities under this subsection.

9 ''(D) Information obtained under section 1095(k) of
10 this title may be used in carrying out this subsection in
11 the same manner as information obtained under section
12 1862(b)(5) of the Social Security may be used in carrying
13 out section 1862(b) of such Act.

14 ''(E) Any amounts collected in carrying out para-
15 graph (1) shall be handled in accordance with section
16 1079a of this title.

17 ''(b) ELECTION OF TRICARE-ELIGIBLE EMPLOYEES
18 TO PARTICIPATE IN GROUP HEALTH PLAN.—A
19 TRICARE-eligible employee shall have the opportunity to
20 elect to participate in the group health plan offered by
21 the employer of the employee and receive primary coverage
22 for health care services under the plan in the same manner
23 and to the same extent as similarly situated employees of
24 such employer who are not TRICARE-eligible employees.

1 "(c) INAPPLICABILITY TO CERTAIN EMPLOYERS.—
2 The provisions of this section do not apply to any employer
3 who has fewer than 20 employees.

4 "(d) RETENTION OF ELIGIBILITY FOR COVERAGE
5 UNDER TRICARE.—Nothing in this section, including an
6 election made by a TRICARE-eligible employee under sub-
7 section (b), shall be construed to affect, modify, or termi-
8 nate the eligibility of a TRICARE-eligible employee or
9 spouse of such employee for health care or dental services
10 under this chapter in accordance with the other provisions
11 of this chapter.

12 "(e) OUTREACH.—The Secretary of Defense shall, in
13 coordination with the other administering Secretaries,
14 conduct outreach to inform covered beneficiaries who are
15 entitled to health care benefits under the TRICARE pro-
16 gram of the rights and responsibilities of such bene-
17 ficiaries and employers under this section.

18 "(f) DEFINITIONS.—In this section:

19 "(1) The term 'employer' includes a State or
20 unit of local government.

21 "(2) The term 'group health plan' means a
22 group health plan (as that term is defined in section
23 5000(b)(1) of the Internal Revenue Code of 1986
24 without regard to section 5000(d) of the Internal
25 Revenue Code of 1986).

"(3) The term 'TRICARE-eligible employee' means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

"(g) EFFECTIVE DATE.—This section shall take effect on January 1, 2008.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097b the following new item:

"1097c. TRICARE program: relationship with employer-sponsored group health plans.".

SEC. 708. TEMPORARY PROHIBITION ON INCREASE IN CO-PAYMENTS UNDER RETAIL PHARMACY SYSTEM OF PHARMACY BENEFITS PROGRAM.

(a) TEMPORARY PROHIBITION.—During the period beginning on October 1, 2006, and ending on September 30, 2007, the cost sharing requirements established under paragraph (6) of section 1074g of title 10, United States Code, for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) of such section may not exceed amounts as follows:

(1) In the case of generic agents, $3.

(2) In the case of formulary agents, $9.

(3) In the case of nonformulary agents, $22.

(b) TRANSFER OF FUNDS.—The Secretary of Defense shall transfer $186,000,000 from the unobligated balances of the National Defense Stockpile Transaction Fund to the Department of Defense Medicare-Eligible Retiree Health Care Fund.

Subtitle B—Studies and Reports

SEC. 711. DEPARTMENT OF DEFENSE TASK FORCE ON THE FUTURE OF MILITARY HEALTH CARE.

(a) REQUIREMENT TO ESTABLISH.—The Secretary of Defense shall establish within the Department of Defense a task force to examine matters relating to the future of military health care.

(b) COMPOSITION.—

(1) MEMBERS.—The task force shall consist of not more than 14 members appointed by the Secretary of Defense from among individuals described in paragraph (2) who have demonstrated expertise in the area of health care programs and costs.

(2) RANGE OF MEMBERS.—The individuals appointed to the task force shall include—

(A) at least one member of each of the Medical Departments of the Army, Navy, and Air Force;

(B) a number of persons from outside the Department of Defense equal to the total num-

1 ber of personnel from within the Department of
2 Defense (whether members of the Armed
3 Forces or civilian personnel) who are appointed
4 to the task force;
5 (C) persons who have experience in—
6 (i) health care actuarial forecasting;
7 (ii) health care program and budget
8 development;
9 (iii) health care information tech-
10 nology;
11 (iv) health care performance measure-
12 ment;
13 (v) health care quality improvement
14 including evidence-based medicine; and
15 (vi) women's health;
16 (D) the senior medical advisor to the
17 Chairman of the Joint Chiefs of Staff;
18 (E) the Director of Defense Procurement
19 and Acquisition Policy in the Office of the
20 Under Secretary of Defense for Acquisition,
21 Technology, and Logistics;
22 (F) at least one member from the Defense
23 Business Board;
24 (G) at least one representative from an or-
25 ganization that advocates on behalf of active

duty and retired members of the Armed Forces who has experience in health care; and

(H) at least one member from the Institute of Medicine.

(3) INDIVIDUALS APPOINTED OUTSIDE THE DEPARTMENT OF DEFENSE.—

(A) Individuals appointed to the task force from outside the Department of Defense may include officers or employees of other departments or agencies of the Federal Government, officers or employees of State and local governments, or individuals from the private sector.

(B) Individuals appointed to the task force from outside the Department of Defense shall include—

(i) an officer or employee of the Department of Veterans Affairs; and

(ii) an officer or employee of the Department of Health and Human Services.

(4) DEADLINE FOR APPOINTMENT.—All appointments of individuals to the task force shall be made not later than 90 days after the date of the enactment of this Act.

(5) CO-CHAIRS OF TASK FORCE.—There shall be two co-chairs of the task force. One of the co-

chairs shall be designated by the Secretary of Defense at the time of appointment from among the Department of Defense personnel appointed to the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by members so appointed.

(c) ASSESSMENT AND RECOMMENDATIONS ON THE FUTURE OF MILITARY HEALTH CARE.—

(1) IN GENERAL.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary a report containing an assessment of, and recommendations for, sustaining the military health care services being provided to members of the Armed Forces, retirees, and their families.

(2) UTILIZATION OF OTHER EFFORTS.—In preparing the report, the task force shall take into consideration the findings and recommendations included in the Healthcare for Military Retirees Task Group of the Defense Business Board, previous Government Accountability Office reports, studies and reviews by the Assistant Secretary of Defense for Health Affairs, and any other studies or research conducted by organizations regarding program and

organizational improvements to the military health care system.

(3) ELEMENTS.—The assessment and recommendations (including recommendations for legislative or administrative action) shall include measures to address the following:

(A) Wellness initiatives and disease management programs of the Department of Defense, including health risk tracking and the use of rewards for wellness.

(B) Education programs focused on prevention awareness and patient-initiated health care.

(C) The ability to account for the true and accurate cost of health care in the military health system.

(D) Alternative health care initiatives to manage patient behavior and costs, including options and costs and benefits of a universal enrollment system for all TRICARE users.

(E) The appropriate command and control structure within the Department of Defense and the Armed Forces to manage the military health system.

(F) The adequacy of the military health care procurement system, including methods to streamline existing procurement activities.

(G) The appropriate mix of military and civilian personnel to meet future readiness and high-quality health care service requirements.

(H) The beneficiary and Government cost sharing structure required to sustain military health benefits over the long term.

(I) Programs focused on managing the health care needs of Medicare-eligible military beneficiaries.

(J) Efficient and cost effective contracts for health care support and staffing services, including performance-based requirements for health care provider reimbursement.

(d) ADMINISTRATIVE MATTERS.—

(1) COMPENSATION.—Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be treated for purposes of section

3161 of title 5, United States Code, as having been appointed under subsection (b) of such section.

(2) OVERSIGHT.—The Under Secretary of Defense for Personnel and Readiness shall oversee the activities of the task force.

(3) ADMINISTRATIVE SUPPORT.—The Washington Headquarters Services of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the duties of the task force.

(4) ACCESS TO FACILITIES.—The Under Secretary of Defense for Personnel and Readiness shall, in coordination with the Secretaries of the military departments, ensure appropriate access by the task force to military installations and facilities for purposes of the discharge of the duties of the task force.

(e) REPORTS.—

(1) INTERIM REPORT.—Not later than May 31, 2007, the task force shall submit to the Secretary of Defense and the Committees on Armed Services of the Senate and the House of Representatives an interim report on the activities of the task force. At a minimum, the report shall include interim findings and recommendations regarding subsection

(c)(3)(H), particularly with regard to cost sharing under the pharmacy benefits program.

(2) FINAL REPORT.—(A) The task force shall submit to the Secretary of Defense a final report on its activities under this section. The report shall include—

(i) a description of the activities of the task force;

(ii) the assessment and recommendations required by subsection (c); and

(iii) such other matters relating to the activities of the task force that the task force considers appropriate.

(B) Not later than 90 days after receipt of the report under subparagraph (A), the Secretary shall transmit the report to the Committees on Armed Services of the Senate and the House of Representatives. The Secretary may include in the transmittal such comments on the report as the Secretary considers appropriate

(f) TERMINATION.—The task force shall terminate 90 days after the date on which the final report of the task force is transmitted to Congress under subsection (e)(2).

SEC. 712. STUDY RELATING TO CHIROPRACTIC HEALTH CARE SERVICES.

(a) STUDY REQUIRED.—

(1) GROUPS COVERED.—The Secretary of Defense shall conduct a study of providing chiropractic health care services and benefits to the following groups:

(A) All members of the uniformed services on active duty and entitled to care under section 1074(a) of title 10, United States Code.

(B) All members described in subparagraph (A) and their eligible dependents, and all members of the Selected Reserves and their eligible dependents.

(C) All members or former members of the uniformed services who are entitled to retired or retainer pay or equivalent pay and their eligible dependents.

(2) MATTERS EXAMINED.—

(A) For each group listed in subparagraphs (A), (B), and (C) of paragraph (1), the study shall examine the following with respect to chiropractic health care services and benefits:

(i) The cost of providing such services and benefits.

(ii) The feasibility of providing such services and benefits.

(iii) An assessment of the health care benefits of providing such services and benefits.

(iv) An estimate of the potential cost savings of providing such services and benefits in lieu of other medical services.

(v) The identification of existing and planned health care infrastructure, including personnel, equipment, and facilities, to accommodate the provision of chiropractic health care services.

(B) For the members of the group listed in subparagraph (A) of paragraph (1), the study shall also examine the effects of providing chiropractic health care services and benefits—

(i) on the readiness of such members; and

(ii) on the acceleration of the return to duty of such members following an identified injury or other malady that can be appropriately treated with chiropractic health care services.

(3) SPACE AVAILABLE COSTS.—The study shall also include a detailed analysis of the projected costs of providing chiropractic health care services on a space available basis in the military treatment facilities currently providing chiropractic care under section 702 of the Floyd D. Spence National Defense Authorization Act of Fiscal Year 2001 (as enacted by Public Law 106-398; 10 U.S.C. 1092 note).

(4) ELIGIBLE DEPENDENT DEFINED.—In this section, the term ''eligible dependent'' has the meaning given that term in section 1076a(k) of title 10, United States Code.

(b) REPORT REQUIRED.—Not later than March 31, 2008, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required under subsection (a) .

SEC. 713. COMPTROLLER GENERAL AUDITS OF DEPARTMENT OF DEFENSE HEALTH CARE COSTS AND COST-SAVING MEASURES.

(a) GENERAL AUDIT REQUIRED.—

(1) IN GENERAL.—The Comptroller General of the United States, in cooperation with the Director of the Congressional Budget Office, shall conduct an audit of the Department of Defense initiative to

1 manage future medical benefits available through
2 the Department known as ''Sustain the Benefit''.
3 (2) ELEMENTS.—The audit required by para-
4 graph (1) shall examine the following:
5 (A) The basis for the calculation by the
6 Department of Defense of the portion of the
7 costs of health care benefits provided by the
8 Department to beneficiaries that were paid by
9 such beneficiaries in each of 1995 and 2005, in-
10 cluding—
11 (i) a comparison of the cost to the De-
12 partment of providing such benefits in
13 each of 1995 and 2005;
14 (ii) the explanation for any increases
15 in the costs of the Department of pro-
16 viding such benefits between 1995 and
17 2005; and
18 (iii) a comparison of the amounts
19 paid, by category of beneficiaries, for
20 health care benefits in 1995 with the
21 amounts paid, by category of beneficiaries,
22 for such benefits in 2005.
23 (B) The calculations and assumptions uti-
24 lized by the Department in estimating the sav-
25 ings anticipated through the implementation of

1 proposed increases in cost-sharing for health
2 care benefits beginning in 2007.
3 (C) The average annual rate of increase,
4 based on inflation, of medical costs for the De-
5 partment under the Defense Health Program.
6 (D) The annual rate of growth in the cost
7 of the Defense Health Program that is attrib-
8 utable to inflation in the cost of medical serv-
9 ices over the last five years and how such rate
10 of growth compares with annual rates of in-
11 creases in health care premiums under the Fed-
12 eral Employee Health Benefit Program and
13 other health care programs as well as rates of
14 growth of other health care cost indices over
15 that time.
16 (E) The assumptions utilized by the De-
17 partment in estimating savings associated with
18 adjustments in copayments for pharmaceuticals.
19 (F) The costs of the administration of the
20 Defense Health Program and the TRICARE
21 program for all categories of beneficiaries.
22 (b) AUDIT OF TRICARE RESERVE SELECT PRO-
23 GRAM.—
24 (1) IN GENERAL.—In addition to the audit re-
25 quired by subsection (a), the Comptroller General

shall conduct an audit of the costs of the Department of Defense in implementing the TRICARE Reserve Select Program.

(2) ELEMENTS.—The audit required by paragraph (1) shall include an examination of the following:

(A) A comparison of the annual premium amounts established by the Department of Defense for the TRICARE Reserve Select Program with the actual costs of the Department in providing benefits under that program in fiscal years 2004 and 2005.

(B) The rate of inflation of health care costs of the Department during fiscal years 2004 and 2005, and a comparison of that rate of inflation with the annual increase in premiums under the TRICARE Reserve Select Program in January 2006.

(C) A comparison of the financial and health-care utilization assumptions utilized by the Department in establishing premiums under the TRICARE Reserve Select Program with actual experiences under that program in the first year of the implementation of that program.

(3) TRICARE RESERVE SELECT PROGRAM DEFINED.—In this section, the term ''TRICARE Reserve Select Program'' means the program carried out under section 1076d of title 10, United States Code.

(c) USE OF INDEPENDENT EXPERTS.—Notwithstanding any other provision of law, in conducting the audits required by this section, the Comptroller General may engage the services of appropriate independent experts, including actuaries.

(d) REPORT.—Not later than June 1, 2007, the Comptroller General shall submit to the congressional defense committees a report on the audits conducted under this section. The report shall include—

(1) the findings of the Comptroller General as a result of the audits; and

(2) such recommendations as the Comptroller General considers appropriate in light of such findings to ensure maximum efficiency in the administration of the health care benefits programs of the Department of Defense.

SEC. 714. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-up Agency (in this section referred to as the ''Agency'') of the Institute of Medicine of the National Academy of Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the

Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—The Secretary of Defense shall make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study, and shipment of data and specimens to the Medical Follow-up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that fiscal year. The Secretary of Defense is au-

thorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—The Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007 from amounts available from the Department of Defense for that fiscal year.

SEC. 715. STUDY ON ALLOWING DEPENDENTS OF ACTIVATED MEMBERS OF RESERVE COMPONENTS TO RETAIN CIVILIAN HEALTH CARE COVERAGE.

(a) STUDY REQUIREMENT.—The Secretary of Defense shall conduct a study on the feasibility of allowing family members of members of the reserve components of the Armed Forces who are called or ordered to active duty in support of a contingency operation to continue health care coverage under a civilian health care program and provide reimbursement for such health care.

(b) ELEMENTS.—The study required by subsection (a) shall include the following:

(1) An assessment of the number of military dependents with special health care needs (such as ongoing chemotherapy or physical therapy) who would benefit from continued coverage under the member's civilian health care plan instead of enrolling in the TRICARE program.

(2) An assessment of the feasibility of providing reimbursement to the member or the sponsor of the civilian health coverage.

(3) A recommendation on the appropriate rate of reimbursement for members or sponsors of civilian health coverage.

(4) The feasibility of including dependents who do not have access to health care providers that accept payment under the TRICARE program.

(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required under subsection (a).

SEC. 716. STUDY OF HEALTH EFFECTS OF EXPOSURE TO DEPLETED URANIUM.

(a) STUDY.—The Secretary of Defense, in consultation with the Secretary for Veterans Affairs and the Secretary of Health and Human Services, shall conduct a

comprehensive study of the health effects of exposure to depleted uranium munitions on uranium-exposed soldiers and on children of uranium-exposed soldiers who were born after the exposure of the uranium-exposed soldiers to depleted uranium.

(b) URANIUM-EXPOSED SOLDIERS.—In this section, the term ''uranium-exposed soldiers'' means a member or former member of the Armed Forces who handled, came in contact with, or had the likelihood of contact with depleted uranium munitions while on active duty, including members and former members who—

(1) were exposed to smoke from fires resulting from the burning of vehicles containing depleted uranium munitions or fires at depots at which depleted uranium munitions were stored;

(2) worked within environments containing depleted uranium dust or residues from depleted uranium munitions;

(3) were within a structure or vehicle while it was struck by a depleted uranium munition;

(4) climbed on or entered equipment or structures struck by a depleted uranium munition; or

(5) were medical personnel who provided initial treatment to members of the Armed Forces described in paragraph (1), (2), (3), or (4).

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the results of the study described in subsection (a).

SEC. 717. REPORT AND PLAN ON SERVICES TO MILITARY DEPENDENT CHILDREN WITH AUTISM.

(a) PLAN REQUIRED.—The Secretary of Defense shall, within 180 days after the date of the enactment of this Act, develop a plan to provide services to military dependent children with autism pursuant to the authority for an extended health care services program in subsections (d) and (e) of section 1079 of title 10, United States Code. Such plan shall include—

(1) requirements for the education, training, and supervision of individuals providing services for military dependent children with autism;

(2) standards for identifying and measuring the availability, distribution, and training of individuals of various levels of expertise to provide such services; and

(3) procedures to ensure that such services are in addition to other publicly provided services to such children.

(b) PARTICIPATION OF AFFECTED FAMILIES.—In developing the plan required under subsection (a), the Sec-

retary shall ensure the involvement and participation of affected military families or their representatives.

(c) REPORT REQUIRED.—Not later than 30 days after completion of the plan required under subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the plan. The report may include any additional information the Secretary considers relevant.

SEC. 718. COMPTROLLER GENERAL STUDY ON DEPARTMENT OF DEFENSE PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the Department of Defense pharmacy benefits program required by section 1074g of title 10, United States Code.

(b) ELEMENTS.—The study required by subsection (a) shall include an examination of the following:

(1) The cost of the Department of Defense pharmacy benefits program since the inception of the program.

(2) The relative costs of various options under the program.

(3) The copayment structure under the program.

(4) The effectiveness of the rebate system under the program as a way of passing on discounts received by the Federal Government in the purchase of pharmaceutical agents.

(5) The uniform formulary under the program, including the success of the formulary in achieving savings anticipated through use of the formulary.

(6) Various alternative means of purchasing pharmaceutical agents more efficiently for availability under the program.

(7) The composition and decision-making processes of the Pharmacy and Therapeutics Committee.

(8) The composition of the Beneficiary Advisory Panel and its history as an advisory panel under the program (including the frequency of the acceptance of its recommendations by the Secretary of Defense).

(9) Quality assurance mechanisms under the program.

(10) The role of the program in support of the disease and chronic care management programs of the Department of Defense.

(11) Mechanisms for customer service and customer feedback under the program.

(12) Beneficiary satisfaction with the program.

(c) REPORT.—Not later than nine months after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the study required by subsection (a). The report shall include such recommendations as the Comptroller General considers appropriate for legislative or administrative action to improve the Department of Defense pharmacy benefits program in light of the study.

SEC. 719. REVIEW OF DEPARTMENT OF DEFENSE MEDICAL QUALITY IMPROVEMENT PROGRAM.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on actions taken in response to the recommendations of the July 2001 report of the Department of Defense Healthcare Quality Initiatives Review Panel.

(2) MATTERS COVERED.—The report shall address the status of actions concerning each of the Panel's general and specific recommendations, including the amount of resources allocated by fiscal year to implement each recommendation. In any in-

1 stance in which no action has been taken, justifica-
2 tion for such inaction shall be provided in the report.
3 (b) REVIEW REQUIRED.—
4 (1) IN GENERAL.—The Secretary of Defense
5 shall enter into a contract with the Institute of Med-
6 icine of the National Academy of Sciences, or an-
7 other similarly qualified independent academic med-
8 ical organization, for the purpose of conducting an
9 independent review of the Department of Defense
10 medical quality improvement program.
11 (2) ELEMENTS.—The review required pursuant
12 to paragraph (1) shall include the following:
13 (A) An assessment of the methods used by
14 the Department of Defense to monitor medical
15 quality in services provided in military hospitals
16 and clinics and in services provided in civilian
17 hospitals and providers under the military
18 health care system.
19 (B) An assessment of the transparency
20 and public reporting mechanisms of the Depart-
21 ment on medical quality.
22 (C) An assessment of how the Department
23 incorporates medical quality into performance
24 measures for military and civilian health care

1 providers within the military health care sys-
2 tem.
3 (D) An assessment of the patient safety
4 programs of the Department.
5 (E) A description of the extent to which
6 the Department seeks to address particular
7 medical errors, and an assessment of the ade-
8 quacy of such efforts.
9 (F) An assessment of accountability within
10 the military health care system for preventable
11 negative outcomes involving negligence.
12 (G) An assessment of the performance of
13 the health care safety and quality measures of
14 the Department.
15 (H) An assessment of the collaboration of
16 the Department with national initiatives to de-
17 velop evidence-based quality measures and
18 intervention strategies, especially the initiatives
19 of the Agency for Health Care Research and
20 Quality within the Department of Health and
21 Human Services.
22 (I) A comparison of the methods, mecha-
23 nisms, and programs and activities referred to
24 in subparagraphs (A) through (G) with similar
25 methods, mechanisms, programs, and activities

used in other public and private health care systems and organizations.

(3) REPORT.—

(A) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the review required pursuant to paragraph (1).

(B) ELEMENTS.—The report required by subparagraph (A) shall include the following:

(i) The results of the review required pursuant to paragraph (1).

(ii) A discussion of recent highlights in the accomplishments of the Department of Defense medical quality assurance program.

(iii) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of the program.

SEC. 720. REPORT ON DISTRIBUTION OF HEMOSTATIC AGENTS FOR USE IN THE FIELD.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit

to the congressional defense committees a report on the distribution of hemostatic agents to members of the Armed Forces serving in Iraq and Afghanistan, including a description of any distribution problems and attempts to resolve such problems.

SEC. 721. LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a longitudinal study on the effects of traumatic brain injury incurred by members of the Armed Forces serving in Operation Iraqi Freedom or Operation Enduring Freedom on the members who incur such an injury and their families.

(b) DURATION.—The study required by subsection (a) shall be conducted for a period of 15 years.

(c) ELEMENTS.—The study required by subsection (a) shall specifically address the following:

(1) The long-term physical and mental health effects of traumatic brain injuries incurred by members of the Armed Forces during service in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) The health care, mental health care, and rehabilitation needs of such members for such injuries after the completion of inpatient treatment through the Department of Defense, the Department of Veterans Affairs, or both.

(3) The type and availability of long-term care rehabilitation programs and services within and outside the Department of Defense and the Department of Veterans Affairs for such members for such injuries, including community-based programs and services and in-home programs and services.

(4) The effect on family members of a member incurring such an injury.

(d) CONSULTATION.—The Secretary of Defense shall conduct the study required by subsection (a) and prepare the reports required by subsection (e) in consultation with the Secretary of Veterans Affairs.

(e) PERIODIC AND FINAL REPORTS.—After the third, seventh, eleventh, and fifteenth years of the study required by subsection (a), the Secretary of Defense shall submit to Congress a comprehensive report on the results of the study during the preceding years. Each report shall include the following:

(1) Current information on the cumulative outcomes of the study.

(2) Such recommendations as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate based on the outcomes of the study, including recommendations for legislative, programmatic, or administrative action to improve long-term care and rehabilitation programs and services for members of the Armed Forces with traumatic brain injuries.

Subtitle C—Planning, Programming, and Management

SEC. 731. STANDARDIZATION OF CLAIMS PROCESSING UNDER TRICARE PROGRAM AND MEDICARE PROGRAM.

(a) IN GENERAL.—Effective beginning with the next contract option period for managed care support contracts under the TRICARE program, the claims processing requirements under the TRICARE program on the matters described in subsection (b) shall be identical to the claims processing requirements under the Medicare program on such matters.

(b) COVERED MATTERS.—The matters described in this subsection are as follows:

(1) The utilization of single or multiple provider identification numbers for purposes of the payment

of health care claims by Department of Defense contractors.

(2) The documentation required to substantiate medical necessity for items and services that are covered under both the TRICARE program and the Medicare program.

(c) REPORT ON COLLECTION OF AMOUNTS OWED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a detailed description of the following:

(1) All TRICARE policies and directives concerning collection of amounts owed to the United States pursuant to section 1095 of title 10, United States Code, from third party payers, including—

(A) collection by military treatment facilities from third-party payers; and

(B) collection by contractors providing managed care support under the TRICARE program from other insurers in cases of private insurance liability for health care costs of a TRICARE beneficiary.

(2) An estimate of the outstanding amounts owed from third party payers in each of fiscal years 2002, 2003, and 2004.

(3) The amounts collected from third party payers in each of fiscal years 2002, 2003, and 2004.

(4) A plan of action to streamline the business practices that underlie the policies and directives described in paragraph (1).

(5) A plan of action to accelerate and increase the collections or recoupments of amounts owed from third party payers.

(d) ANNUAL REPORTS ON CLAIMS PROCESSING STANDARDIZATION.—

(1) IN GENERAL.—Not later than October 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each claims processing requirement listed in such report, a business case that justifies maintaining such requirement under the TRICARE program as a different claims processing requirement than that required under the Medicare program.

(e) DEFINITIONS.—In this section:

(1) The term ''Medicare program'' means the program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(2) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 732. REQUIREMENTS FOR SUPPORT OF MILITARY TREATMENT FACILITIES BY CIVILIAN CONTRACTORS UNDER TRICARE.

(a) ANNUAL INTEGRATED REGIONAL REQUIREMENTS ON SUPPORT.—The Regional Director of each region under the TRICARE program shall develop each year integrated, comprehensive requirements for the support of military treatment facilities in such region that is provided by contract civilian health care and administrative personnel under the TRICARE program.

(b) PURPOSES.—The purposes of the requirements established under subsection (a) shall be as follows:

(1) To ensure consistent standards of quality in the support of military treatment facilities by contract civilian health care personnel under the TRICARE program.

(2) To identify targeted, actionable opportunities throughout each region of the TRICARE program for the most efficient and cost effective deliv-

ery of health care and support of military treatment facilities.

(3) To ensure the most effective use of various available contracting methods in securing support of military treatment facilities by civilian health care personnel under the TRICARE program, including resource-sharing and clinical support agreements, direct contracting, and venture capital investments.

(c) FACILITATION AND ENHANCEMENT OF CONTRACTOR SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to facilitate and enhance the support of military treatment facilities under the TRICARE program in order to assure maximum quality and productivity.

(2) ACTIONS.—In taking actions under paragraph (1), the Secretary shall—

(A) require consistent standards of quality for contract civilian health care personnel providing support of military treatment facilities under the TRICARE program, including—

(i) consistent credentialing requirements among military treatment facilities;

(ii) consistent performance standards for private sector companies providing

1 health care staffing services to military
2 treatment facilities and clinics, including,
3 at a minimum, those standards established
4 for accreditation of health care staffing
5 firms by the Joint Commission on the Ac-
6 creditation of Health Care Organizations
7 Health Care Staffing Standards; and
8 (iii) additional standards covering—
9 (I) financial stability;
10 (II) medical management;
11 (III) continuity of operations;
12 (IV) training;
13 (V) employee retention;
14 (VI) access to contractor data;
15 and
16 (VII) fraud prevention;
17 (B) ensure the availability of adequate and
18 sustainable funding support for projects which
19 produce a return on investment to the military
20 treatment facilities;
21 (C) ensure that a portion of any return on
22 investment is returned to the military treatment
23 facility to which such savings are attributable;
24 (D) remove financial disincentives for mili-
25 tary treatment facilities and civilian contractors

to initiate and sustain agreements for the support of military treatment facilities by such contractors under the TRICARE program;

(E) provide for a consistent methodology across all regions of the TRICARE program for developing cost benefit analyses of agreements for the support of military treatment facilities by civilian contractors under the TRICARE program based on actual cost and utilization data within each region of the TRICARE program; and

(F) provide for a system for monitoring the performance of significant projects for support of military treatment facilities by a civilian contractor under the TRICARE program.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1, 2008, and each year thereafter, the Secretary, in coordination with the military departments, shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the support of military treatment facilities by civilian contractors under the TRICARE program during the preceding fiscal year.

1 (2) ELEMENTS.—Each report shall set forth,
2 for the fiscal year covered by such report, the fol-
3 lowing:
4 (A) The level of support of military health
5 treatment facilities that is provided by contract
6 civilian health care personnel under the
7 TRICARE program in each region of the
8 TRICARE program.
9 (B) An assessment of the compliance of
10 such support with regional requirements under
11 subsection (a).
12 (C) The number and type of agreements
13 for the support of military treatment facilities
14 by contract civilian health care personnel.
15 (D) The standards of quality in effect
16 under the requirements under subsection (a).
17 (E) The savings anticipated, and any sav-
18 ings achieved, as a result of the implementation
19 of the requirements under subsection (a).
20 (F) An assesment of the compliance of
21 contracts for health care staffing services for
22 Department of Defense facilities with the re-
23 quirements of subsection (c)(2)(A).
24 (e) EFFECTIVE DATE.—This section shall take effect
25 on October 1, 2006.

SEC. 733. STANDARDS AND TRACKING OF ACCESS TO HEALTH CARE SERVICES FOR WOUNDED, INJURED, OR ILL SERVICEMEMBERS RETURNING TO THE UNITED STATES FROM A COMBAT ZONE.

(a) REPORT ON UNIFORM STANDARDS FOR ACCESS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on uniform standards for the access of wounded, injured, or ill members of the Armed Forces to health care services in the United States following return from a combat zone.

(b) MATTERS COVERED.—The report required by subsection (a) shall describe in detail policies with respect to the following:

(1) The access of wounded, injured, or ill members of the Armed Forces to emergency care.

(2) The access of such members to surgical services.

(3) Waiting times for referrals and consultations of such members by medical personnel, dental personnel, mental health specialists, and rehabilitative service specialists, including personnel and specialists with expertise in prosthetics and in the treatment of head, vision, and spinal cord injuries.

(4) Waiting times of such members for acute care and for routine follow-up care.

(c) REFERRAL TO PROVIDERS OUTSIDE MILITARY HEALTH CARE SYSTEM.—The Secretary shall require that health care services and rehabilitation needs of members described in subsection (a) be met through whatever means or mechanisms possible, including through the referral of members described in that subsection to health care providers outside the military health care system.

(d) UNIFORM SYSTEM FOR TRACKING OF PERFORMANCE.—The Secretary shall establish a uniform system for tracking the performance of the military health care system in meeting the requirements for access of wounded, injured, or ill members of the Armed Forces to health care services described in subsection (a).

(e) REPORTS.—

(1) TRACKING SYSTEM.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the system established under subsection (d).

(2) ACCESS.—Not later than October 1, 2006, and each quarter thereafter during fiscal year 2007, the Secretary shall submit to such committees a re-

port on the performance of the health care system in meeting the access standards described in the report required by subsection (a).

SEC. 734. DISEASE AND CHRONIC CARE MANAGEMENT.

(a) PROGRAM DESIGN AND DEVELOPMENT REQUIRED.—Not later than October 1, 2007, the Secretary of Defense shall design and develop a fully integrated program on disease and chronic care management for the military health care system that provides, to the extent practicable, uniform policies and practices on disease management and chronic care management throughout that system, including both military hospitals and clinics and civilian healthcare providers within the TRICARE network.

(b) PURPOSES OF PROGRAM.—The purposes of the program required by subsection (a) are as follows:

(1) To facilitate the improvement of the health status of individuals under care in the military health care system.

(2) To ensure the availability of effective health care services in that system for individuals with diseases and other chronic conditions.

(3) To ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions.

1 (c) ELEMENTS OF PROGRAM DESIGN.—The program
2 design required by subsection (a) shall meet the following
3 requirements:
4 (1) Based on uniform policies prescribed by the
5 Secretary, the program shall, at a minimum, address
6 the following chronic diseases and conditions:
7 (A) Diabetes.
8 (B) Cancer.
9 (C) Heart disease.
10 (D) Asthma.
11 (E) Chronic obstructive pulmonary dis-
12 order.
13 (F) Depression and anxiety disorders.
14 (2) The program shall meet nationally recog-
15 nized accreditation standards for disease and chronic
16 care management.
17 (3) The program shall include specific outcome
18 measures and objectives on disease and chronic care
19 management.
20 (4) The program shall include strategies for
21 disease and chronic care management for all bene-
22 ficiaries, including beneficiaries eligible for benefits
23 under the Medicare program under title XVIII of
24 the Social Security Act (42 U.S.C. 1395 et seq.), for

whom the TRICARE program is not the primary payer for health care benefits.

(5) Activities under the program shall conform to applicable laws and regulations relating to the confidentiality of health care information.

(d) IMPLEMENTATION PLAN REQUIRED.—Not later than February 1, 2008, the Secretary of Defense, in coordination with the Secretaries of the military departments, shall develop an implementation plan for the disease and chronic care management program. In order to facilitate the carrying out of the program, the plan developed by the Secretary shall—

(1) require a comprehensive analysis of the disease and chronic care management opportunities within each region of the TRICARE program, including within military treatment facilities and through contractors under the TRICARE program;

(2) ensure continuous, adequate funding of disease and chronic care management activities throughout the military health care system in order to achieve maximum health outcomes and cost avoidance;

(3) eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors of

the Department of Defense in the disease and chronic care management activities of the Department;

(4) ensure that appropriate clinical and claims data, including pharmacy utilization data, is available for use in implementing the program;

(5) ensure outreach to eligible beneficiaries who, on the basis of their clinical conditions, are candidates for the program utilizing print and electronic media, telephone, and personal interaction; and

(6) provide a system for monitoring improvements in health status and clinical outcomes under the program and savings associated with the program.

(e) REPORT.—

(1) IN GENERAL.—Not later than March 1, 2008, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the design, development, and implementation of the program on disease and chronic care management required by this section.

(2) REPORT ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of the design and development of the program required by subsection (a).

(B) A description of the implementation plan required by subsection (d).

(C) A description and assessment of improvements in health status and clinical outcomes that are anticipated as a result of implementation of the program.

(D) A description of the savings and return on investment associated with the program.

(E) A description of an investment strategy to assure the sustainment of the disease and chronic care management programs of the Department of Defense.

SEC. 735. ADDITIONAL ELEMENTS OF ASSESSMENT OF DEPARTMENT OF DEFENSE TASK FORCE ON MENTAL HEALTH RELATING TO MENTAL HEALTH OF MEMBERS WHO WERE DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

Section 723(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.

3348) is amended by adding at the end the following new paragraph:

"(4) MENTAL HEALTH NEEDS OF MEMBERS WHO WERE DEPLOYED IN OIF OR OEF.—As part of the assessment required by paragraph (1) of the efficacy of mental health services provided to members of the Armed Forces by the Department of Defense, the task force shall consider the specific needs with respect to mental health of members who were deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment, including the following:

"(A) An identification of mental health conditions and disorders (including Post Traumatic Stress Disorder, suicide attempts, and suicide) occurring among members who have undergone multiple deployments in Operation Iraqi Freedom or Operation Enduring Freedom.

"(B) An evaluation of the availability to members of assessments under the Mental Health Self-Assessment Program of the Department of Defense to ensure the long-term availability of the diagnostic mechanisms of the as-

sessment to detect mental health conditions that may emerge in such members over time.

"(C) The availability of programs and services under the Mental Health Self-Assessment Program to address the mental health of dependent children of members who were deployed in Operation Iraqi Freedom or Operation Enduring Freedom.

"(D) Recommendations on mechanisms for improving the mental health services available to members who were deployed in Operation Iraqi Freedom or Operation Enduring Freedom, including members who have undergone multiple deployments.".

SEC. 736. ADDITIONAL AUTHORIZED OPTION PERIODS FOR EXTENSION OF CURRENT CONTRACTS UNDER TRICARE.

(a) ADDITIONAL NUMBER OF AUTHORIZED PERIODS.—

(1) IN GENERAL.—The Secretary of Defense, after consulting with the other administering Secretaries, may extend any contract for the delivery of health care entered into under section 1097 of title 10, United States Code, that is in force on the date of the enactment of this Act by one year, and upon

expiration of such extension by one additional year, if the Secretary determines that such extension—

(A) is in the best interests of the Department of Defense and covered beneficiaries;

(B) is cost effective; and

(C) will—

(i) facilitate the effective administration of the TRICARE program; or

(ii) ensure continuity in the delivery of health care under the TRICARE program.

(2) LIMITATION ON NUMBER OF EXTENSIONS.—The total number of one-year extensions of a contract that may be granted under paragraph (1) may not exceed two extensions.

(3) NOTICE AND WAIT.—The Secretary may not commence the exercise of the authority in paragraph (1) with respect to a contract covered by that paragraph until 30 days after the date on which the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report setting forth the following:

(A) The minimum level of performance, including beneficiary satisfaction and cost, by the incumbent contractor under the contract that

will be required by the Secretary in order to be eligible for an extension authorized by such paragraph.

(B) The justification for such extension based on each of the criteria in paragraph (1).

(C) The justification for such extension based on a cost-benefit analysis.

(4) DEFINITIONS.—In this subsection, the terms ''administering Secretaries'', ''covered beneficiary'', and ''TRICARE program'' have the meaning given such terms in section 1072 of title 10, United States Code.

(b) REPORT ON CONTRACTING MECHANISMS FOR HEALTH CARE SERVICE SUPPORT CONTRACTS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on contracting mechanisms under consideration for future contracts for health care service support under section 1097 of title 10, United States Code. The report shall include an assessment of the advantages and disadvantages for the Department of Defense (including the potential for stimulating competition and the effect on health care beneficiaries of the Department) of providing in such contracts for a single term of 5 years, with a single

optional period of extension of an additional 5 years if performance under such contract is rated as ''excellent''.

SEC. 737. MILITARY VACCINATION MATTERS.

(a) ADDITIONAL ELEMENT FOR COMPTROLLER GENERAL STUDY AND REPORT ON VACCINE HEALTHCARE CENTERS.—Section 736(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3356) is amended by adding at the end the following new paragraph:

''(10) The feasibility and advisability of transferring direct responsibility for the Centers from the Army Medical Command to the Under Secretary of Defense for Personnel and Readiness and the Deputy Assistant Secretary of Defense for Force Health Protection and Readiness.''.

(b) LIMITATION ON RESTRUCTURING OF VACCINE HEALTHCARE CENTERS.—The Secretary of Defense may not downsize or otherwise restructure the Vaccine Healthcare Centers of the Department of Defense during fiscal year 2007. The Secretary shall ensure that the Secretary of each military department shall, from amounts allocated during fiscal year 2007 from the Defense Health Program, fund and maintain the Vaccine Healthcare Center of the military department concerned.

SEC. 738. ENHANCED MENTAL HEALTH SCREENING AND SERVICES FOR MEMBERS OF THE ARMED FORCES.

(a) ADDITIONAL REQUIRED ELEMENTS FOR PREDEPLOYMENT AND POSTDEPLOYMENT MEDICAL EXAMINATIONS.—Subsection (b) of section 1074f of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''The system''; and

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

''(2) The predeployment and postdeployment medical examination of a member of the armed forces required under paragraph (1) shall include the following:

''(A) An assessment of the current treatment of the member and any use of psychotropic medications by the member for a mental health condition or disorder.

''(B) An assessment of traumatic brain injury.''.

(b) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—Such section is further amended by adding at the end the following:

''(e) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—The system described in subsection (a) shall include—

"(1) development of clinical practice guidelines to be utilized by healthcare providers in determining whether to refer a member of the armed forces for further evaluation relating to mental health (including traumatic brain injury);

"(2) mechanisms to ensure that healthcare providers are trained in the application of such clinical practice guidelines; and

"(3) mechanisms for oversight to ensure that healthcare providers apply such guidelines consistently.".

(c) MINIMUM MENTAL HEALTH STANDARDS FOR DEPLOYMENT.—Such section is further amended by adding at the end the following:

"(f) MINIMUM MENTAL HEALTH STANDARDS FOR DEPLOYMENT.—(1) The Secretary of Defense shall prescribe in regulations minimum standards for mental health for the eligibility of a member of the armed forces for deployment to a combat operation or contingency operation.

"(2) The standards required by paragraph (1) shall include the following:

"(A) A specification of the mental health conditions, treatment for such conditions, and receipt of psychotropic medications for such conditions that

preclude deployment of a member of the armed forces to a combat operation or contingency operation, or to a specified type of such operation.

''(B) Guidelines for the deployability and treatment of members of the armed forces diagnosed with a severe mental illness or post traumatic stress disorder.

''(3) The Secretary shall take appropriate actions to ensure the utilization of the standards prescribed under paragraph (1) in the making of determinations regarding the deployability of members of the armed forces to a combat operation or continency operation.''.

(d) QUALITY ASSURANCE.—Subsection (d) of such section is amended—

(1) by inserting ''(1)'' before ''The Secretary of Defense''; and

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

''(2) The quality assurance program established under paragraph (1) shall also include the following elements:

''(A) The types of healthcare providers conducting postdeployment health assessments.

''(B) The training received by such providers applicable to the conduct of such assessments, in-

cluding training on assessments and referrals relating to mental health.

"(C) The guidance available to such providers on how to apply the clinical practice guidelines developed under subsection (e)(1) in determining whether to make a referral for further evaluation of a member of the armed forces relating to mental health.

"(D) The effectiveness of the tracking mechanisms required under this section in ensuring that members who receive referrals for further evaluations relating to mental health receive such evaluations and obtain such care and services as are warranted.

"(E) Programs established for monitoring the mental health of each member who, after deployment to a combat operation or contingency operations, is known—

"(i) to have a mental health condition or disorder; or

"(ii) to be receiving treatment, including psychotropic medications, for a mental health condition or disorder.".

(e) COMPTROLLER GENERAL REPORTS ON IMPLEMENTATION OF REQUIREMENTS.—

(1) STUDY ON IMPLEMENTATION.—The Comptroller General of the United States shall carry out a study of the implementation of the requirements of the amendments made by this section.

(2) REPORTS.—Not later than March 1, 2008, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study carried out under paragraph (1).

(f) IMPLEMENTATION.—The Secretary of Defense shall implement the requirements of the amendments made by this section not later than six months after the date of the enactment of this Act.

(g) REPORT REQUIRED.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions taken to implement the requirements of the amendments made by this section not later than June 1, 2007.

Subtitle D—Other Matters

SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND TREATMENT OF POST TRAUMATIC STRESS DISORDER AND OTHER MENTAL HEALTH CONDITIONS.

(a) PILOT PROJECTS REQUIRED.—The Secretary of Defense shall carry out not less than three pilot projects to evaluate the efficacy of various approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of post traumatic stress disorder and other mental health conditions.

(b) DURATION.—Any pilot project carried out under this section shall begin not later than October 1, 2007, and cease on September 30, 2008.

(c) PILOT PROJECT REQUIREMENTS.—

(1) DIAGNOSTIC AND TREATMENT APPROACHES.—One of the pilot projects under this section shall be designed to evaluate effective diagnostic and treatment approaches for use by primary care providers in the military health care system in order to improve the capability of such providers to diagnose and treat post traumatic stress disorder.

(2) NATIONAL GUARD OR RESERVE MEMBERS.—

(A) One of the pilot projects under this section shall be focused on members of the National Guard or Reserves who are located more than 40 miles from a military medical facility and who are served primarily by civilian community health resources.

(B) The pilot project described in subparagraph (A) shall be designed to develop educational materials and other tools for use by members of the National Guard or Reserves who come into contact with other members of the National Guard or Reserves who may suffer from post traumatic stress disorder in order to encourage and facilitate early reporting and referral for treatment.

(3) OUTREACH.—One of the pilot projects under this section shall be designed to provide outreach to the family members of the members of the Armed Forces on post traumatic stress disorder and other mental health conditions.

(d) EVALUATION OF PILOT PROJECTS.—The Secretary shall evaluate each pilot project carried out under this section in order to assess the effectiveness of the approaches taken under such pilot project—

(1) to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of post traumatic stress disorder and other mental health conditions among members of the regular components of the Armed Forces, and among members of the National Guard and Reserves, who have returned from deployment; and

(2) to provide outreach to the family members of the members of the Armed Forces described in paragraph (1) on post traumatic stress disorder and other mental health conditions among such members of the Armed Forces.

(e) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—Not later than December 31, 2008, the Secretary shall submit to the congressional defense committees a report on the pilot projects carried out under this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of each pilot project carried out under this section.

(B) An assessment of the effectiveness of the approaches taken under each pilot project to improve the capability of the military and ci-

1 vilian health care systems to provide early diag-
2 nosis and treatment of post traumatic stress
3 disorder and other mental health conditions
4 among members of the Armed Forces.
5 (C) Any recommendations for legislative or
6 administrative action that the Secretary con-
7 siders appropriate in light of the pilot projects,
8 including recommendations on—
9 (i) the training of health care pro-
10 viders in the military and civilian health
11 care systems on early diagnosis and treat-
12 ment of post traumatic stress disorder and
13 other mental health conditions; and
14 (ii) the provision of outreach on post
15 traumatic stress disorder and other mental
16 health conditions to members of the Na-
17 tional Guard and Reserves who have re-
18 turned from deployment.
19 (D) A plan, in light of the pilot projects,
20 for the improvement of the health care services
21 provided to members of the Armed Forces in
22 order to better assure the early diagnosis and
23 treatment of post traumatic stress disorder and
24 other mental health conditions among members
25 of the Armed Forces, including a specific plan

for outreach on post traumatic stress disorder and other mental health conditions to members of the National Guard and Reserves who have returned from deployment in order to facilitate and enhance the early diagnosis and treatment of post traumatic stress disorder and other mental health conditions among such members of the National Guard and Reserves.

SEC. 742. REQUIREMENT TO CERTIFY AND REPORT ON CONVERSION OF MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

(a) PROHIBITION ON CONVERSIONS.—

(1) SUBMISSION OF CERTIFICATION.—The Secretary of a military department may not convert any military medical or dental position to a civilian medical or dental position in a fiscal year until the Secretary submits to the congressional defense committees with respect to that fiscal year a certification that the conversions within that department will not increase cost or decrease quality of care or access to care.

(2) REPORT ON CERTIFICATION.—Each certification under paragraph (1) shall include a written report setting forth the following:

(A) The methodology used by the Secretary in making the determinations necessary for the certification.

(B) The number of military medical or dental positions, by grade or band and specialty, planned for conversion to civilian medical or dental positions.

(C) The results of a market survey in each affected area of the availability of civilian medical and dental care providers in such area in order to determine whether the civilian medical and dental care providers available in such area are adequate to fill the civilian positions created by the conversion of military medical and dental positions to civilian positions in such area.

(D) An analysis, by affected area, showing the extent to which access to health care and cost of health care will be affected in both the direct care and purchased care systems, including an assessment of the effect of any increased shifts in patient load from the direct care to the purchased care system, or any delays in receipt of care in either the direct or purchased care system because of the planned conversions.

(E) The extent to which military medical and dental positions planned for conversion to civilian medical or dental positions will affect recruiting and retention of uniformed medical and dental personnel.

(F) A comparison of the full costs for the military medical and dental positions planned for conversion with the estimated full costs for civilian medical and dental positions, including expenses such as recruiting, salary, benefits, training, and any other costs the Department identifies.

(G) An assessment showing that the military medical or dental positions planned for conversion are in excess of the military medical and dental positions needed to meet medical and dental readiness requirements of the uniformed services, as determined jointly by all the uniformed services.

(H) An identification of each medical and dental position scheduled to be converted to a civilian position in the subsequent fiscal year, including the location of each position scheduled for conversion, the estimated cost of such conversion, and whether or not civilian personnel

are available in the location for filling a converted military medical or dental position.

(3) SUBMISSION DEADLINE.—A certification and report with respect to any fiscal year after fiscal year 2007 shall be submitted at the same time the budget of the President for such fiscal year is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.

(b) REQUIREMENT FOR COMPTROLLER GENERAL REVIEW.—Not later than 120 days after the submission of the budget of the President for a fiscal year, the Comptroller General shall submit to the congressional defense committees a report on any certifications and reports submitted with respect to that fiscal year under subsection (a).

(c) REQUIREMENT TO RESUBMIT CERTIFICATION AND REPORT REQUIRED BY PUBLIC LAW 109–163.—The Secretary of each military department shall resubmit the certification and report required by section 744(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3360; 10 U.S.C. 129c note). Such resubmissions shall address in their entirety the elements required by section 744(a)(2) of such Act.

(d) SPECIAL REQUIREMENTS FOR FISCAL YEAR 2007 CERTIFICATION.—

(1) LIST OF 2007 PLANNED CONVERSIONS.—The report required by paragraph (2) of subsection (a) with respect to fiscal year 2007 shall contain, in addition to the elements required by that paragraph, a list of each military medical or dental position scheduled to be converted to a civilian medical or dental position in fiscal year 2007.

(2) RESUBMISSION REQUIRED FIRST.—The certification and report required by subsection (a) with respect to fiscal year 2007 may not be submitted prior to the resubmission required by subsection (c).

(3) PROHIBITION ON CONVERSIONS DURING FISCAL YEAR 2007.—No conversions of a military medical or dental position may occur during fiscal year 2007 prior to both the resubmission required by subsection (c) and the submission of the certification and report required by subsection (a).

(e) REPORT ON FISCAL YEAR 2008 CONVERSION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report that identifies the military medical or dental positions scheduled to be converted to civilian medical or dental positions in fiscal year 2008. Such report shall include the location of the positions

1 scheduled for conversion, the estimated cost of such con-
2 version, and whether or not civilian personnel are available
3 in the location for filling the proposed converted military
4 medical or dental position.

5 (f) DEFINITIONS.—In this section:

6 (1) The term ''military medical or dental posi-
7 tion'' means a position for the performance of health
8 care functions within the Armed Forces held by a
9 member of the Armed Forces.

10 (2) The term ''civilian medical or dental posi-
11 tion'' means a position for the performance of health
12 care functions within the Department of Defense
13 held by an employee of the Department or of a con-
14 tractor of the Department.

15 (3) The term ''affected area'' means an area in
16 which military medical or dental positions were con-
17 verted to civilian medical or dental positions before
18 October 1, 2004, or in which such conversions are
19 scheduled to occur in the future.

20 (4) The term ''uniformed services'' has the
21 meaning given that term in section 1072(1) of title
22 10, United States Code.

23 (5) The term ''conversion'', with respect to a
24 military medical or dental position, means a change,
25 effective as of the date of the documentation by the

Department of Defense making the change, of the position to a civilian medical or dental position.

SEC. 743. THREE-YEAR EXTENSION OF JOINT INCENTIVES PROGRAM ON SHARING OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

Section 8111(d)(3) of title 38, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

SEC. 744. TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY.

(a) TRAUMATIC BRAIN INJURY FAMILY CAREGIVER PANEL.—

(1) ESTABLISHMENT.—The Secretary of Defense shall establish a panel within the Department of Defense, to be known as the ''Traumatic Brain Injury Family Caregiver Panel'', to develop coordinated, uniform, and consistent training curricula to be used in training family members in the provision of care and assistance to members and former members of the Armed Forces with traumatic brain injuries.

(2) MEMBERS.—The Traumatic Brain Injury Family Caregiver Panel shall consist of 15 members appointed by the Secretary of Defense from among the following:

(A) Physicians, nurses, rehabilitation therapists, and other individuals with an expertise in caring for and assisting individuals with traumatic brain injury, including persons who specialize in caring for and assisting individuals with traumatic brain injury incurred in combat.

(B) Representatives of family caregivers or family caregiver associations.

(C) Health and medical personnel of the Department of Defense and the Department of Veterans Affairs with expertise in traumatic brain injury and personnel and readiness representatives of the Department of Defense with expertise in traumatic brain injury.

(D) Psychologists or other individuals with expertise in the mental health treatment and care of individuals with traumatic brain injury.

(E) Experts in the development of training curricula.

(F) Family members of members of the Armed Forces with traumatic brain injury.

1 (G) Such other individuals the Secretary
2 considers appropriate.
3 (3) CONSULTATION.—In establishing the Trau-
4 matic Brain Injury Family Caregiver Panel and ap-
5 pointing the members of the Panel, the Secretary of
6 Defense shall consult with the Secretary of Veterans
7 Affairs.
8 (b) DEVELOPMENT OF CURRICULA.—
9 (1) DEVELOPMENT.—The Traumatic Brain In-
10 jury Family Caregiver Panel shall develop training
11 curricula to be used by family members of members
12 and former members of the Armed Forces on tech-
13 niques, strategies, and skills for care and assistance
14 for such members and former members with trau-
15 matic brain injury.
16 (2) SCOPE OF CURRICULA.—The curricula
17 shall—
18 (A) be based on empirical research and
19 validated techniques; and
20 (B) shall provide for training that permits
21 recipients to tailor caregiving to the unique cir-
22 cumstances of the member or former member of
23 the Armed Forces receiving care.

(3) PARTICULAR REQUIREMENTS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall—

(A) specify appropriate training commensurate with the severity of traumatic brain injury; and

(B) identify appropriate care and assistance to be provided for the degree of severity of traumatic brain injury for caregivers of various levels of skill and capability.

(4) USE OF EXISTING MATERIALS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall use and enhance any existing training curricula, materials, and resources applicable to such curricula as the Panel considers appropriate.

(5) DEADLINE FOR DEVELOPMENT.—The Traumatic Brain Injury Family Caregiver Panel shall develop the curricula not later than one year after the date of the enactment of this Act.

(c) DISSEMINATION OF CURRICULA.—

(1) DISSEMINATION MECHANISMS.—The Secretary of Defense shall develop mechanisms for the dissemination of the curricula developed under subsection (b)—

(A) to health care professionals who treat or otherwise work with members and former members of the Armed Forces with traumatic brain injury;

(B) to family members affected by the traumatic brain injury of such members and former members; and

(C) to other care or support personnel who may provide service to members or former members affected by traumatic brain injury.

(2) USE OF EXISTING MECHANISMS.—In developing such mechanisms, the Secretary may use and enhance existing mechanisms, including the Military Severely Injured Center (authorized under section 564 of this Act) and the programs for service to severely injured members established by the military departments.

(d) REPORT.—Not later than one year after the development of the curricula required by subsection (b), the Secretary of Defense and the Secretary of Veterans Affairs shall submit to the Committees on Armed Services and Veterans Affairs of the Senate and the House of Representatives a report on the following:

(1) The actions undertaken under this section.

(2) Recommendations for the improvement or updating of training curriculum developed and provided under this section.

SEC. 745. RECOGNITION OF REPRESENTATIVE LANE EVANS UPON HIS RETIREMENT FROM THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Lane Evans was elected to the House of Representatives in 1982 and is completing his 12th term representing the people of Illinois' 17th Congressional district.

(2) As a member of the Committee on Armed Services of the House of Representatives since 1988, Representative Evans has worked to bring common sense priorities to defense spending and strengthen the military's conventional readiness.

(3) Representative Evans has served as the ranking member of the Committee on Veterans' Affairs of the House of Representatives since 1997 and has been a tireless advocate for military veterans, ensuring that veterans receive the medical care they need and advocating for individuals suffering from post-traumatic stress disorder and Gulf War Syndrome.

(5) Drawing on his own experience as a member of the Marine Corps, Representative Evans has tirelessly fought for both current members of the Armed Forces and veterans and has been a leader in legislative efforts to assist members exposed to Agent Orange.

(4) Representative Evans' efforts to improve the transition of individuals from military service to the care of the Department of Veterans Affairs will continue to benefit generations of veterans long into the future.

(6) Representative Evans is credited with bringing new services to veterans living in his Congressional district, including outpatient clinics in the Quad Cities and Quincy and the Quad-Cities Vet Center.

(7) Representative Evans has worked with local leaders to promote the Rock Island Arsenal and has seen it win new jobs and missions through his support.

(b) RECOGNITION.—Congress recognizes and commends Representative Lane Evans for his 24 years of service to benefit the people of Illinois, members of the Armed Forces and their families, veterans, and the United States.

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

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

Sec. 801. Requirements management certification training program.
Sec. 802. Additional requirements relating to technical data rights.
Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.
Sec. 804. Biannual updates on implementation of acquisition reform in the Department of Defense.
Sec. 805. Additional certification requirements for major defense acquisition programs before proceeding to Milestone B.
Sec. 806. Original baseline estimate for major defense acquisition programs.
Sec. 807. Lead system integrators.

Subtitle B—Acquisition Policy and Management

Sec. 811. Time-certain development for Department of Defense information technology business systems.
Sec. 812. Pilot program on time-certain development in acquisition of major weapon systems.
Sec. 813. Establishment of Panel on Contracting Integrity.
Sec. 814. Linking of award and incentive fees to acquisition outcomes.
Sec. 815. Report on defense instruction relating to contractor personnel authorized to accompany Armed Forces.
Sec. 816. Major automated information system programs.
Sec. 817. Internal controls for procurements on behalf of the Department of Defense by certain non-defense agencies.
Sec. 818. Determination of contract type for development programs.
Sec. 819. Three-year extension of requirement for reports on commercial price trend analyses of the Department of Defense.
Sec. 820. Government performance of critical acquisition functions.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 831. One-year extension of special temporary contract closeout authority.
Sec. 832. Limitation on contracts for the acquisition of certain services.
Sec. 833. Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack.
Sec. 834. Waivers to extend task order contracts for advisory and assistance services.

Subtitle D—United States Defense Industrial Base Provisions

Sec. 841. Assessment and annual report of United States defense industrial base capabilities and acquisitions of articles, materials, and supplies manufactured outside the United States.

Sec. 842. Protection of strategic materials critical to national security.
Sec. 843. Strategic Materials Protection Board.

Subtitle E—Other Matters

Sec. 851. Report on former Department of Defense officials employed by contractors of the Department of Defense.
Sec. 852. Report and regulations on excessive pass-through charges.
Sec. 853. Program manager empowerment and accountability.
Sec. 854. Joint policies on requirements definition, contingency program management, and contingency contracting.
Sec. 855. Clarification of authority to carry out certain prototype projects.
Sec. 856. Contracting with employers of persons with disabilities.
Sec. 857. Enhanced access for small business.
Sec. 858. Procurement goal for Hispanic-serving institutions.

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

SEC. 801. REQUIREMENTS MANAGEMENT CERTIFICATION TRAINING PROGRAM.

(a) TRAINING PROGRAM.—

(1) REQUIREMENT.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Defense Acquisition University, shall develop a training program to certify military and civilian personnel of the Department of Defense with responsibility for generating requirements for major defense acquisition programs (as defined in section 2430(a) of title 10, United States Code).

(2) COMPETENCY AND OTHER REQUIREMENTS.—The Under Secretary shall establish competency requirements for the personnel undergoing the training program. The Under Secretary shall de-

fine the target population for such training program by identifying which military and civilian personnel should have responsibility for generating requirements. The Under Secretary also may establish other training programs for personnel not subject to chapter 87 of title 10, United States Code, who contribute significantly to other types of acquisitions by the Department of Defense.

(b) APPLICABILITY.—Effective on and after September 30, 2008, a member of the Armed Forces or an employee of the Department of Defense with authority to generate requirements for a major defense acquisition program may not continue to participate in the requirements generation process unless the member or employee successfully completes the certification training program developed under this section.

(c) REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives an interim report, not later than March 1, 2007, and a final report, not later than March 1, 2008, on the implementation of the training program required under this section.

SEC. 802. ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS.

(a) ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS.—Section 2320 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) The Secretary of Defense shall require program managers for major weapon systems and subsystems of major weapon systems to assess the long-term technical data needs of such systems and subsystems and establish corresponding acquisition strategies that provide for technical data rights needed to sustain such systems and subsystems over their life cycle. Such strategies may include the development of maintenance capabilities within the Department of Defense or competition for contracts for sustainment of such systems or subsystems. Assessments and corresponding acquisition strategies developed under this section with respect to a weapon system or subsystem shall—

''(1) be developed before issuance of a contract solicitation for the weapon system or subsystem;

''(2) address the merits of including a priced contract option for the future delivery of technical data that were not acquired upon initial contract award;

"(3) address the potential for changes in the sustainment plan over the life cycle of the weapon system or subsystem; and

"(4) apply to weapon systems and subsystems that are to be supported by performance-based logistics arrangements as well as to weapons systems and subsystems that are to be supported by other sustainment approaches.".

(b) MODIFICATION OF PRESUMPTION OF DEVELOPMENT EXCLUSIVELY AT PRIVATE EXPENSE.—Section 2321(f) of title 10, United States Code, is amended—

(1) by striking "EXPENSE FOR COMMERCIAL ITEMS CONTRACTS.—In" and inserting "EXPENSE.—(1) Except as provided in paragraph (2), in"; and

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

"(2) In the case of a challenge to a use or release restriction that is asserted with respect to technical data of a contractor or subcontractor (whether or not under a contract for commercial items) for a major system or a subsystem or component thereof on the basis that the major system, subsystem or component was developed exclusively at private expense, the challenge to the use or release restriction shall be sustained unless information

provided by the contractor or subcontractor demonstrates that the item was developed exclusively at private expense.''.

(c) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise regulations under section 2320 of title 10, United States Code, to implement subsection (e) of such section (as added by this section), including incorporating policy changes developed under such subsection into Department of Defense Directive 5000.1 and Department of Defense Instruction 5000.2.

SEC. 803. STUDY AND REPORT ON REVISIONS TO SELECTED ACQUISITION REPORT REQUIREMENTS.

(a) STUDY REQUIREMENT.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics in coordination with the service acquisition executives of each military department, shall conduct a study on revisions to requirements relating to Selected Acquisition Reports, as set forth in section 2432 of title 10, United States Code.

(b) MATTERS COVERED.—The study required under subsection (a) shall—

(1) focus on incorporating into the Selected Acquisition Report those elements of program progress that the Department of Defense considers most rel-

evant to evaluating the performance and progress of major defense acquisition programs, with particular reference to the cost estimates and program schedule established when a major defense acquisition program receives Milestone B approval;

(2) address the need to ensure that data provided through the Selected Acquisition Report is consistent with data provided through internal Department of Defense reporting systems for management purposes; and

(3) include any recommendations to add to, modify, or delete elements of the Selected Acquisition Report, consistent with the findings of the study.

(c) REPORT.—Not later than March 1, 2007, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study, including such recommendations as the Secretary considers appropriate.

SEC. 804. BIANNUAL UPDATES ON IMPLEMENTATION OF ACQUISITION REFORM IN THE DEPARTMENT OF DEFENSE.

(a) BIANNUAL UPDATES REQUIREMENT.—Not later than January 1 and July 1 of each year, beginning with January 1, 2007, the Secretary of Defense shall provide

to the Committees on Armed Services of the Senate and the House of Representatives a report containing an update on the implementation of plans to reform the acquisition system in the Department of Defense.

(b) MATTERS COVERED.—Each report provided under subsection (a) shall cover the implementation of reforms of the processes for acquisition, including generation of requirements, award of contracts, and financial management. At a minimum, the reports shall take into account the recommendations made by the following:

(1) The Defense Acquisition Performance Assessment Panel.

(2) The Defense Science Board Summer Study on Transformation, issued in February 2006.

(3) The Beyond Goldwater-Nichols Study of the Center for Strategic and International Studies.

(4) The Quadrennial Defense Review, issued February 6, 2006.

(c) RECOMMENDATIONS.—Each report submitted under subsection (a) shall include such recommendations as the Secretary considers appropriate, and implementation plans for the recommendations.

(d) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit reports under subsection (a) shall terminate on December 31, 2008.

SEC. 805. ADDITIONAL CERTIFICATION REQUIREMENTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS BEFORE PROCEEDING TO MILESTONE B.

(a) ADDITIONAL CERTIFICATION REQUIREMENTS.—Subsection (a) of section 2366a of title 10, United States Code, is amended—

(1) by redesignating paragraph (7) as paragraph (10);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

''(1) appropriate market research has been conducted prior to technology development to reduce duplication of existing technology and products;'';

(4) in paragraph (7) (as so redesignated), by striking ''and'' at the end; and

(5) by inserting after such paragraph (7) the following new paragraphs:

''(8) reasonable cost and schedule estimates have been developed to execute the product development and production plan under the program;

''(9) funding is available to execute the product development and production plan under the program, through the period covered by the future-

years defense program submitted during the fiscal year in which the certification is made, consistent with the estimates described in paragraph (8) for the program; and''.

(b) WAIVER FOR NATIONAL SECURITY.—Subsection (c) of such section is amended by striking ''(5), or (6)'' and inserting ''(5), (6), (7), (8), or (9)''.

SEC. 806. ORIGINAL BASELINE ESTIMATE FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 2435(d)(1) of title 10, United States Code, is amended by inserting after ''with respect to the program under subsection (a)'' the following: ''prepared before the program enters system development and demonstration, or at program initiation, whichever occurs later''.

SEC. 807. LEAD SYSTEM INTEGRATORS.

(a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD SYSTEM INTEGRATORS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2410p. Contracts: limitations on lead system integrators

''(a) IN GENERAL.—Except as provided in subsection (b), no entity performing lead system integrator functions

in the acquisition of a major system by the Department of Defense may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

"(b) EXCEPTION.—An entity described in subsection (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if—

"(1) the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that—

"(A) the entity was selected by the Department of Defense as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

"(B) the Department took appropriate steps to prevent any organizational conflict of interest in the selection process; or

"(2) the entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

"(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or

more individual systems or elements of a system of systems with each other.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by adding at the end the following new item:

''2410p. Contracts: limitations on lead system integrators''.

(3) EFFECTIVE DATE.—Section 2410p of title 10, United States Code, as added by paragraph (1), shall apply with respect to contracts entered into after December 31, 2006.

(b) UPDATE OF REGULATIONS ON LEAD SYSTEM INTEGRATORS.—Not later than December 31, 2006, the Secretary of Defense shall update the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead system integrators set forth in section 805(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3372) and the amendments made by subsection (a).

(c) ADDITIONAL REPORT REQUIREMENTS.—The Secretary of Defense shall include in the report required by section 805 of such Act—

(1) a precise and comprehensive definition of the term ''lead system integrator'', as that term is used in such section; and

(2) a specification of various types of contracts and fee structures that are appropriate for use by lead system integrators in the production, fielding, and sustainment of complex systems.

Subtitle B—Acquisition Policy and Management

SEC. 811. TIME-CERTAIN DEVELOPMENT FOR DEPARTMENT OF DEFENSE INFORMATION TECHNOLOGY BUSINESS SYSTEMS.

(a) MILESTONE A LIMITATION.—The Department of Defense executive or entity that is the milestone decision authority for an information system described in subsection (c) may not provide Milestone A approval for the system unless, as part of the decision process for such approval, that authority determines that the system will achieve initial operational capability within a specified period of time not exceeding five years.

(b) INITIAL OPERATIONAL CAPABILITY LIMITATION.—If an information system described in subsection (c), having received Milestone A approval, has not achieved initial operational capability within five years after the date of such approval, the system shall be deemed to have undergone a critical change in program requiring the evaluation and report required by section

2445c(d) of title 10, United States Code (as added by section 816 of this Act).

(c) COVERED SYSTEMS.—An information system described in this subsection is any Department of Defense information technology business system that is not a national security system, as defined in 3542(b)(2) of title 44, United States Code.

(d) DEFINITIONS.—In this section:

(1) MILESTONE DECISION AUTHORITY.—The term ''milestone decision authority'' has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

(2) MILESTONE A.—The term ''Milestone A'' has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

SEC. 812. PILOT PROGRAM ON TIME-CERTAIN DEVELOPMENT IN ACQUISITION OF MAJOR WEAPON SYSTEMS.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

(b) PURPOSE OF PILOT PROGRAM.—The purpose of the pilot program authorized by subsection (a) is to assess the feasibility and advisability of utilizing time-certain de-

velopment in the acquisition of major weapon systems in order to deliver new capabilities to the warfighter more rapidly through—

(1) disciplined decision-making;

(2) emphasis on technological maturity; and

(3) appropriate trade-offs between—

(A) cost and system performance; and

(B) program schedule.

(c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Defense may include a major weapon system in the pilot program only if—

(A) the major weapon system meets the criteria under paragraph (2) in accordance with that paragraph; and

(B) the Milestone Decision Authority nominates such program to the Secretary of Defense for inclusion in the program.

(2) CRITERIA.—For purposes of paragraph (1) a major weapon system meets the criteria under this paragraph only if the Milestone Decision Authority determines, in consultation with the service acquisition executive for the military department carrying out the acquisition program for the system and one

or more combatant commanders responsible for fielding the system, that—

(A) the certification requirements of section 2366a of title 10, United States Code (as amended by section 805 of this Act), have been met, and no waivers have been granted from such requirements;

(B) a preliminary design has been reviewed using systems engineering, and the system, as so designed, will meet battlefield needs identified by the relevant combatant commanders after appropriate requirements analysis;

(C) a representative model or prototype of the system, or key subsystems, has been demonstrated in a relevant environment, such as a well-simulated operational environment;

(D) an independent cost estimate has been conducted and used as the basis for funding requirements for the acquisition program for the system;

(E) the budget of the military department responsible for carrying out the acquisition program for the system provides the funding necessary to execute the product development and

1 production plan consistent with the require-
2 ments identified pursuant to subparagraph (D);
3 (F) an appropriately qualified program
4 manager has entered into a performance agree-
5 ment with the Milestone Decision Authority
6 that establishes expected parameters for the
7 cost, schedule, and performance of the acquisi-
8 tion program for the system, consistent with a
9 business case for such acquisition program;
10 (G) the service acquisition executive and
11 the program manager have developed a strategy
12 to ensure stability in program management
13 until, at a minimum, the delivery of the initial
14 operational capability under the acquisition pro-
15 gram for the system has occurred;
16 (H) the service acquisition executive, the
17 relevant combatant commanders, and the pro-
18 gram manager have agreed that no additional
19 requirements that would be inconsistent with
20 the agreed-upon program schedule will be added
21 during the development phase of the acquisition
22 program for the system; and
23 (I) a planned initial operational capability
24 will be delivered to the relevant combatant com-
25 manders within a defined period of time as pre-

scribed in regulations by the Secretary of Defense.

(3) TIMING OF DECISION.—The decision whether to include a major weapon system in the pilot program shall be made at the time of milestone approval for the acquisition program for the system.

(d) LIMITATION ON NUMBER OF WEAPONS SYSTEMS IN PILOT PROGRAM.—The number of major weapon systems included in the pilot program at any time may not exceed six major weapon systems.

(e) LIMITATION ON COST OF WEAPONS SYSTEMS IN PILOT PROGRAM.—The Secretary of Defense may include a major weapon system in the pilot program only if, at the time a major weapon system is proposed for inclusion, the total cost for system design and development of the weapon system, as set forth in the cost estimate referred to in subsection (c)(2)(D), does not exceed $1,000,000,000 during the period covered by the current future-years defense program.

(f) SPECIAL FUNDING AUTHORITY.—

(1) AUTHORITY FOR RESERVE ACCOUNT.—Notwithstanding any other provision of law, the Secretary of Defense may establish a special reserve account utilizing funds made available for the major weapon systems included in the pilot program.

(2) ELEMENTS.—The special reserve account may include—

(A) funds made available for any major weapon system included in the pilot program to cover termination liability;

(B) funds made available for any major weapon system included in the pilot program for award fees that may be earned by contractors; and

(C) funds appropriated to the special reserve account.

(3) AVAILABILITY OF FUNDS.—Funds in the special reserve account may be used, in accordance with guidance issued by the Secretary for purposes of this section, for the following purposes:

(A) To cover termination liability for any major weapon system included in the pilot program.

(B) To pay award fees that are earned by any contractor for a major weapon system included in the pilot program.

(C) To address unforeseen contingencies that could prevent a major weapon system included in the pilot program from meeting critical schedule or performance requirements.

(4) REPORTS ON USE OF FUNDS.—Not later than 30 days after the use of funds in the special reserve account for the purpose specified in paragraph (3)(C), the Secretary shall submit to the congressional defense committees a report on the use of funds in the account for such purpose. The report shall set forth the purposes for which the funds were used and the reasons for the use of the funds for such purposes.

(5) RELATIONSHIP TO APPROPRIATIONS.—Nothing in this subsection may be construed as extending any period of time for which appropriated funds are made available.

(g) ADMINISTRATION OF PILOT PROGRAM.—The Secretary of Defense shall prescribe policies and procedures on the administration of the pilot program. Such policies and procedures shall—

(1) provide for the use of program status reports based on earned value data to track progress on a major weapon system under the pilot program against baseline estimates applicable to such system at each systems engineering technical review point; and

(2) grant authority, to the maximum extent practicable, to the program manager for the acquisi-

tion program for a major weapon system to make key program decisions and trade-offs, subject to management reviews only if cost or schedule deviations exceed the baselines for such acquisition program by 10 percent or more.

(h) REMOVAL OF WEAPONS SYSTEMS FROM PILOT PROGRAM.—The Secretary of Defense shall remove a major weapon system from the pilot program if—

(1) the weapon system receives Milestone C approval; or

(2) the Secretary determines that the weapon system is no longer in substantial compliance with the criteria in subsection (c)(2) or is otherwise no longer appropriate for inclusion in the pilot program.

(i) EXPIRATION OF AUTHORITY TO INCLUDE ADDITIONAL SYSTEMS IN PILOT PROGRAM.—

(1) EXPIRATION.—A major weapon system may not be included in the pilot program after September 30, 2012.

(2) RETENTION OF SYSTEMS.—A major weapon system included in the pilot program before the date specified in paragraph (1) in accordance with the requirements of this section may remain in the pilot program after that date.

(j) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than one year after including the first major weapon system in the pilot program, and annually thereafter, the Secretary shall submit to the congressional defense committees a report on the pilot program, and the major weapon systems included in the pilot program, during the one-year period ending on the date of such report.

(2) ELEMENTS.—Each report under this subsection shall include—

(A) a description of progress under the pilot program, and on each major weapon system included in the pilot program, during the period covered by such report;

(B) a description of the use of all funds in the special reserve account established under subsection (f); and

(C) such other matters as the Secretary considers appropriate.

(k) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term ''major weapon system'' means a weapon system that is treatable as a major system under section 2302(5) of title 10, United States Code.

SEC. 813. ESTABLISHMENT OF PANEL ON CONTRACTING INTEGRITY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Defense shall establish a panel to be known as the ''Panel on Contracting Integrity''.

(2) COMPOSITION.—The panel shall be composed of the following:

(A) A representative of the Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall be the chairman of the panel.

(B) A representative of the service acquisition executive of each military department.

(C) A representative of the Inspector General of the Department of Defense.

(D) A representative of the Inspector General of each military department.

(E) A representative of each Defense Agency involved with contracting, as determined appropriate by the Secretary of Defense.

(F) Such other representatives as may be determined appropriate by the Secretary of Defense.

(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the panel shall—

(1) conduct reviews of progress made by the Department of Defense to eliminate areas of vulnerability of the defense contracting system that allow fraud, waste, and abuse to occur;

(2) review the report by the Comptroller General required by section 841 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3389), relating to areas of vulnerability of Department of Defense contracts to fraud, waste, and abuse; and

(3) recommend changes in law, regulations, and policy that it determines necessary to eliminate such areas of vulnerability.

(c) MEETINGS.—The panel shall meet as determined necessary by the Secretary of Defense but not less often than once every six months.

(d) REPORT.—

(1) REQUIREMENT.—The panel shall prepare and submit to the Secretary of Defense and the congressional defense committees an annual report on its activities. The report shall be submitted not later then December 31 of each year and contain a summary of the panel's findings and recommendations for the year covered by the report.

(2) FIRST REPORT.—The first report under this subsection shall be submitted not later than December 31, 2007, and shall contain an examination of the current structure in the Department of Defense for contracting integrity and recommendations for any changes needed to the system of administrative safeguards and disciplinary actions to ensure accountability at the appropriate level for any violations of appropriate standards of behavior in contracting.

(3) INTERIM REPORTS.—The panel may submit such interim reports to the congressional defense committees as the Secretary of Defense considers appropriate.

(e) TERMINATION.—The panel shall terminate on December 31, 2009.

SEC. 814. LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.

(a) GUIDANCE ON LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance, with detailed implementation instructions (including definitions), for the Department of Defense on the appropriate use of

1 award and incentive fees in Department of Defense acqui-
2 sition programs.
3 (b) ELEMENTS.—The guidance under subsection (a)
4 shall—
5 (1) ensure that all new contracts using award
6 fees link such fees to acquisition outcomes (which
7 shall be defined in terms of program cost, schedule,
8 and performance);
9 (2) establish standards for identifying the ap-
10 propriate level of officials authorized to approve the
11 use of award and incentive fees in new contracts;
12 (3) provide guidance on the circumstances in
13 which contractor performance may be judged to be
14 ''excellent'' or ''superior'' and the percentage of the
15 available award fee which contractors should be paid
16 for such performance;
17 (4) establish standards for determining the per-
18 centage of the available award fee, if any, which con-
19 tractors should be paid for performance that is
20 judged to be ''acceptable'', ''average'', ''expected'',
21 ''good'', or ''satisfactory'';
22 (5) ensure that no award fee may be paid for
23 contractor performance that is judged to be below
24 satisfactory performance or performance that does
25 not meet the basic requirements of the contract;

(6) provide specific direction on the circumstances, if any, in which it may be appropriate to roll over award fees that are not earned in one award fee period to a subsequent award fee period or periods;

(7) ensure consistent use of guidelines and definitions relating to award and incentive fees across the military departments and Defense Agencies;

(8) ensure that the Department of Defense—

(A) collects relevant data on award and incentive fees paid to contractors; and

(B) has mechanisms in place to evaluate such data on a regular basis;

(9) include performance measures to evaluate the effectiveness of award and incentive fees as a tool for improving contractor performance and achieving desired program outcomes; and

(10) provide mechanisms for sharing proven incentive strategies for the acquisition of different types of products and services among contracting and program management officials.

(c) ASSESSMENT OF INDEPENDENT EVALUATION MECHANISMS.—

(1) IN GENERAL.—The Secretary of Defense shall select a federally funded research and develop-

ment center to assess various mechanisms that could be used to ensure an independent evaluation of contractor performance for the purpose of making determinations applicable to the judging and payment of award fees.

(2) CONSIDERATIONS.—The assessment conducted pursuant to paragraph (1) shall include consideration of the advantages and disadvantages of a system in which award fees are—

(A) held in a separate fund or funds of the Department of Defense; and

(B) allocated to a specific program only upon a determination by an independent board, charged with comparing contractor performance across programs, that such fees have been earned by the contractor for such program.

(3) REPORT.—The Secretary shall submit to the congressional defense committees a report on the assessment conducted pursuant to paragraph (1) not later than one year after the date of the enactment of this Act.

SEC. 815. REPORT ON DEFENSE INSTRUCTION RELATING TO CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY ARMED FORCES.

(a) REPORT ON IMPLEMENTATION OF INSTRUCTION.—The Secretary of Defense shall submit to Congress a report on the Department of Defense instruction described in subsection (c).

(b) MATTERS COVERED.—The report shall include the following:

(1) Information on the status of the implementation of the instruction.

(2) A discussion of how the instruction is being applied to—

(A) contracts in existence on the date the instruction was issued, including contracts with respect to which an option to extend is exercised after such date;

(B) task orders issued under such contracts after the date referred to in subparagraph (A); and

(C) contracts entered into after the date referred to in subparagraph (A).

(3) An analysis of the effectiveness of the instruction.

(4) A review of compliance with the instruction.

(c) INSTRUCTION DESCRIBED.—The instruction referred to in this section is Department of Defense Instruction Number 3020.14, titled ''Contractor Personnel Authorized to Accompany the United States Armed Forces''.

SEC. 816. MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.

(a) REPORTS AND INFORMATION ON PROGRAM COST AND PERFORMANCE.—

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144 the following new chapter:

''CHAPTER 144A—MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS

''Sec.
''2445a. Major automated information system program defined.
''2445b. Cost, schedule, and performance information.
''2445c. Reports: quarterly reports; reports on program changes.
''2445d. Construction with other reporting requirements.

''§ 2445a. Major automated information system program defined

''(a) IN GENERAL.—In this chapter, the term 'major automated information system program' means a Department of Defense program for the acquisition of an automated information system (either as a product or a service) if—

''(1) the program is designated by the Secretary of Defense, or a designee of the Secretary, as a major automated information system program; or

"(2) the dollar value of the program is estimated to exceed—

"(A) $32,000,000 in fiscal year 2000 constant dollars for all program costs in a single fiscal year;

"(B) $126,000,000 in fiscal year 2000 constant dollars for all program acquisition costs for the entire program; or

"(C) $378,000,000 in fiscal year 2000 constant dollars for the total life-cycle costs of the program (including operation and maintenance costs).

"(b) ADJUSTMENT.—The Secretary of Defense may adjust the amounts (and base fiscal year) set forth in subsection (a) on the basis of Department of Defense escalation rates. An adjustment under this subsection shall be effective after the Secretary transmits a written notification of the adjustment to the congressional defense committees.

"(c) INCREMENTS.—In the event any increment of a major automated information system program separately meets the requirements for treatment as a major automated information system program, the provisions of this chapter shall apply to such increment as well as to the

overall major automated information system program of which such increment is a part.

"§ 2445b. Cost, schedule, and performance information

"(a) SUBMITTAL OF COST, SCHEDULE, AND PERFORMANCE INFORMATION.—The Secretary of Defense shall submit to Congress each calendar year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, budget justification documents regarding cost, schedule, and performance for each major automated information system program for which funds are requested by the President in the budget.

"(b) ELEMENTS.—The documents submitted under subsection (a) with respect to a major automated information system program shall include detailed and summarized information with respect to the automated information system to be acquired under the program, and shall specifically include each of the following:

"(1) The development schedule, including major milestones.

"(2) The implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability.

"(3) Estimates of development costs and full life-cycle costs.

"(4) A summary of key performance parameters.

"(c) BASELINE.—(1) For purposes of this chapter, the initial submittal to Congress of the documents required by subsection (a) with respect to a major automated information system program shall constitute the original estimate or information originally submitted on such program for purposes of the reports and determinations on program changes in section 2445c of this title.

"(2) An adjustment or revision of the original estimate or information originally submitted on a program may be treated as the original estimate or information originally submitted on the program if the adjustment or revision is the result of a critical change in the program covered by section 2445c(d) of this title.

"(3) In the event of an adjustment or revision to the original estimate or information originally submitted on a program under paragraph (2), the Secretary of Defense shall include in the next budget justification documents submitted under subsection (a) after such adjustment or revision a notification to the congressional defense committees of such adjustment or revision, together with the reasons for such adjustment or revision.

"§ 2445c. Reports: quarterly reports; reports on program changes

''(a) QUARTERLY REPORTS BY PROGRAM MANAGERS.—The program manager of a major automated information system program shall, on a quarterly basis, submit to the senior Department of Defense official responsible for the program a written report identifying any variance in the projected development schedule, implementation schedule, life-cycle costs, or key performance parameters for the major automated information system to be acquired under the program from such information as originally submitted to Congress under section 2445b of this title.

''(b) SENIOR OFFICIALS RESPONSIBLE FOR PROGRAMS.—For purposes of this section, the senior Department of Defense official responsible for a major automated information system program is—

''(1) in the case of an automated information system to be acquired for a military department, the senior acquisition executive for the military department; or

''(2) in the case of any other automated information system to be acquired for the Department of Defense or any component of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(c) REPORT ON SIGNIFICANT CHANGES IN PROGRAM.—

"(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 45 days after receiving such report, notify the congressional defense committees in writing of such determination.

"(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

"(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

"(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than

25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

"(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

"(d) REPORT ON CRITICAL CHANGES IN PROGRAM.—

"(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

"(A) carry out an evaluation of the program under subsection (e); and

"(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

"(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

"(A) the system failed to achieve initial operational capability within five years of milestone A approval;

"(B) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

"(C) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

"(D) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally

1 submitted to Congress under section 2445b(b)
2 of this title.
3 "(e) PROGRAM EVALUATION.—The evaluation of a
4 major automated information system program conducted
5 under this subsection for purposes of subsection (d)(1)(A)
6 shall include an assessment of—
7 "(1) the projected cost and schedule for com-
8 pleting the program if current requirements are not
9 modified;
10 "(2) the projected cost and schedule for com-
11 pleting the program based on reasonable modifica-
12 tion of such requirements; and
13 "(3) the rough order of magnitude of the cost
14 and schedule for any reasonable alternative system
15 or capability.
16 "(f) REPORT ON CRITICAL PROGRAM CHANGES.—A
17 report on a major automated information system program
18 conducted under this subsection for purposes of subsection
19 (d)(1)(B) shall include a written certification (with sup-
20 porting explanation) stating that—
21 "(1) the automated information system to be
22 acquired under the program is essential to the na-
23 tional security or to the efficient management of the
24 Department of Defense;

"(2) there is no alternative to the system which will provide equal or greater capability at less cost;

"(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

"(4) the management structure for the program is adequate to manage and control program costs.

"(g) PROHIBITION ON OBLIGATION OF FUNDS.—(1) If the determination of a critical change to a program is made by the senior Department official responsible for the program under subsection (d)(2) and a report is not submitted to Congress within the 60-day period provided by subsection (d)(1), appropriated funds may not be obligated for any major contract under the program.

"(2) The prohibition on the obligation of funds for a program under paragraph (1) shall cease to apply on the date on which Congress has received a report in compliance with the requirements of subsection (d)(2).

"§ 2445d. Construction with other reporting requirements

"In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no reports on the program are required under such chapter if

the requirements of this chapter with respect to the program are met.''.

(2) CLERICAL AMENDMENTS.—The tables of chapters the beginning of subtitle A of such title, and of part IV of subtitle A of such title, are each amended by inserting after the item relating to chapter 144 the following new item:

''144A. Major Automated Information System Programs ..... 2445a''.

(b) REPORT ON REPORTING REQUIREMENTS APPLICABLE TO MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the reporting requirements applicable to major automated information system programs as of the date of the report, including a specification of such reporting requirements considered by the Secretary to be duplicative or redundant.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on January 1, 2008, and shall apply with respect to any major automated information system program for which amounts are requested in the budget of the President (as submitted to Congress under section 1105 of title 31, United States Code) for a fiscal year after fiscal

year 2008, regardless of whether the acquisition of the automated information system to be acquired under the program was initiated before, on, or after January 1, 2008.

(2) REPORT REQUIREMENT.—Subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 817. INTERNAL CONTROLS FOR PROCUREMENTS ON BEHALF OF THE DEPARTMENT OF DEFENSE BY CERTAIN NON-DEFENSE AGENCIES.

(a) INSPECTOR GENERAL REVIEWS AND DETERMINATIONS.—

(1) IN GENERAL.—For each covered non-defense agency, the Inspector General of the Department of Defense and the Inspector General of such non-defense agency shall, not later than March 15, 2007, jointly—

(A) review—

(i) the procurement policies, procedures, and internal controls of such non-defense agency that are applicable to the procurement of property and services on behalf of the Department by such non-defense agency; and

(ii) the administration of those policies, procedures, and internal controls; and

(B) determine in writing whether—

(i) such non-defense agency is compliant with defense procurement requirements;

(ii) such non-defense agency is not compliant with defense procurement requirements, but has a program or initiative to significantly improve compliance with defense procurement requirements;

(iii) neither of the conclusions stated in clauses (i) and (ii) is correct in the case of such non-defense agency; or

(iv) such non-defense agency is not compliant with defense procurement requirements to such an extent that the interests of the Department of Defense are at risk in procurements conducted by such non-defense agency.

(2) ACTIONS FOLLOWING CERTAIN DETERMINATIONS.—If the Inspectors General determine under paragraph (1) that a conclusion stated in clause (ii), (iii), or (iv) of subparagraph (B) of that paragraph is correct in the case of a covered non-defense agen-

cy, such Inspectors General shall, not later than June 15, 2008, jointly—

(A) conduct a second review, as described in subparagraph (A) of that paragraph, regarding such non-defense agency's procurement of property or services on behalf of the Department of Defense in fiscal year 2007; and

(B) determine in writing whether such non-defense agency is or is not compliant with defense procurement requirements.

(b) COMPLIANCE WITH DEFENSE PROCUREMENT REQUIREMENTS.—For the purposes of this section, a covered non-defense agency is compliant with defense procurement requirements if such non-defense agency's procurement policies, procedures, and internal controls applicable to the procurement of products and services on behalf of the Department of Defense, and the manner in which they are administered, are adequate to ensure such non-defense agency's compliance with the requirements of laws and regulations that apply to procurements of property and services made directly by the Department of Defense.

(c) MEMORANDA OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of each covered non-defense agency shall enter into a memorandum of understanding with each other to carry out the reviews and make the determinations required by this section.

(2) SCOPE OF MEMORANDA.—The Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency may by mutual agreement conduct separate reviews of the procurement of property and services on behalf of the Department of Defense that are conducted by separate business units, or under separate governmentwide acquisition contracts, of such non-defense agency. In any case where such separate reviews are conducted, the Inspectors General shall make separate determinations under paragraph (1) or (2) of subsection (a), as applicable, with respect to each such separate review.

(d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF DEPARTMENT OF DEFENSE.—

(1) LIMITATION DURING REVIEW PERIOD.—After March 15, 2007, and before June 16, 2008, no official of the Department of Defense may, except

as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency for which a determination described in clause (iii) or (iv) of paragraph (1)(B) of subsection (a) has been made under subsection (a).

(2) LIMITATION AFTER REVIEW PERIOD.—After June 15, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency that, having been subject to review under this section, has not been determined under this section as being compliant with defense procurement requirements.

(3) LIMITATION FOLLOWING FAILURE TO REACH MOU.—Commencing on the date that is 60 days after the date of the enactment of this Act, if a memorandum of understanding between the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency cannot be attained causing the review required by this section to not be performed, no official of the Department of Defense, except as provided in subsection (e) or (f), may order, purchase or otherwise

procure property or services in an amount in excess of $100,000 through such non-defense agency.

(e) EXCEPTION FROM APPLICABILITY OF LIMITATIONS.—

(1) EXCEPTION.—No limitation applies under subsection (d) with respect to the procurement of property and services on behalf of the Department of Defense by a covered non-defense agency during any period that there is in effect a determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, made in writing, that it is necessary in the interest of the Department of Defense to continue to procure property and services through such non-defense agency.

(2) APPLICABILITY OF DETERMINATION.—A written determination with respect to a covered non-defense agency under paragraph (1) is in effect for the period, not in excess of one year, that the Under Secretary shall specify in the written determination. The Under Secretary may extend from time to time, for up to one year at a time, the period for which the written determination remains in effect.

(f) TERMINATION OF APPLICABILITY OF LIMITATIONS.—Subsection (d) shall cease to apply to a covered non-defense agency on the date on which the Inspector

General of the Department of Defense and the Inspector General of such non-defense agency jointly—

(1) determine that such non-defense agency is compliant with defense procurement requirements; and

(2) notify the Secretary of Defense of that determination.

(g) IDENTIFICATION OF PROCUREMENTS MADE DURING A PARTICULAR FISCAL YEAR.—For the purposes of subsection (a), a procurement shall be treated as being made during a particular fiscal year to the extent that funds are obligated by the Department of Defense for that procurement in that fiscal year.

(h) RESOLUTION OF DISAGREEMENTS.—If the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency are unable to agree on a joint determination under subsection (a) or (f), a determination by the Inspector General of the Department of Defense under such subsection shall be conclusive for the purposes of this section.

(i) DEFINITIONS.—In this section:

(1) The term ''covered non-defense agency'' means each of the following:

(A) The Department of Veterans Affairs.

(B) The National Institutes of Health.

(2) The term ''governmentwide acquisition contract'', with respect to a covered non-defense agency, means a task or delivery order contract that—

(A) is entered into by the non-defense agency; and

(B) may be used as the contract under which property or services are procured for one or more other departments or agencies of the Federal Government.

SEC. 818. DETERMINATION OF CONTRACT TYPE FOR DEVELOPMENT PROGRAMS.

(a) REPEAL OF SUPERSEDED REQUIREMENTS.—Section 807 of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

(b) MODIFICATION OF REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of Defense regarding the determination of contract type for development programs.

(c) ELEMENTS.—As modified under subsection (b), the regulations shall require the Milestone Decision Authority for a major defense acquisition program to select the contract type for a development program at the time of a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program) that

is consistent with the level of program risk for the program. The Milestone Decision Authority may select—

(1) a fixed-price type contract (including a fixed price incentive contract); or

(2) a cost type contract.

(d) CONDITIONS WITH RESPECT TO AUTHORIZATION OF COST TYPE CONTRACT.—As modified under subsection (b), the regulations shall provide that the Milestone Decision Authority may authorize the use of a cost type contract under subsection (c) for a development program only upon a written determination that—

(1) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and

(2) the complexity and technical challenge of the program is not the result of a failure to meet the requirements established in section 2366a of title 10, United States Code.

(e) JUSTIFICATION FOR SELECTION OF CONTRACT TYPE.—As modified under subsection (b), the regulations shall require the Milestone Decision Authority to document the basis for the contract type selected for a program. The documentation shall include an explanation of the level of program risk for the program and, if the Mile-

stone Decision Authority determines that the level of program risk is high, the steps that have been taken to reduce program risk and reasons for proceeding with Milestone B approval despite the high level of program risk.

SEC. 819. THREE-YEAR EXTENSION OF REQUIREMENT FOR REPORTS ON COMMERCIAL PRICE TREND ANALYSES OF THE DEPARTMENT OF DEFENSE.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 2306a note) is amended by striking ''2006'' and inserting ''2009''.

SEC. 820. GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.

(a) GOAL.—It shall be the goal of the Department of Defense and each of the military departments to ensure that, within five years after the date of the enactment of this Act, for each major defense acquisition program and each major automated information system program, each of the following positions is performed by a properly qualified member of the Armed Forces or full-time employee of the Department of Defense:

(1) Program manager.

(2) Deputy program manager.

(3) Chief engineer.

(4) Systems engineer.

(5) Cost estimator.

(b) PLAN OF ACTION.—Not later than six months after the date of enactment of this Act, the Secretary of Defense shall develop and begin implementation of a plan of action for recruiting, training, and ensuring appropriate career development of military and civilian personnel to achieved the objective established in subsection (a). The plan of action required by this subsection shall include specific, measurable interim milestones.

(c) REPORTS.—Not later than one year after the date of the enactment of this Act and each year thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the progress made by the Department of Defense and the military departments toward achieving the goal established in subsection (a).

(d) DEFINITIONS.—In this section:

(1) The term ''major defense acquisition program'' has the meaning given such term in section 2430(a) of title 10, United States Code.

(2) The term ''major automated information system program'' has the meaning given such term in section 2445a(a) of title 10, United States Code (as added by section 816 of this Act).

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 831. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804(d) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 832. LIMITATION ON CONTRACTS FOR THE ACQUISITION OF CERTAIN SERVICES.

(a) LIMITATION.—Except as provided in subsection (b), the Secretary of Defense may not enter into a service contract to acquire a military flight simulator.

(b) WAIVER.—The Secretary of Defense may waive subsection (a) with respect to a contract if the Secretary—

(1) determines that a waiver is necessary for national security purposes; and

(2) provides to the congressional defense committees an economic analysis as described in subsection (c) at least 30 days before the waiver takes effect.

(c) ECONOMIC ANALYSIS.—The economic analysis provided under subsection (b) shall include, at a minimum, the following:

(1) A clear explanation of the need for the contract.

(2) An examination of at least two alternatives for fulfilling the requirements that the contract is meant to fulfill, including the following with respect to each alternative:

(A) A rationale for including the alternative.

(B) A cost estimate of the alternative and an analysis of the quality of each cost estimate.

(C) A discussion of the benefits to be realized from the alternative.

(D) A best value determination of each alternative and a detailed explanation of the life-cycle cost calculations used in the determination.

(d) DEFINITIONS.—In this section:

(1) The term ''military flight simulator'' means any major system to simulate the form, fit, and function of a military aircraft that has no commonly available commercial variant.

(2) The term ''service contract'' means any contract entered into by the Department of Defense the principal purpose of which is to furnish services in

the United States through the use of service employees.

(3) The term ''service employees'' has the meaning provided in section 8(b) of the Service Contract Act of 1965 (41 U.S.C. 357(b)).

SEC. 833. USE OF FEDERAL SUPPLY SCHEDULES BY STATE AND LOCAL GOVERNMENTS FOR GOODS AND SERVICES FOR RECOVERY FROM NATURAL DISASTERS, TERRORISM, OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

(a) AUTHORITY TO USE SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—Section 502 of title 40, United States Code, is amended by adding at the end the following new subsection:

''(d) USE OF SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—

''(1) IN GENERAL.—The Administrator may provide for the use by State or local governments of Federal supply schedules of the General Services Administration for goods or services that are to be used to facilitate recovery from a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) or to facilitate recovery from

terrorism or nuclear, biological, chemical, or radiological attack.

"(2) DETERMINATION BY SECRETARY OF HOMELAND SECURITY.—The Secretary of Homeland Security shall determine which goods and services qualify as goods and services described in paragraph (1) before the Administrator provides for the use of the Federal supply schedule relating to such goods and services.

"(3) VOLUNTARY USE.—In the case of the use by a State or local government of a Federal supply schedule pursuant to paragraph (1), participation by a firm that sells to the Federal Government through the supply schedule shall be voluntary with respect to a sale to the State or local government through such supply schedule.

"(4) DEFINITIONS.—The definitions in subsection (c)(3) shall apply for purposes of this subsection.".

(b) PROCEDURES.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall establish procedures to implement subsection (d) of section 502 of title 40, United States Code (as added by subsection (a)).

SEC. 834. WAIVERS TO EXTEND TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) DEFENSE CONTRACTS.—

(1) WAIVER AUTHORITY.—The head of an agency may issue a waiver to extend a task order contract entered into under section 2304b of title 10, United States Code, for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

(B) that award of a new contract would create a large disruption in services provided to the Department of Defense; and

(C) that the Department of Defense would, through award of a new contract, endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.

(2) DELEGATION.— The authority of the head of an agency under paragraph (1) may be delegated

only to the senior procurement executive of the agency.

(3) REPORT.—Not later than April 1, 2007, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on advisory and assistance services. The report shall include the following information:

(A) The methods used by the Department of Defense to identify a contract as an advisory and assistance services contract, as defined in section 2304b of title 10, United States Code.

(B) The number of such contracts awarded by the Department during the five-year period preceding the date of the enactment of this Act.

(C) The average annual expenditures by the Department for such contracts.

(D) The average length of such contracts.

(E) The number of such contracts recompeted and awarded to the previous award winner.

(4) PROHIBITION ON USE OF AUTHORITY BY DEPARTMENT OF DEFENSE IF REPORT NOT SUBMITTED.—The head of an agency may not issue a waiver under paragraph (1) if the report required by

paragraph (3) is not submitted by the date set forth in that paragraph.

(b) CIVILIAN AGENCY CONTRACTS.—

(1) WAIVER AUTHORITY.—The head of an executive agency may issue a waiver to extend a task order contract entered into under section 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253i) for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

(B) that award of a new contract would create a large disruption in services provided to the executive agency; and

(C) that the executive agency would, through award of a new contract, endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.

(2) DELEGATION.— The authority of the head of an executive agency under paragraph (1) may be delegated only to the Chief Acquisition Officer of the agency (or the senior procurement executive in the case of an agency for which a Chief Acquisition Officer has not been appointed or designated under section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a))).

(3) REPORT.—Not later than April 1, 2007, the Administrator for Federal Procurement Policy shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives a report on advisory and assistance services. The report shall include the following information:

(A) The methods used by executive agencies to identify a contract as an advisory and assistance services contract, as defined in section 303I(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253i(i)).

(B) The number of such contracts awarded by each executive agency during the five-year

period preceding the date of the enactment of this Act.

(C) The average annual expenditures by each executive agency for such contracts.

(D) The average length of such contracts.

(E) The number of such contracts recompeted and awarded to the previous award winner.

(4) PROHIBITION ON USE OF AUTHORITY BY EXECUTIVE AGENCIES IF REPORT NOT SUBMITTED.—The head of an executive agency may not issue a waiver under paragraph (1) if the report required by paragraph (3) is not submitted by the date set forth in that paragraph.

(c) TERMINATION OF AUTHORITY.—A waiver may not be issued under this section after December 31, 2011.

(d) COMPTROLLER GENERAL REVIEW.—

(1) REPORT REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the committees described in paragraph (3) a report on the use of advisory and assistance services contracts by the Federal Government.

(2) DEFENSE AND CIVILIAN AGENCY CONTRACTS COVERED.—The report shall cover both of the following:

(A) Advisory and assistance services contracts as defined in section 2304b of title 10, United States Code.

(B) Advisory and assistance services contracts as defined in section 303I(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253i(i)).

(3) MATTERS COVERED.—The report shall address the following issues:

(A) The extent to which executive agencies and elements of the Department of Defense require advisory and assistance services for periods of greater than five years.

(B) The extent to which such advisory and assistance services are provided by the same contractors under recurring contracts.

(C) The rationale for contracting for advisory and assistance services that will be needed on a continuing basis, rather than performing the services inside the Federal Government.

(D) The contract types and oversight mechanisms used by the Federal Government in

contracts for advisory and assistance services and the extent to which such contract types and oversight mechanisms are adequate to protect the interests of the Government and taxpayers.

(E) The actions taken by the Federal Government to prevent organizational conflicts of interest and improper personal services contracts in its contracts for advisory and assistance services.

(4) COMMITTEES.—The committees described in this paragraph are the following:

(A) The Committees on Armed Services and on Homeland Security and Governmental Affairs of the Senate.

(B) The Committees on Armed Services and on Government Reform of the House of Representatives.

Subtitle D—United States Defense Industrial Base Provisions

SEC. 841. ASSESSMENT AND ANNUAL REPORT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES AND ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 812 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended—

(1) by amending the heading to read as follows: **"SEC. 812. ASSESSMENT AND ANNUAL REPORT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES AND ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.";**

(2) by adding at the end of subsection (c)(2)(A) the following new clauses:

''(v) The dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States.

''(vi) An itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.).

"(vii) A summary of—

"(I) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

"(II) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States."; and

(3) by adding at the end the following new subsections:

"(d) PUBLIC AVAILABILITY.—The Secretary of Defense shall make the report submitted under subsection (c) publicly available to the maximum extent practicable.

"(e) APPLICABILITY.—This section shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4))."

SEC. 842. PROTECTION OF STRATEGIC MATERIALS CRITICAL TO NATIONAL SECURITY.

(a) REQUIREMENT TO BUY FROM AMERICAN SOURCES.—

(1) IN GENERAL.—Subchapter V of chapter 148 of title 10, United States Code, is amended by inserting after section 2533a the following new section:

"§ 2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions

''(a) REQUIREMENT.—Except as provided in subsections (b) through (j), funds appropriated or otherwise available to the Department of Defense may not be used for procurement of—

''(1) the following types of end items, or components thereof, containing a specialty metal not melted or produced in the United States: aircraft, missile and space systems, ships, tank and automotive items, weapon systems, or ammunition; or

''(2) a specialty metal that is not melted or produced in the United States and that is to be purchased directly by the Department of Defense or a prime contractor of the Department.

''(b) AVAILABILITY EXCEPTION.—(1) Subsection (a) does not apply to the extent that the Secretary of Defense or the Secretary of the military department concerned determines that compliant specialty metal of satisfactory quality and sufficient quantity, and in the required form, cannot be procured as and when needed. For purposes of the preceding sentence, the term 'compliant specialty metal' means specialty metal melted or produced in the United States.

"(2) This subsection applies to prime contracts and subcontracts at any tier under such contracts.

"(c) EXCEPTION FOR CERTAIN PROCUREMENTS.—Subsection (a) does not apply to the following:

"(1) Procurements outside the United States in support of combat operations or in support of contingency operations.

"(2) Procurements for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.

"(d) EXCEPTION RELATING TO AGREEMENTS WITH FOREIGN GOVERNMENTS.—Subsection (a)(1) does not preclude the procurement of a specialty metal if—

"(1) the procurement is necessary—

"(A) to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements; or

"(B) in furtherance of agreements with foreign governments in which both such govern-

ments agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country; and

''(2) any such agreement with a foreign government complies, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and with section 2457 of this title.

''(e) EXCEPTION FOR COMMISSARIES, EXCHANGES, AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES.—Subsection (a) does not apply to items purchased for resale purposes in commissaries, exchanges, and nonappropriated fund instrumentalities operated by the Department of Defense.

''(f) EXCEPTION FOR SMALL PURCHASES.—Subsection (a) does not apply to procurements in amounts not greater than the simplified acquisition threshold referred to in section 2304(g) of this title.

''(g) EXCEPTION FOR PURCHASES OF ELECTRONIC COMPONENTS.—Subsection (a) does not apply to procurements of commercially available electronic components whose specialty metal content is de minimis in value compared to the overall value of the lowest level electronic component produced that contains such specialty metal.

"(h) APPLICABILITY TO PROCUREMENTS OF COMMERCIAL ITEMS.—This section applies to procurements of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).

"(i) SPECIALTY METAL DEFINED.—In this section, the term 'specialty metal' means any of the following:

"(1) Steel—

"(A) with a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

"(B) containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

"(2) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent.

"(3) Titanium and titanium alloys.

"(4) Zirconium and zirconium base alloys.

"(j) ADDITIONAL DEFINITIONS.—In this section:

"(1) The term 'United States' includes possessions of the United States.

"(2) The term 'component' has the meaning provided in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).".

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

"2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions.".

(3) CONFORMING AMENDMENTS.—Section 2533a of title 10, United States Code, is amended—

(A) by striking paragraph (2) of subsection (b) and redesignating paragraph (3) of such subsection as paragraph (2);

(B) in subsection (c), by striking "or specialty metals (including stainless steel flatware)"; and

(C) in subsection (e)—

(i) by striking "SPECIALTY METALS AND" in the heading; and

(ii) by striking "specialty metals or".

(4) EFFECTIVE DATES.—

(A) Section 2533b of title 10, United States Code, as added by paragraph (1), shall apply with respect to contracts entered into after the date occurring 30 days after the date of the enactment of this Act.

(B) The amendments made by paragraph (3) shall take effect on the date occurring 30 days after the date of the enactment of this Act.

(b) ONE-TIME WAIVER OF SPECIALTY METALS DOMESTIC SOURCE REQUIREMENT.—

(1) AUTHORITY.—The Secretary of Defense or the Secretary of a military department may accept specialty metals if such metals were incorporated into items produced, manufactured, or assembled in the United States before the date of the enactment of this Act with respect to which the contracting officer for the contract determines that the contractor is not in compliance with section 2533b of title 10, United States Code (as added by subsection (a)(1)), if—

(A) the contracting officer for the contract determines in writing that—

(i) it would not be practical or economical to remove or replace the specialty metals incorporated in such items or to substitute items containing compliant materials;

(ii) the prime contractor and subcontractor responsible for providing items con-

taining non-compliant materials have in place an effective plan to ensure compliance with section 2533b of title 10, United States Code (as so added), with regard to items containing specialty metals if such metals were incorporated into items produced, manufactured, or assembled in the United States after the date of the enactment of this Act; and

(iii) the non-compliance is not knowing or willful; and

(B) the Under Secretary of Defense for Acquisition, Technology, and Logistics or the service acquisition executive of the military department concerned approves the determination.

(2) NOTICE.—Not later than 15 days after a contracting officer makes a determination under paragraph (1)(A) with respect to a contract, the contracting officer shall post a notice on FedBizOpps.gov that a waiver has been granted for the contract under this subsection.

(3) DEFINITION.—In this subsection, the term ''FedBizOpps.gov'' means the website maintained by

the General Services Administration known as FedBizOpps.gov (or any successor site).

(4) TERMINATION OF AUTHORITY.—A contracting officer may exercise the authority under this subsection only with respect to the delivery of items the final acceptance of which takes place after the date of the enactment of this Act and before September 30, 2010.

SEC. 843. STRATEGIC MATERIALS PROTECTION BOARD.

(a) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 187. Strategic Materials Protection Board

''(a) ESTABLISHMENT.—(1) The Secretary of Defense shall establish a Strategic Materials Protection Board.

''(2) The Board shall be composed of representatives of the following:

''(A) The Secretary of Defense, who shall be the chairman of the Board.

''(B) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(C) The Under Secretary of Defense for Intelligence.

''(D) The Secretary of the Army.

"(E) The Secretary of the Navy.

"(F) The Secretary of the Air Force.

"(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the Board shall—

"(1) determine the need to provide a long term domestic supply of materials designated as critical to national security to ensure that national defense needs are met;

"(2) analyze the risk associated with each material designated as critical to national security and the effect on national defense that the nonavailability of such material from a domestic source would have;

"(3) recommend a strategy to the President to ensure the domestic availability of materials designated as critical to national security;

"(4) recommend such other strategies to the President as the Board considers appropriate to strengthen the industrial base with respect to materials critical to national security; and

"(5) publish not less frequently than once every two years in the Federal Register recommendations regarding materials critical to national security, including a list of specialty metals, if any, recommended for addition to, or removal from, the defi-

nition of 'specialty metal' for purposes of section 2533b of this title.

''(c) MEETINGS.—The Board shall meet as determined necessary by the Secretary of Defense but not less frequently than once every two years to make recommendations regarding materials critical to national security as described in subsection (b)(5).

''(d) REPORTS.—After each meeting of the Board, the Board shall prepare and submit to Congress a report containing the results of the meeting and such recommendations as the Board determines appropriate.''.

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

''187. Strategic Materials Protection Board.''.

(c) FIRST MEETING OF BOARD.—The first meeting of the Strategic Materials Protection Board, established by section 187 of title 10, United States Code (as added by subsection (a)) shall be not later than 180 days after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 851. REPORT ON FORMER DEPARTMENT OF DEFENSE OFFICIALS EMPLOYED BY CONTRACTORS OF THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—Not later than December 1, 2007, the Comptroller General shall submit to the Com-

1 mittees on Armed Services of the Senate and House of
2 Representatives a report on the employment of former of-
3 ficials of the Department of Defense by major defense con-
4 tractors during the most recent calendar year for which,
5 in the judgment of the Comptroller General, data are rea-
6 sonably available. The report shall assess the extent to
7 which former officials of the Department of Defense who
8 served in acquisition-related positions were provided com-
9 pensation by major defense contractors during such cal-
10 endar year.

11 (b) OBJECTIVES OF REPORT.—The objectives of the
12 report required by subsection (a) shall be to determine the
13 effectiveness of existing statutes and regulations governing
14 the employment of former Department of Defense officials
15 by defense contractors, including section 207 of title 18,
16 United States Code, and section 27 of the Office of Fed-
17 eral Procurement Policy Act (41 U.S.C. 423). At a min-
18 imum, the report shall assess the extent to which such
19 former officials who receive compensation from defense
20 contractors have been assigned by those contractors to
21 work on—

22 (1) Department of Defense contracts or pro-
23 grams for which such former officials personally had
24 program oversight responsibility or decision-making

authority when they served in the Department of Defense; or

(2) Department of Defense contracts or programs which are the responsibility of the agency, office, or command in which such former officials served in the Department of Defense.

(c) CONFIDENTIALITY REQUIREMENT.—The report required by subsection (a) shall not include the names of specific former Department of Defense officials who receive compensation from defense contractors or information from which such individuals could be identified.

(d) ACCESS TO INFORMATION.—In accordance with the contract clause required pursuant to section 2313(c) of title 10, United States Code, a major defense contractor shall provide the Comptroller General access to information requested by the Comptroller General for the purpose of this review regarding former officials of the Department of Defense who have received compensation from the contractor during the relevant calendar year.

(e) DEFINITIONS.—In this section:

(1) MAJOR DEFENSE CONTRACTOR.—The term ''major defense contractor'' includes any company that received more than $500,000,000 in contract awards from the Department of Defense in fiscal year 2005.

(2) FORMER DEPARTMENT OF DEFENSE OFFICIAL.—The term ''former Department of Defense official'' means either of the following:

(A) A former Department of Defense employee.

(B) A former or retired member of the Armed Forces.

SEC. 852. REPORT AND REGULATIONS ON EXCESSIVE PASS-THROUGH CHARGES.

(a) COMPTROLLER GENERAL REPORT ON EXCESSIVE PASS-THROUGH CHARGES.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall issue a report on pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense.

(2) MATTERS COVERED.—The report issued under this subsection—

(A) shall assess the extent to which the Department of Defense has paid excessive pass-through charges to contractors who provided little or no value to the performance of the contract;

(B) shall assess the extent to which the Department has been particularly vulnerable to excessive pass-through charges on any specific category of contracts or by any specific category of contractors (including any category of small business); and

(C) shall determine the extent to which any prohibition on excessive pass-through charges would be inconsistent with existing commercial practices for any specific category of contracts or have an unjustified adverse effect on any specific category of contractors (including any category of small business).

(b) REGULATIONS REQUIRED.—

(1) IN GENERAL.—Not later than May 1, 2007, the Secretary of Defense shall prescribe regulations to ensure that pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense are not excessive in relation to the cost of work performed by the relevant contractor or subcontractor.

(2) SCOPE OF REGULATIONS.—The regulations prescribed under this subsection—

(A) shall not apply to any firm, fixed-price contract or subcontract (or task or delivery order) that is—

(i) awarded on the basis of adequate price competition; or

(ii) for the acquisition of a commercial item, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

(B) may include such additional exceptions as the Secretary determines to be necessary in the interest of the national defense.

(3) DEFINITION.—In this section, the term ''excessive pass-through charge'', with respect to a contractor or subcontractor that adds no, or negligible, value to a contract or subcontract, means a charge to the Government by the contractor or subcontractor that is for overhead or profit on work performed by a lower-tier contractor or subcontractor (other than charges for the direct costs of managing lower-tier contracts and subcontracts and overhead and profit based on such direct costs).

(4) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense

committees a report on the steps taken to implement the requirements of this subsection, including—

(A) any standards for determining when no, or negligible, value has been added to a contract by a contractor or subcontractor;

(B) any procedures established for preventing excessive pass-through charges; and

(C) any exceptions determined by the Secretary to be necessary in the interest of the national defense.

(5) EFFECTIVE DATE.—The regulations prescribed under this subsection shall apply to contracts awarded for or on behalf of the Department of Defense on or after May 1, 2007.

SEC. 853. PROGRAM MANAGER EMPOWERMENT AND ACCOUNTABILITY.

(a) STRATEGY.—The Secretary of Defense shall develop a comprehensive strategy for enhancing the role of Department of Defense program managers in developing and carrying out defense acquisition programs.

(b) MATTERS TO BE ADDRESSED.—The strategy required by this section shall address, at a minimum—

(1) enhanced training and educational opportunities for program managers;

(2) increased emphasis on the mentoring of current and future program managers by experienced senior executives and program managers within the Department;

(3) improved career paths and career opportunities for program managers;

(4) additional incentives for the recruitment and retention of highly qualified individuals to serve as program managers;

(5) improved resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) for program managers;

(6) improved means of collecting and disseminating best practices and lessons learned to enhance program management throughout the Department;

(7) common templates and tools to support improved data gathering and analysis for program management and oversight purposes;

(8) increased accountability of program managers for the results of defense acquisition programs; and

(9) enhanced monetary and nonmonetary awards for successful accomplishment of program objectives by program managers.

(c) GUIDANCE ON TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS BEFORE MILESTONE B.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for major defense acquisition programs to address the qualifications, resources, responsibilities, tenure, and accountability of program managers for the program development period (before Milestone B approval (or Key Decision Point B approval in the case of a space program)).

(d) GUIDANCE ON TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS AFTER MILESTONE B.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for major defense acquisition programs to address the qualifications, resources, responsibilities, tenure and accountability of program managers for the program execution period (from Milestone B approval (or Key Decision Point B approval in the case of a space program) until the delivery of the first production units of a program). The guidance issued pursuant to this subsection shall address, at a minimum—

(1) the need for a performance agreement between a program manager and the milestone decision authority for the program, setting forth ex-

pected parameters for cost, schedule, and performance, and appropriate commitments by the program manager and the milestone decision authority to ensure that such parameters are met;

(2) authorities available to the program manager, including, to the extent appropriate, the authority to object to the addition of new program requirements that would be inconsistent with the parameters established at Milestone B (or Key Decision Point B in the case of a space program) and reflected in the performance agreement; and

(3) the extent to which a program manager for such period should continue in the position without interruption until the delivery of the first production units of the program.

(e) REPORTS.—

(1) REPORT BY SECRETARY OF DEFENSE.—Not later than 270 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the strategy developed pursuant to subsection (a) and the guidance issued pursuant to subsections (b) and (c).

(2) REPORT BY COMPTROLLER GENERAL.—Not later than one year after the date of enactment of

this Act, the Comptroller General shall submit to the congressional defense committees a report on the actions taken by the Secretary of Defense to implement the requirements of this section.

SEC. 854. JOINT POLICIES ON REQUIREMENTS DEFINITION, CONTINGENCY PROGRAM MANAGEMENT, AND CONTINGENCY CONTRACTING.

(a) IN GENERAL.—

(1) JOINT POLICY REQUIREMENT.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2333. Joint policies on requirements definition, contingency program management, and contingency contracting

''(a) JOINT POLICY REQUIREMENT.—The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall develop joint policies for requirements definition, contingency program management, and contingency contracting during combat operations and post-conflict operations.

''(b) REQUIREMENTS DEFINITION MATTERS COVERED.—The joint policy for requirements definition required by subsection (a) shall, at a minimum, provide for the following:

"(1) The assignment of a senior commissioned officer or civilian member of the senior executive service, with appropriate experience and qualifications related to the definition of requirements to be satisfied through acquisition contracts (such as for delivery of products or services, performance of work, or accomplishment of a project), to act as head of requirements definition and coordination during combat operations, post-conflict operations, and contingency operations, if required, including leading a requirements review board involving all organizations concerned.

"(2) An organizational approach to requirements definition and coordination during combat operations, post-conflict operations, and contingency operations that is designed to ensure that requirements are defined in a way that effectively implements United States Government and Department of Defense objectives, policies, and decisions regarding the allocation of resources, coordination of interagency efforts in the theater of operations, and alignment of requirements with the proper use of funds.

"(c) CONTINGENCY PROGRAM MANAGEMENT MATTERS COVERED.—The joint policy for contingency pro-

gram management required by subsection (a) shall, at a minimum, provide for the following:

"(1) The assignment of a senior commissioned officer or civilian member of the senior executive service, with appropriate program management experience and qualifications, to act as head of program management during combat operations, post-conflict operations, and contingency operations, including stabilization and reconstruction operations involving multiple United States Government agencies and international organizations, if required.

"(2) A preplanned organizational approach to program management during combat operations, post-conflict operations, and contingency operations that is designed to ensure that the Department of Defense is prepared to conduct such program management.

"(3) Identification of a deployable cadre of experts, with the appropriate tools and authority, and trained in processes under paragraph (6).

"(4) Utilization of the hiring and appointment authorities necessary for the rapid deployment of personnel to ensure the availability of key personnel for sufficient lengths of time to provide for continuing program and project management.

"(5) A requirement to provide training (including training under a program to be created by the Defense Acquisition University) to program management personnel in—

"(A) the use of laws, regulations, policies, and directives related to program management in combat or contingency environments;

"(B) the integration of cost, schedule, and performance objectives into practical acquisition strategies aligned with available resources and subject to effective oversight; and

"(C) procedures of the Department of Defense related to funding mechanisms and contingency contract management.

"(6) Appropriate steps to ensure that training is maintained for such personnel even when they are not deployed in a contingency operation.

"(7) Such steps as may be needed to ensure jointness and cross-service coordination in the area of program management during contingency operations.

"(d) CONTINGENCY CONTRACTING MATTERS COVERED.—(1) The joint policy for contingency contracting required by subsection (a) shall, at a minimum, provide for the following:

"(A) The designation of a senior commissioned officer or civilian member of the senior executive service in each military department with the responsibility for administering the policy.

"(B) The assignment of a senior commissioned officer with appropriate acquisition experience and qualifications to act as head of contingency contracting during combat operations, post-conflict operations, and contingency operations, who shall report directly to the commander of the combatant command in whose area of responsibility the operations occur.

"(C) A sourcing approach to contingency contracting that is designed to ensure that each military department is prepared to conduct contingency contracting during combat operations, post-conflict operations, and contingency operations, including stabilization and reconstruction operations involving interagency organizations, if required.

"(D) A requirement to provide training (including training under a program to be created by the Defense Acquisition University) to contingency contracting personnel in—

"(i) the use of law, regulations, policies, and directives related to contingency contracting operations;

"(ii) the appropriate use of rapid acquisition methods, including the use of exceptions to competition requirements under section 2304 of this title, sealed bidding, letter contracts, indefinite delivery indefinite quantity task orders, set asides under section 8(a) of the Small Business Act (15 U.S.C. 637(a)), undefinitized contract actions, and other tools available to expedite the delivery of goods and services during combat operations or post-conflict operations;

"(iii) the appropriate use of rapid acquisition authority, commanders' emergency response program funds, and other tools unique to contingency contracting; and

"(iv) instruction on the necessity for the prompt transition from the use of rapid acquisition authority to the use of full and open competition and other methods of contracting that maximize transparency in the acquisition process.

"(E) Appropriate steps to ensure that training is maintained for such personnel even when they are not deployed in a contingency operation.

"(F) Such steps as may be needed to ensure jointness and cross-service coordination in the area of contingency contracting.

"(2) To the extent practicable, the joint policy for contingency contracting required by subsection (a) should be taken into account in the development of interagency plans for stabilization and reconstruction operations, consistent with the report submitted by the President under section 1035 of this Act on interagency operating procedures for the planning and conduct of stabilization and reconstruction operations.

"(e) DEFINITIONS.—In this section:

"(1) CONTINGENCY CONTRACTING PERSONNEL.—The term 'contingency contracting personnel' means members of the armed forces and civilian employees of the Department of Defense who are members of the defense acquisition workforce and, as part of their duties, are assigned to provide support to contingency operations (whether deployed or not).

"(2) CONTINGENCY CONTRACTING.—The term 'contingency contracting' means all stages of the

1 process of acquiring property or services by the De-
2 partment of Defense during a contingency operation.
3 ''(3) CONTINGENCY OPERATION.—The term
4 'contingency operation' has the meaning provided in
5 section 101(13) of this title.
6 ''(4) ACQUISITION SUPPORT AGENCIES.—The
7 term 'acquisition support agencies' means Defense
8 Agencies and Department of Defense Field Activities
9 that carry out and provide support for acquisition-
10 related activities.
11 ''(5) CONTINGENCY PROGRAM MANAGEMENT.—
12 The term 'contingency program management' means
13 the process of planning, organizing, staffing, control-
14 ling, and leading the combined efforts of partici-
15 pating civilian and military personnel and organiza-
16 tions for the management of a specific defense ac-
17 quisition program or programs during combat oper-
18 ations, post-conflict operations, and contingency op-
19 erations.
20 ''(6) REQUIREMENTS DEFINITION.—The term
21 'requirements definition' means the process of trans-
22 lating policy objectives and mission needs into spe-
23 cific requirements, the description of which will be
24 the basis for awarding acquisition contracts for

projects to be accomplished, work to be performed, or products to be delivered.''.

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

''2333. Joint policies on requirements definition, contingency contracting, and program management.''.

(b) DEADLINE FOR DEVELOPMENT OF JOINT POLICIES.—The Secretary of Defense shall develop the joint policies required under section 2333 of title 10, United States Code, as added by subsection (a), not later than 18 months after the date of enactment of this Act.

(c) REPORTS.—

(1) INTERIM REPORT.—

(A) REQUIREMENT.—Not later than 365 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives an interim report on requirements definition, contingency contracting, and program management.

(B) MATTERS COVERED.—The report shall include discussions of the following:

(i) Progress in the development of the joint policies under section 2333 of title 10, United States Code.

(ii) The ability of the Armed Forces to support requirements definition, contingency contracting, and program management.

(iii) The ability of commanders of combatant commands to request requirements definition, contingency contracting, or program management support, and the ability of the military departments and the acquisition support agencies to respond to such requests and provide such support, including the availability of rapid acquisition personnel for such support.

(iv) The ability of the current civilian and military acquisition workforce to deploy to combat theaters of operations and to conduct requirements definition, contingency contracting, or program management activities during combat and during post-conflict, reconstruction, or other contingency operations.

(v) The effect of different periods of deployment on continuity in the acquisition process.

(2) FINAL REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Defense shall submit to the committees referred to in paragraph (1)(A) a final report on requirements definition, contingency contracting, and program management, containing a discussion of the implementation of the joint policies developed under section 2333 of title 10, United States Code (as so added), including updated discussions of the matters covered in the interim report. In addition, the report should include a discussion of the actions taken to ensure that the joint policies will be adequately resourced at the time of execution.

SEC. 855. CLARIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) in paragraph (2)(A), by inserting ''or, for the Defense Advanced Projects Agency or the Missile Defense Agency, the director of the agency'' after ''(41 U.S.C. 414(c))''; and

(2) in paragraph (3), by inserting ''or director of the Defense Advanced Projects Agency or Missile Defense Agency'' after ''executive''.

SEC. 856. CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

(a) INAPPLICABILITY OF CERTAIN LAWS.—

(1) INAPPLICABILITY OF THE RANDOLPH-SHEPPARD ACT TO CONTRACTS AND SUBCONTRACTS FOR MILITARY DINING FACILITY SUPPORT SERVICES COVERED BY JAVITS-WAGNER-O'DAY ACT.—The Randolph-Sheppard Act (20 U.S.C. 107 et seq.) does not apply to full food services, mess attendant services, or services supporting the operation of a military dining facility that, as of the date of the enactment of this Act, were services on the procurement list established under section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47).

(2) INAPPLICABILITY OF THE JAVITS-WAGNER-O'DAY ACT TO CONTRACTS FOR THE OPERATION OF A MILITARY DINING FACILITY.—(A) The Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) does not apply at the prime contract level to any contract entered into by the Department of Defense as of the date of the enactment of this Act with a State licensing agency under the Randolph-Sheppard Act (20 U.S.C. 107 et seq.) for the operation of a military dining facility.

(B) The Javits-Wagner-O'Day Act shall apply to any subcontract entered into by a Department of

Defense contractor for full food services, mess attendant services, and other services supporting the operation of a military dining facility.

(3) REPEAL OF SUPERSEDED LAW.—Subsections (a) and (b) of section 853 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2021) are repealed.

(b) REVIEW AND REPORT BY COMPTROLLER GENERAL OF RANDOLPH-SHEPPARD AND JAVITS-WAGNER-O'DAY CONTRACTS.—

(1) IN GENERAL.—The Comptroller General shall conduct a review of a representative sample of food service contracts described in paragraph (2) and determine in writing the following:

(A) Differences in operational procedures and administration of contracts awarded by the Department of Defense under the Randolph-Sheppard Act (20 U.S.C. 107 et seq.) and the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) on a State-by-State basis with regard to the relationship between State licensing agencies and blind vendors.

(B) Differences in competition, source selection, and management processes and proce-

dures for contracts awarded by the Department under the Randolph-Sheppard Act and the Javits-Wagner-O'Day Act, including a review of the average total cost of contract awards and compensation packages to all beneficiaries.

(C) Precise methods used to determine whether a price is fair and reasonable under contracts awarded by the Department under the Randolph-Sheppard Act and the Javits-Wagner-O'Day Act, as required under the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement.

(2) CONTRACTS COVERED.—For purposes of the review under paragraph (1), a food service contract described in this paragraph is a contract—

(A) for full food services, mess attendant services, or services supporting the operation of all or any part of a military dining facility;

(B) that was awarded under either the Randolph-Sheppard Act or the Javits-Wagner-O'Day Act; and

(C) that is in effect on the date of the enactment of this Act.

(3) REPORT.—Not later than March 1, 2007, the Comptroller General shall submit to the Commit-

tees on Armed Services of the Senate and the House of Representatives a report on the review conducted under this subsection, with such findings and recommendations as the Comptroller General considers appropriate.

(c) REQUIREMENTS FOR INSPECTORS GENERAL OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF EDUCATION.—

(1) REVIEW OF MANAGEMENT PROCEDURES.—Not later than March 1, 2007, the Inspector General of the Department of Defense and the Inspector General of the Department of Education shall jointly review the management procedures under both the Randolph-Sheppard Act (20 U.S.C. 107 et seq.) and the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.). In carrying out this paragraph, the Inspectors General shall each have access to the following:

(A) Memoranda on program management and the basis for contract award under the programs.

(B) Guidance sent to State agencies on administration of the programs.

(C) Names of participating vendors, as well as qualifying experience and educational background of such vendors.

(2) MEMORANDUM OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of the Department of Education shall enter into a memorandum of understanding with each other to carry out paragraph (1).

(3) REPORT.—Not later than one year after the date of enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of the Department of Education shall jointly submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the review required by paragraph (1). The report shall include—

(A) findings of the Inspectors General regarding the management procedures reviewed; and

(B) such other information and recommendations as the Inspectors General consider appropriate.

(d) DEFINITIONS.—In this section:

(1) The term ''State licensing agency'' means any agency designated by the Secretary of Edu-

cation under section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C. 107a(a)(5)).

(2) The term ''military dining facility'' means a facility owned, operated, leased, or wholly controlled by the Department of Defense and used to provide dining services to members of the Armed Forces, including a cafeteria, military mess hall, military troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces.

SEC. 857. ENHANCED ACCESS FOR SMALL BUSINESS.

Section 9(a) of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended by striking the period at the end of the first sentence and inserting the following: ''or, in the case of a small business concern (as defined in the Small Business Act and regulations under that Act), $150,000 or less.''.

SEC. 858. PROCUREMENT GOAL FOR HISPANIC-SERVING INSTITUTIONS.

Section 2323 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

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

"(D) Hispanic-serving institutions (as defined in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)).";

(2) in subsection (a)(2)—

(A) by inserting after "historically Black colleges and universities" the following: ", Hispanic-serving institutions,"; and

(B) by inserting after "such colleges and universities" the following: "and institutions";

(3) in subsection (c)(1), by inserting after "historically Black colleges and universities" the following: ", Hispanic-serving institutions,"; and

(4) in subsection (c)(3), by inserting after "historically Black colleges and universities" the following: ", to Hispanic-serving institutions,".

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Management

Sec. 901. Increase in authorized number of Assistant Secretaries of Defense.
Sec. 902. Modifications to the Combatant Commander Initiative Fund.
Sec. 903. Addition to membership of specified council.
Sec. 904. Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies.

Sec. 905. Oversight by Office of Under Secretary of Defense for Acquisition, Technology, and Logistics of exercise of acquisition authority by combatant commanders and heads of Defense Agencies.
Sec. 906. Standardization of statutory references to ''national security system'' within laws applicable to Department of Defense.
Sec. 907. Correction of reference to predecessor of Defense Information Systems Agency.

Subtitle B—Space Activities

Sec. 911. Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board.
Sec. 912. Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities.
Sec. 913. Operationally responsive space.
Sec. 914. Independent review and assessment of Department of Defense organization and management for national security in space.

Subtitle C—Chemical Demilitarization Program

Sec. 921. Sense of Congress on completion of destruction of United States chemical weapons stockpile.
Sec. 922. Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana.
Sec. 923. Incentives clauses in chemical demilitarization contracts.
Sec. 924. Chemical demilitarization program contracting authority.

Subtitle D—Intelligence-Related Matters

Sec. 931. Four-year extension of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities.
Sec. 932. Annual reports on intelligence oversight activities of the Department of Defense.
Sec. 933. Collection by National Security Agency of service charges for certification or validation of information assurance products.

Subtitle E—Other Matters

Sec. 941. Department of Defense policy on unmanned systems.
Sec. 942. Executive Schedule level IV for Deputy Under Secretary of Defense for Logistics and Materiel Readiness.
Sec. 943. Study and report on reform of Defense Travel System.
Sec. 944. Administration of pilot project on Civilian Linguist Reserve Corps.
Sec. 945. Improvement of authorities on the National Security Education Program.
Sec. 946. Report on the posture of United States Special Operations Command to conduct the global war on terrorism.

Subtitle A—Department of Defense Management

SEC. 901. INCREASE IN AUTHORIZED NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.

(a) INCREASE.—Section 138(a) of title 10, United States Code, is amended by striking ''nine'' and inserting ''ten''.

(b) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking ''(9)'' after ''Assistant Secretaries of Defense'' and inserting ''(10)''.

SEC. 902. MODIFICATIONS TO THE COMBATANT COMMANDER INITIATIVE FUND.

(a) ADDITION TO AUTHORIZED ACTIVITIES.—Subsection (b)(6) of section 166a of title 10, United States Code is amended by striking ''civil assistance'' and inserting ''civic assistance, to include urgent and unanticipated humanitarian relief and reconstruction assistance''.

(b) ADDITIONAL PRIORITY CONSIDERATION.—Subsection (c) of such section is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) the provision of funds to be used for urgent and unanticipated humanitarian relief and reconstruction assistance, particularly in a foreign country where the armed forces are engaged in a contingency operation.''.

SEC. 903. ADDITION TO MEMBERSHIP OF SPECIFIED COUNCIL.

Section 179(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) The commander of the United States Strategic Command.''.

SEC. 904. CONSOLIDATION AND STANDARDIZATION OF AUTHORITIES RELATING TO DEPARTMENT OF DEFENSE REGIONAL CENTERS FOR SECURITY STUDIES.

(a) BASIC AUTHORITIES FOR REGIONAL CENTERS.—

(1) IN GENERAL.—Section 184 of title 10, United States Code, is amended to read as follows:

''§ 184. Regional Centers for Security Studies

''(a) IN GENERAL.—The Secretary of Defense shall administer the Department of Defense Regional Centers for Security Studies in accordance with this section as

international venues for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

"(b) REGIONAL CENTERS SPECIFIED.—(1) A Department of Defense Regional Center for Security Studies is a Department of Defense institution that—

"(A) is operated, and designated as such, by the Secretary of Defense for the study of security issues relating to a specified geographic region of the world; and

"(B) serves as a forum for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

"(2) The Department of Defense Regional Centers for Security Studies are the following:

"(A) The George C. Marshall European Center for Security Studies, established in 1993 and located in Garmisch-Partenkirchen, Germany.

"(B) The Asia-Pacific Center for Security Studies, established in 1995 and located in Honolulu, Hawaii.

"(C) The Center for Hemispheric Defense Studies, established in 1997 and located in Washington, D.C.

"(D) The Africa Center for Strategic Studies, established in 1999 and located in Washington, D.C.

"(E) The Near East South Asia Center for Strategic Studies, established in 2000 and located in Washington, D.C.

"(3) No institution or element of the Department of Defense may be designated as a Department of Defense Regional Center for Security Studies for purposes of this section, other than the institutions specified in paragraph (2), except as specifically provided by law after the date of the enactment of this section.

"(c) REGULATIONS.—The administration of the Regional Centers under this section shall be carried out under regulations prescribed by the Secretary.

"(d) PARTICIPATION.—Participants in activities of the Regional Centers may include United States and foreign military, civilian, and nongovernmental personnel.

"(e) EMPLOYMENT AND COMPENSATION OF FACULTY.—At each Regional Center, the Secretary may, subject to the availability of appropriations—

"(1) employ a Director, a Deputy Director, and as many civilians as professors, instructors, and lecturers as the Secretary considers necessary; and

"(2) prescribe the compensation of such persons, in accordance with Federal guidelines.

1 ''(f) PAYMENT OF COSTS.—(1) Participation in ac-
2 tivities of a Regional Center shall be on a reimbursable
3 basis (or by payment in advance), except in a case in
4 which reimbursement is waived in accordance with para-
5 graph (3).

6 ''(2) For a foreign national participant, payment of
7 costs may be made by the participant, the participant's
8 own government, by a Department or agency of the United
9 States other than the Department of Defense, or by a gift
10 or donation on behalf of one or more Regional Centers
11 accepted under section 2611 of this title on behalf of the
12 participant's government.

13 ''(3) The Secretary of Defense may waive reimburse-
14 ment of the costs of activities of the Regional Centers for
15 foreign military officers and foreign defense and security
16 civilian government officials from a developing country if
17 the Secretary determines that attendance of such per-
18 sonnel without reimbursement is in the national security
19 interest of the United States. Costs for which reimburse-
20 ment is waived pursuant to this paragraph shall be paid
21 from appropriations available to the Regional Centers.

22 ''(4) Funds accepted for the payment of costs shall
23 be credited to the appropriation then currently available
24 to the Department of Defense for the Regional Center that
25 incurred the costs. Funds so credited shall be merged with

the appropriation to which credited and shall be available to that Regional Center for the same purposes and same period as the appropriation with which merged.

"(5) Funds available for the payment of personnel expenses under the Latin American cooperation authority set forth in section 1050 of this title are also available for the costs of the operation of the Center for Hemispheric Defense Studies.

"(g) SUPPORT TO OTHER AGENCIES.—The Director of a Regional Center may enter into agreements with the Secretaries of the military departments, the heads of the Defense Agencies, and, with the concurrence of the Secretary of Defense, the heads of other Federal departments and agencies for the provision of services by that Regional Center under this section. Any such participating department and agency shall transfer to the Regional Center funds to pay the full costs of the services received.

"(h) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the operation of the Regional Centers for security studies during the preceding fiscal year. The annual report shall include, for each Regional Center, the following information:

"(1) The status and objectives of the center.

"(2) The budget of the center, including the costs of operating the center.

"(3) A description of the extent of the international participation in the programs of the center, including the costs incurred by the United States for the participation of each foreign nation.

"(4) A description of the foreign gifts and donations, if any, accepted under section 2611 of this title.".

(2) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"184. Regional Centers for Security Studies.".

(b) CONFORMING AMENDMENTS.—

(1) EMPLOYMENT AND COMPENSATION AUTHORITY FOR CIVILIAN FACULTY.—Section 1595 of title 10, United States Code, is amended—

(A) in subsection (c)—

(i) by striking paragraphs (3) and (5); and

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

(B) by striking subsection (e).

(2) STATUS OF CENTER FOR HEMISPHERIC DEFENSE STUDIES.—Section 2165 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking paragraph (6); and

(ii) by redesignating paragraph (7) as paragraph (6); and

(B) by striking subsection (c).

SEC. 905. OVERSIGHT BY OFFICE OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS OF EXERCISE OF ACQUISITION AUTHORITY BY COMBATANT COMMANDERS AND HEADS OF DEFENSE AGENCIES.

(a) DESIGNATION OF OFFICIAL FOR OVERSIGHT.—The Secretary of Defense shall designate a senior acquisition official within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics to oversee the exercise of acquisition authority by—

(1) any commander of a combatant command who is authorized by section 166b, 167, or 167a of title 10, United States Code, to exercise acquisition authority; and

(2) any head of a Defense Agency who is designated by the Secretary of Defense to exercise acquisition authority.

(b) GUIDANCE.—

(1) IN GENERAL.—The senior acquisition official designated under subsection (a) shall develop guidance to ensure that the use of acquisition authority by commanders of combatant commands and the heads of Defense Agencies—

(A) is in compliance with department-wide acquisition policy; and

(B) is coordinated with and mutually supportive of acquisition programs of the military departments.

(2) URGENT REQUIREMENTS.—Guidance developed under paragraph (1) shall take into account the need to fulfill the urgent requirements of the commanders of combatant commands and the heads of Defense Agencies and to ensure that those requirements are addressed expeditiously.

(c) CONSULTATION.—The senior acquisition official designated under subsection (a) shall on a regular basis consult on matters related to requirements and acquisition with the commanders of combatant commands and the heads of Defense Agencies referred to in that subsection.

(d) DEADLINE FOR DESIGNATION.—The Secretary of Defense shall make the designation required by subsection (a) not later than 180 days after the date of the enactment of this Act.

SEC. 906. STANDARDIZATION OF STATUTORY REFERENCES TO "NATIONAL SECURITY SYSTEM" WITHIN LAWS APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''in section 2315 of this title'' and inserting ''in section 3542(b)(2) of title 44''.

(b) CHIEF INFORMATION OFFICER RESPONSIBILITIES.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For purposes of subtitle III of title 40, the term 'national security system', with respect to a telecommunications and information system operated by the Department of Defense, has the meaning given that term by section 3542(b)(2) of title 44.''.

SEC. 907. CORRECTION OF REFERENCE TO PREDECESSOR OF DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

"(1) The Defense Information Systems Agency.".

Subtitle B—Space Activities

SEC. 911. DESIGNATION OF SUCCESSOR ORGANIZATIONS FOR THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING EXECUTIVE BOARD.

(a) SUCCESSOR ORGANIZATIONS.— Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (10 U.S.C. 2281 note) is amended by striking "by Congress" and all that follows and inserting "for the functions and activities of the following organizations established pursuant to the United States Space-Based Position, Navigation, and Timing Policy issued December 8, 2004 (and any successor organization, to the extent the successor organization performs the functions of the specified organization):

"(1) The interagency committee known as the National Space-Based Positioning, Navigation, and Timing Executive Committee.

"(2) The support office for the committee specified in paragraph (1) known as the National Space-

Based Positioning, Navigation, and Timing Coordination Office.

''(3) The Federal advisory committee known as the National Space-Based Positioning, Navigation, and Timing Advisory Board.''.

(b) CLARIFICATION.—Such section is further amended by striking ''interagency funding'' and inserting ''multi-agency funding''.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted'' and all that follows and inserting ''may be conducted through September 30, 2009.''.

SEC. 913. OPERATIONALLY RESPONSIVE SPACE.

(a) UNITED STATES POLICY ON OPERATIONALLY RESPONSIVE SPACE.—It is the policy of the United States to demonstrate, acquire, and deploy an effective capability for operationally responsive space to support military users and operations from space, which shall consist of—

(1) responsive satellite payloads and busses built to common technical standards;

(2) low-cost space launch vehicles and supporting range operations that facilitate the timely launch and on-orbit operations of satellites;

(3) responsive command and control capabilities; and

(4) concepts of operations, tactics, techniques, and procedures that permit the use of responsive space assets for combat and military operations other than war.

(b) OPERATIONALLY RESPONSIVE SPACE PROGRAM OFFICE.—

(1) ESTABLISHMENT OF OFFICE.—Section 2273a of title 10, United States Code, is amended to read as follows:

"§ 2273a. Operationally Responsive Space Program Office

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Program Office (in this section referred to as the 'Office').

''(b) HEAD OF OFFICE.—The head of the Office shall be—

''(1) the Department of Defense Executive Agent for Space; or

"(2) the designee of the Secretary of Defense, who shall report to the Department of Defense Executive Agent for Space.

"(c) MISSION.—The mission of the Office shall be—

"(1) to contribute to the development of low-cost, rapid reaction payloads, busses, spacelift, and launch control capabilities in order to fulfill joint military operational requirements for on-demand space support and reconstitution; and

"(2) to coordinate and execute operationally responsive space efforts across the Department of Defense with respect to planning, acquisition, and operations.

"(d) ELEMENTS.—The Secretary of Defense shall select the elements of the Department of Defense to be included in the Office so as to contribute to the development of capabilities for operationally responsive space and to achieve a balanced representation of the military departments in the Office to ensure proper acknowledgment of joint considerations in the activities of the Office, except that the Office shall include the following:

"(1) A science and technology element that shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on

(but not limited to) payloads, bus, and launch equipment.

"(2) An acquisition element that shall undertake the acquisition of systems necessary to integrate, sustain, and launch assets for operationally responsive space.

"(3) An operations element that shall—

"(A) sustain and maintain assets for operationally responsive space prior to launch;

"(B) integrate and launch such assets; and

"(C) operate such assets in orbit.

"(4) A combatant command support element that shall serve as the primary intermediary between the military departments and the combatant commands in order to—

"(A) ascertain the needs of the commanders of the combatant commands; and

"(B) integrate operationally responsive space capabilities into—

"(i) operations plans of the combatant commands;

"(ii) techniques, tactics, and procedures of the military departments; and

"(iii) military exercises, demonstrations, and war games.

"(5) Such other elements as the Secretary of Defense may consider necessary.

"(e) ACQUISITION AUTHORITY.—The acquisition activities of the Office shall be subject to the following:

"(1) The Department of Defense Executive Agent for Space shall be the senior acquisition executive of the Office.

"(2) The Joint Capabilities Integration and Development System process shall not apply to acquisitions by the Office for operational experimentation.

"(3) The commander of the United States Strategic Command, or the designee of the commander, shall—

"(A) validate all system requirements for systems to be acquired by the Office; and

"(B) participate in the approval of any acquisition program initiated by the Office.

"(4) To the maximum extent practicable, the procurement unit cost of a launch vehicle procured by the Office for launch to low earth orbit should not exceed $20,000,000 (in constant dollars).

"(5) To the maximum extent practicable, the procurement unit cost of an integrated satellite procured by the Office should not exceed $40,000,000 (in constant dollars).

1 ''(f) REQUIRED PROGRAM ELEMENT.—(1) The Sec-
2 retary of Defense shall ensure that, within budget pro-
3 gram elements for space programs of the Department of
4 Defense, that—
5 ''(A) there is a separate, dedicated program ele-
6 ment for operationally responsive space;
7 ''(B) to the extent applicable, relevant program
8 elements should be consolidated into the program
9 element required by subparagraph (A); and
10 ''(C) the Office executes its responsibilities
11 through this program element.
12 ''(2) The Office shall manage the program element
13 required by paragraph (1)(A).''.
14 (2) CLERICAL AMENDMENT.—The item relating
15 to that section in the table of sections at the begin-
16 ning of chapter 135 of such title is amended to read
17 as follows:

''2273a.Operationally Responsive Space Program Office.''.

18 (c) PLAN FOR OPERATIONALLY RESPONSIVE
19 SPACE.—
20 (1) PLAN REQUIRED.—Not later than 120 days
21 after the date of the enactment of this Act, the Sec-
22 retary of Defense shall submit to the congressional
23 defense committees a report setting forth a plan for
24 the acquisition by the Department of Defense of ca-

pabilities for operationally responsive space to support military users and military operations.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(B) An identification of the capabilities required by the Department to fulfill such mission during the period covered by the current future-years defense program submitted to Congress pursuant to section 221 of title 10, United States Code, and an additional 10-year period.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Program Office established under section 2273a of title 10, United States Code, as amended by subsection (b).

(D) A description of the classification of information required for the Operationally Responsive Space Program Office in order to ensure that the Office carries out its responsibil-

ities under such section 2273a in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to the Operationally Responsive Space Program Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A schedule for the implementation of the plan and the establishment of the Operationally Responsive Space Program Office.

(G) The funding and personnel required to implement the plan over the course of the current future-years defense program.

(H) A description of any additional authorities and programmatic, organizational, or other changes necessary to ensure that the Operationally Responsive Space Program Office can successfully carry out its responsibilities.

(d) REPEAL OF SUPERSEDED LAW.—Section 913 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3408; 10 U.S.C. 2273a note) is repealed.

SEC. 914. INDEPENDENT REVIEW AND ASSESSMENT OF DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT FOR NATIONAL SECURITY IN SPACE.

(a) INDEPENDENT REVIEW AND ASSESSMENT REQUIRED.—The Secretary of Defense shall select an appropriate entity outside the Department of Defense to conduct an independent review and assessment of the organization and management of the Department of Defense for national security in space. In selecting the entity to conduct the review and assessment, the Secretary shall consult with the chairman and ranking minority member of the Committee on Armed Services of the Senate and the chairman and ranking minority member of the Committee on Armed Services of the House of Representatives.

(b) ELEMENTS.—The review and assessment required by this section shall address the following:

(1) The requirements of the Department of Defense for national security space capabilities, as identified by the Department, and the efforts of the Department to fulfill such requirements.

(2) The actions that could be taken by the Department to modify the organization and management of the Department over the near-term, medium-term, and long-term in order to strengthen United States national security in space, and the

ability of the Department to implement its requirements and carry out the future space missions, including the following:

(A) Actions to improve or enhance current interagency coordination processes regarding the operation of national security space assets, including improvements or enhancements in interoperability and communications.

(B) Actions to improve or enhance the relationship between the intelligence aspects of national security space (so-called ''black space'') and the non-intelligence aspects of national security space (so-called ''white space'').

(C) Actions to improve or enhance the manner in which military space issues are addressed by professional military education institutions.

(D) Actions to create a specialized career field for military space acquisition personnel, to include an emphasis on long-term assignments, that could help develop and maintain a professional space acquisition cadre with technical expertise and institutional knowledge.

(c) LIAISON.—The Secretary of Defense shall designate at least one senior civilian employee of the Depart-

ment of Defense, and at least one general or flag officer, to serve as liaison between the Department, the Armed Forces, and the entity conducting the review and assessment under this section.

(d) REPORT.—Not later than one year after the date of the enactment of this Act, the entity conducting the review and assessment under this section shall submit to the Secretary of Defense and the congressional defense committees a report containing—

(1) the results of the review and assessment; and

(2) recommendations on the best means by which the Department may improve its organization and management for national security in space.

Subtitle C—Chemical Demilitarization Program

SEC. 921. SENSE OF CONGRESS ON COMPLETION OF DESTRUCTION OF UNITED STATES CHEMICAL WEAPONS STOCKPILE.

(a) FINDINGS.—Congress makes the following findings:

(1) The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, done at Paris on January 13, 1993 (commonly referred to

as the ''Chemical Weapons Convention''), requires that destruction of the entire United States chemical weapons stockpile be completed by no later than the extended deadline of April 29, 2012.

(2) On April 10, 2006, the Department of Defense notified Congress that the United States would not meet even the extended deadline under the Chemical Weapons Convention for destruction of the United States chemical weapons stockpile.

(3) Destroying existing chemical weapons is a homeland security imperative and an arms control priority and is required by United States law.

(4) The elimination and nonproliferation of chemical weapons of mass destruction is of utmost importance to the national security of the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States is committed to making every effort to safely dispose of its entire chemical weapons stockpile by the Chemical Weapons Convention extended deadline of April 29, 2012, or as soon thereafter as possible, and will carry out all of its other obligations under that Convention;

(2) to prevent further delays in completing the destruction of the United States chemical weapons stockpile, the Secretary of Defense should prepare a comprehensive schedule for the safe destruction of such stockpile and should annually submit that schedule (as currently in effect) to the congressional defense committees, either separately or as part of another required report, until such destruction is completed;

(3) the Secretary of Defense should make every effort to ensure adequate funding to complete the elimination of the United States chemical weapons stockpile in the shortest time possible, consistent with the requirement to protect public health, safety, and the environment; and

(4) when selecting a site for the treatment or disposal of neutralized chemical agent at a location remote from the location where the agent is stored, the Secretary of Defense should propose a credible process that seeks to gain the support of affected communities.

SEC. 922. COMPTROLLER GENERAL REVIEW OF COST-BENEFIT ANALYSIS OF OFF-SITE VERSUS ON-SITE TREATMENT AND DISPOSAL OF HYDROLYSATE DERIVED FROM NEUTRALIZATION OF VX NERVE GAS AT NEWPORT CHEMICAL DEPOT, INDIANA.

(a) REVIEW REQUIRED.—Not later than December 1, 2006, the Comptroller General shall submit to Congress a report containing a review of the cost-benefit analysis prepared by the Secretary of the Army entitled ''Cost-Benefit Analysis of Off-Site Versus On-Site Treatment and Disposal of Newport Caustic Hydrolysate'' and dated April 24, 2006.

(b) CONTENT OF REVIEW.—In conducting the review under subsection (a), the Comptroller General shall consider and assess at a minimum the following matters:

(1) The adequacy of the rationale contained in the cost-benefit analysis referred to in subsection (a) in dismissing five of the eight technologies for hydrolysate treatment directed for consideration on page 116 of the Report of the Committee on Armed Services of the House of Representatives on H.R. 1815 (House Report 109–89).

(2) The rationale for the failure of the Secretary of the Army to consider other technical solu-

tions, such as constructing a wastewater disposal system at the Newport Chemical Depot.

(3) The adequacy of the cost-benefit analysis presented for the three technologies considered.

(c) LIMITATION ON TRANSPORT PENDING REPORT.—The Secretary of the Army may not transport neutralized bulk nerve agent (other than those small quantities necessary for laboratory evaluation of the disposal process) from the Newport Chemical Depot to the State of New Jersey until the earlier of—

(1) the end of the 60-day period beginning on the date on which the report required by subsection (a) is submitted; or

(2) February 1, 2007.

SEC. 923. INCENTIVES CLAUSES IN CHEMICAL DEMILITARIZATION CONTRACTS.

(a) IN GENERAL.—

(1) AUTHORITY TO INCLUDE CLAUSES IN CONTRACTS.—The Secretary of Defense may, for the purpose specified in paragraph (2), authorize the inclusion of an incentives clause in any contract for the destruction of the United States stockpile of lethal chemical agents and munitions carried out pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521).

(2) PURPOSE.—The purpose of a clause referred to in paragraph (1) is to provide the contractor for a chemical demilitarization facility an incentive to accelerate the safe elimination of the United States chemical weapons stockpile and to reduce the total cost of the Chemical Demilitarization Program by providing incentive payments for the early completion of destruction operations and the closure of such facility.

(b) INCENTIVES CLAUSES.—

(1) IN GENERAL.—An incentives clause under this section shall permit the contractor for the chemical demilitarization facility concerned the opportunity to earn incentive payments for the completion of destruction operations and facility closure activities within target incentive ranges specified in such clause.

(2) LIMITATION ON INCENTIVE PAYMENTS.—The maximum incentive payment under an incentives clause with respect to a chemical demilitarization facility may not exceed amounts as follows:

(A) In the case of an incentive payment for the completion of destruction operations within the target incentive range specified in such clause, $110,000,000.

(B) In the case of an incentive payment for the completion of facility closure activities within the target incentive range specified in such clause, $55,000,000.

(3) TARGET RANGES.—An incentives clause in a contract under this section shall specify the target incentive ranges of costs for completion of destruction operations and facility closure activities, respectively, as jointly agreed upon by the contracting officer and the contractor concerned. An incentives clause shall require a proportionate reduction in the maximum incentive payment amounts in the event that the contractor exceeds an agreed-upon target cost if such excess costs are the responsibility of the contractor.

(4) CALCULATION OF INCENTIVE PAYMENTS.—The amount of the incentive payment earned by a contractor for a chemical demilitarization facility under an incentives clause under this section shall be based upon a determination by the Secretary on how early in the target incentive range specified in such clause destruction operations or facility closure activities, as the case may be, are completed.

(5) CONSISTENCY WITH EXISTING OBLIGATIONS.—The provisions of any incentives clause

under this section shall be consistent with the obligation of the Secretary of Defense under section 1412(c)(1)(A) of the Department of Defense Authorization Act, 1986, to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions.

(6) ADDITIONAL TERMS AND CONDITIONS.—In negotiating the inclusion of an incentives clause in a contract under this section, the Secretary may include in such clause such additional terms and conditions as the Secretary considers appropriate.

(c) ADDITIONAL LIMITATION ON PAYMENTS.—

(1) PAYMENT CONDITIONAL ON PERFORMANCE.—No payment may be made under an incentives clause under this section unless the Secretary determines that the contractor concerned has satisfactorily performed its duties under such incentives clause.

(2) PAYMENT CONTINGENT ON APPROPRIATIONS.—An incentives clause under this section shall specify that the obligation of the Government to make payment under such incentives clause is subject to the availability of appropriations for that purpose. Amounts appropriated for Chemical Agents

and Munitions Destruction, Defense, shall be available for payments under incentives clauses under this section.

SEC. 924. CHEMICAL DEMILITARIZATION PROGRAM CONTRACTING AUTHORITY.

(a) MULTIYEAR CONTRACTING AUTHORITY.—The Secretary of Defense may carry out responsibilities under section 1412(a) of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521(a)) through multiyear contracts entered into before the date of the enactment of this Act.

(b) AVAILABILITY OF FUNDS.—Contracts entered into under subsection (a) shall be funded through annual appropriations for the destruction of chemical agents and munitions.

Subtitle D—Intelligence-Related Matters

SEC. 931. FOUR-YEAR EXTENSION OF AUTHORITY OF SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2010''.

SEC. 932. ANNUAL REPORTS ON INTELLIGENCE OVERSIGHT ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 427. Intelligence oversight activities of Department of Defense: annual reports

''(a) ANNUAL REPORTS REQUIRED.—(1) Not later than March 1 of each year, the Secretary of Defense shall submit—

''(A) to the congressional committees specified in subparagraph (A) of paragraph (2) a report on the intelligence oversight activities of the Department of Defense during the previous calendar year insofar as such oversight activities relate to tactical intelligence and intelligence-related activities of the Department; and

''(B) to the congressional committees specified in subparagraph (B) of paragraph (2) a report on the intelligence oversight activities of the Department of Defense during the previous calendar year insofar as such oversight activities relate to intelligence and intelligence-related activities of the Department other than those specified in subparagraph (A).

"(2)(A) The committees specified in this subparagraph are the following:

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

"(ii) The Permanent Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

"(B) The committees specified in this subparagraph are the following:

"(i) The Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

"(ii) The Permanent Select Committee on Intelligence and the Committee on Appropriations of the House of Representatives.

"(b) ELEMENTS.—Each report under subsection (a) shall include, for the calendar year covered by such report and with respect to oversight activities subject to coverage in that report, the following:

"(1) A description of any violation of law or of any Executive order or Presidential directive (including Executive order No. 12333) that comes to the attention of any General Counsel or Inspector General within the Department of Defense, or the Under

Secretary of Defense for Intelligence, and a description of the actions taken by such official with respect to such activity.

''(2) A description of the results of intelligence oversight inspections undertaken by each of the following:

''(A) The Office of the Secretary of Defense.

''(B) Each military department.

''(C) Each combat support agency.

''(D) Each field operating agency.

''(3) A description of any changes made in any program for the intelligence oversight activities of the Department of Defense, including any training program.

''(4) A description of any changes made in any published directive or policy memoranda on the intelligence or intelligence-related activities of—

''(A) any military department;

''(B) any combat support agency; or

''(C) any field operating agency.

''(c) DEFINITIONS.—In this section:

''(1) The term 'intelligence oversight activities of the Department of Defense' refers to any activity undertaken by an agency, element, or component of

the Department of Defense to ensure compliance with regard to requirements or instructions on the intelligence and intelligence-related activities of the Department under law or any Executive order or Presidential directive (including Executive Order No. 12333).

''(2) The term 'combat support agency' has the meaning given that term in section 193(f) of this title.

''(3) The term 'field operating agency' means a specialized subdivision of the Department of Defense that carries out activities under the operational control of the Department.''.

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

''427. Intelligence oversight activities of Department of Defense: annual reports.''.

SEC. 933. COLLECTION BY NATIONAL SECURITY AGENCY OF SERVICE CHARGES FOR CERTIFICATION OR VALIDATION OF INFORMATION ASSURANCE PRODUCTS.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

"SEC. 20. (a) The Director may collect charges for evaluating, certifying, or validating information assurance products under the National Information Assurance Program or successor program.

"(b) The charges collected under subsection (a) shall be established through a public rulemaking process in accordance with Office of Management and Budget Circular No. A–25.

"(c) Charges collected under subsection (a) shall not exceed the direct costs of the program referred to in that subsection.

"(d) The appropriation or fund bearing the cost of the service for which charges are collected under the program referred to in subsection (a) may be reimbursed, or the Director may require advance payment subject to such adjustment on completion of the work as may be agreed upon.

"(e) Amounts collected under this section shall be credited to the account or accounts from which costs associated with such amounts have been or will be incurred, to reimburse or offset the direct costs of the program referred to in subsection (a).".

Subtitle E—Other Matters

SEC. 941. DEPARTMENT OF DEFENSE POLICY ON UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall develop a policy, to be applicable throughout the Department of Defense, on research, development, test and evaluation, procurement, and operation of unmanned systems.

(b) ELEMENTS.—The policy required by subsection (a) shall include or address the following:

(1) An identification of missions and mission requirements, including mission requirements for the military departments and joint mission requirements, for which unmanned systems may replace manned systems.

(2) A preference for unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.

(3) An assessment of the circumstances under which it would be appropriate to pursue joint development and procurement of unmanned systems and components of unmanned systems.

(4) The transition of unmanned systems unique to one military department to joint systems, when appropriate.

(5) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as executive agent for the Department on unmanned systems.

(6) The integration of unmanned and manned systems to enhance support of the missions identified in paragraph (1).

(7) Such other matters that the Secretary of Defense considers to be appropriate.

(c) CONSULTATION.—The Secretary of Defense shall develop the policy required by subsection (a) in consultation with the Chairman of the Joint Chiefs of Staff.

(d) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report containing—

(1) the policy required by subsection (a); and

(2) an implementation plan for the policy that includes—

(A) a strategy and schedules for the replacement of manned systems with unmanned systems in the performance of the missions identified in the policy pursuant to subsection (b)(1);

(B) establishment of programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems; and

(C) an assessment of progress towards meeting the goals identified for the subset of unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38) .

(e) UNMANNED SYSTEMS DEFINED.—In this section, the term ''unmanned systems'' consists of unmanned aerial systems, unmanned ground systems, and unmanned maritime systems.

SEC. 942. EXECUTIVE SCHEDULE LEVEL IV FOR DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS.

(a) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Deputy Under Secretary of Defense for Personnel and Readiness the following new item:

"Deputy Under Secretary of Defense for Logistics and Materiel Readiness.".

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Under Secretary of Defense for Logistics and Materiel Readiness.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to individuals appointed as Deputy Under Secretary of Defense for Logistics and Materiel Readiness on or after that date.

SEC. 943. STUDY AND REPORT ON REFORM OF DEFENSE TRAVEL SYSTEM.

(a) INDEPENDENT STUDY OF SYSTEM.—

(1) STUDY REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees the results and rec-

ommendations of an independent study of the Defense Travel System conducted to determine the most cost-effect method of meeting Department of Defense travel requirements. The study shall be conducted by an entity outside the Department of Defense.

(2) ELEMENTS OF STUDY.—At a minimum, the study required by this subsection shall address the following:

(A) The feasibility of separating the financial infrastructure of the Defense Travel System, including voucher processing, accounting, disbursing, debt collection, management accountability, and archival functions, from the travel reservation process.

(B) The feasibility of converting the travel reservation process to a fee-for-services system or authorizing the use of multiple travel reservation processes, all of which processes would use the financial infrastructure of the Defense Travel System.

(C) The feasibility of making the use of the financial infrastructure of the Defense Travel System mandatory for all Department of Defense travel transactions.

(b) IMPLEMENTATION PLANS.—Not later than 60 days after the Secretary of Defense receives the independent study required by subsection (a), the Secretary shall submit to the congressional defense committees a report describing the actions, if any, that the Secretary intends to take to implement the recommendations contained in the study. If the Secretary does not intend to implement any of the recommendations, the Secretary shall explain the basis for this decision.

(c) CONDITIONS ON NEW CONTRACT OR EXPENDITURES FOR DEFENSE TRAVEL SYSTEM.—Except to continue operations to provide current services and to perform the functions described in paragraphs (1) through (3), the Secretary of Defense may not initiate a new contract for the Defense Travel System or expend funds for the Defense Travel System until each of the following occurs:

(1) The Secretary submits the report required by subsection (b).

(2) The Secretary develops firm, fixed requirements for the Defense Travel System.

(3) The Secretary develops a schedule to phase out the legacy travel systems made redundant by implementation of the Defense Travel System.

SEC. 944. ADMINISTRATION OF PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) TRANSFER OF ADMINISTRATION TO SECRETARY OF DEFENSE.—

(1) IN GENERAL.—Administration of the pilot project on the establishment of a Civilian Linguist Reserve Corps required by section 613 of the Intelligence Authorization Act for Fiscal Year 2005 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C. 403–1b note) is hereby transferred from the Director of National Intelligence to the Secretary of Defense.

(2) CONFORMING AMENDMENTS.—Section 613 of the Intelligence Authorization Act for Fiscal Year 2005 is amended—

(A) by striking ''Director of National Intelligence'' each place it appears and inserting ''Secretary of Defense''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) COORDINATION WITH DIRECTOR OF NATIONAL INTELLIGENCE IN ADMINISTRATION.—Subsection (a) of such section is further amended—

(1) by inserting ''(1)'' after ''PILOT PROJECT.—''; and

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

''(2) The Secretary shall conduct the pilot project in coordination with the Director of National Intelligence.''.

(c) DISCHARGE OF PROJECT THROUGH NATIONAL SECURITY EDUCATION PROGRAM.—Subsection (a) of such section is further amended by adding at the end the following new paragraph:

''(3) The Secretary shall conduct the pilot project through the National Security Education Program.''.

(d) DURATION OF PROJECT.—Subsection (c) of such section is amended by striking ''three-year period'' and inserting ''five-year period''.

(e) REPEAL OF SUPERSEDED AUTHORIZATION.—Such section is further amended by striking subsection (f).

SEC. 945. IMPROVEMENT OF AUTHORITIES ON THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) EXPANSION OF EMPLOYMENT CREDITABLE UNDER SERVICE AGREEMENTS.—Paragraph (2) of subsection (b) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended to read as follows:

''(2)(A) will (in accordance with regulations prescribed by the Secretary of Defense in coordination with the heads of the other Federal depart-

ments and agencies concerned) begin work not later than three years after the recipient's completion of degree study during which scholarship assistance was provided under the program—

"(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State; or

"(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

"(B) will (in accordance with such regulations) begin work not later than two years after

the recipient's completion or termination of study for which fellowship assistance was provided under the program—

"(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State; or

"(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); and".

(b) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—Such section is further amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—

"(1) IN GENERAL.—The Secretary of Defense may—

"(A) appoint or retain a person provided scholarship or fellowship assistance under the program in a position in the Department of Defense on an interim basis during the period of the person's pursuit of a degree under the program and for a period not to exceed two years after completion of the degree, but only if, in the case of the period after completion of the degree, there is an active investigation to provide security clearance to the person for an appropriate permanent position in the Department of Defense under subsection (b)(2); and

"(B) if there is no appropriate permanent position available for the person after the end of the periods described in subparagraph (A), separate the person from employment with the Department without regard to any other provi-

sion of law, in which event the service agreement of the person under subsection (b) shall terminate.

''(2) TREATMENT OF CERTAIN SERVICE.—The period of service of a person covered by paragraph (1) in a position on an interim basis under that paragraph shall, after completion of the degree, be treated as a period of service for purposes of satisfying the obligated service requirements of the person under the service agreement of the person under subsection (b).''.

(c) PLAN FOR IMPROVING PROGRAM.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for improving the recruitment, placement, and retention within the Department of Defense of individuals who receive scholarships or fellowships under the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) in order to facilitate the purposes of that Act in meeting the requirements of the Department in acquiring individuals with critical foreign language skills and individuals who are regional experts.

SEC. 946. REPORT ON THE POSTURE OF UNITED STATES SPECIAL OPERATIONS COMMAND TO CONDUCT THE GLOBAL WAR ON TERRORISM.

(a) FINDINGS.—Congress makes the following findings:

(1) The 2006 Quadrennial Defense Review recommends an increase in the size of the United States Special Operations Command as a fundamental part of the efforts of the Department of Defense to fight the global war on terrorism.

(2) Special operations forces conducting all nine of their statutory activities, as specified in section 167(j) of title 10, United States Code, play a crucial role in the global war on terrorism, and the Department of Defense should take a balanced approach to the expansion of the force structure of that command to provide additional capability in both the active and reserve components.

(3) Special operations forces are engaged in operations across the globe and in extreme and varied operational environments which require specialized training to successfully operate in those environments.

(4) Due to the global and long-term nature of the global war on terrorism, the Secretary of Defense should assess whether the United States Spe-

cial Operations Command has the appropriate force structure and training focus required for successful operations in the global war on terrorism.

(b) REPORT ON POSTURE OF SOCOM TO CONDUCT THE GLOBAL WAR ON TERRORISM.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report assessing the posture of the United States Special Operations Command to conduct the global war on terrorism. The Secretary shall include in the report the following:

(1) The Secretary's assessment of whether the United States Special Operations Command is appropriately manned, resourced, and equipped to successfully meet the long-term requirements of the global war on terrorism.

(2) The Secretary's assessment whether the expansion of that command as recommended in the 2006 Quadrennial Defense Review provides an appropriate balance between active and reserve component capabilities.

(3) The Secretary's assessment of whether United States Special Operations Command has sufficient Army Special Forces to meet the 2006 Quadrennial Defense Review objective of building allied

and partner nation capacity through security assistance and other training missions such as the Joint Combined Exchange Training program.

(4) A detailed statement of the efforts of the commander of the United States Special Operations Command to provide special operations forces personnel with specialized environmental training in preparation for operations across the globe and in extreme and varied operational environments such as mountain, jungle, or desert environments.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. General transfer authority.
Sec. 1002. Authorization of additional emergency supplemental appropriations for fiscal year 2006.
Sec. 1003. Reduction in certain authorizations due to savings relating to lower inflation.
Sec. 1004. Increase in fiscal year 2006 general transfer authority.
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Subtitle C—Counter-Drug Activities

Sec. 1021. Extension of authority of Department of Defense to provide additional support for counterdrug activities of other governmental agencies.
Sec. 1022. Extension and expansion of Department of Defense authority to provide support for counter-drug activities of certain foreign governments.
Sec. 1023. Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counterdrug activities.
Sec. 1025. Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions.
Sec. 1026. Report on United States support for Operation Bahamas, Turks & Caicos.

Subtitle D—Force Structure and Defense Policy Matters

Sec. 1031. Improvements to Quadrennial Defense Review.
Sec. 1032. Quarterly reports on implementation of 2006 Quadrennial Defense Review Report.
Sec. 1033. Report on feasibility of establishing a regional combatant command for Africa.
Sec. 1034. Determination of Department of Defense intratheater and intertheater airlift requirements and sealift mobility requirements.
Sec. 1035. Presidential report on improving interagency support for United States 21st century national security missions and interagency operations in support of stability, security, transition, and reconstruction operations.

Subtitle E—Reports

Sec. 1041. Additional element in annual report on chemical and biological warfare defense.
Sec. 1042. Report on biodefense human capital requirements in support of biosafety laboratories.
Sec. 1043. Report on technologies for neutralizing or defeating threats to military rotary-wing aircraft from portable air defense systems and rocket-propelled grenades.
Sec. 1044. Reports on expanded use of unmanned aerial vehicles in the National Airspace System.
Sec. 1045. Report on incentives to encourage certain members and former members of the Armed Forces to serve in the Bureau of Customs and Border Protection.
Sec. 1046. Repeal of certain report requirements.
Sec. 1047. Requirement for identification of recently enacted recurring reporting requirements applicable to the Department of Defense.

Subtitle F—Miscellaneous Authorities and Limitations on Availability and Use of Funds

Sec. 1051. Acceptance and retention of reimbursement from non-Federal sources to defray Department of Defense costs of conferences.
Sec. 1052. Increased flexibility in use of funds for Joint Staff exercises.
Sec. 1053. Prohibition on parking of funds.
Sec. 1054. Modification of authorities relating to the Special Inspector General for Iraq Reconstruction.

Subtitle G—Matters Involving Detainees

Sec. 1061. Provision of information to Congress on certain criminal investigations and prosecutions involving detainees.

Subtitle H—Other Matters

Sec. 1071. Technical and clerical amendments.
Sec. 1072. Revision to authorities relating to Commission on the Implementation of the New Strategic Posture of the United States.
Sec. 1073. Revised deadline for submission of final report of EMP Commission.
Sec. 1074. Extension of returning worker exemption to H-2B numerical limitation.
Sec. 1075. Patent term extensions for the badges of the American Legion, the American Legion Women's Auxiliary, and the Sons of the American Legion.
Sec. 1076. Use of the Armed Forces in major public emergencies.
Sec. 1077. Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans.

Subtitle A—Financial Matters

SEC. 1001. GENERAL TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $4,500,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF ADDITIONAL EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

(a) IRAQ, AFGHANISTAN, AND THE GLOBAL WAR ON TERROR.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) are hereby adjusted, with respect

to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

(b) HURRICANE DISASTER RELIEF AND RECOVERY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

(c) BORDER SECURITY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission,

or both, or are increased by a transfer of funds, pursuant to title V of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE TO SAVINGS RELATING TO LOWER INFLATION.

(a) REDUCTION.—The aggregate amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of all the amounts authorized to be appropriated by such titles reduced by $757,051,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation as a result of a review of the inflation assumptions used in the preparation of the budget of the President for fiscal year 2007, as submitted to Congress pursuant to section 1005 of title 31, United States Code.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in titles I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to such accounts.

SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$5,000,000,000''.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section

4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. REPORT ON BUDGETING FOR FLUCTUATIONS IN FUEL COST RATES.

(a) SECRETARY OF DEFENSE REPORT.—

(1) REPORT ON BUDGETING FOR FUEL COST FLUCTUATIONS.—Not later than February 15, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the fuel rate and cost projection used in the annual Department of Defense budget presentation.

(2) MATTERS TO BE INCLUDED.—In the report under paragraph (1), the Secretary shall—

(A) identify alternative approaches for selecting fuel rates that would produce more realistic estimates of amounts required to be appropriated or otherwise made available for the Department of Defense to accommodate fuel rate fluctuations;

(B) discuss the advantages and disadvantages of each approach identified pursuant to subparagraph (A); and

(C) identify the Secretary's preferred approach among the alternative identified pursuant to subparagraph (A) and provide the Secretary's rationale for preferring that approach.

(3) IDENTIFICATION OF ALTERNATIVE APPROACHES.—In identifying alternative approaches pursuant to paragraph (2)(A), the Secretary shall examine—

(A) approaches used by other Federal departments and agencies; and

(B) the feasibility of using private economic forecasting.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—The Comptroller General shall review the report under subsection (a), including the basis for the Secretary's conclusions stated in the report, and shall submit, not later than March 15, 2007, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of that review.

SEC. 1007. MODIFICATION OF DATE OF SUBMITTAL OF OMB/CBO REPORT ON SCORING OF OUTLAYS.

Section 226(a) of title 10, United States Code, is amended by striking ''January 15 of each year'' and inserting ''April 1 of each year''.

SEC. 1008. BUDGETING FOR ONGOING MILITARY OPERATIONS IN AFGHANISTAN AND IRAQ.

The President's budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for each fiscal year after fiscal year 2007 shall include—

(1) a request for the appropriation of funds for such fiscal year for ongoing military operations in Afghanistan and Iraq;

(2) an estimate of all funds expected to be required in that fiscal year for such operations; and

(3) a detailed justification of the funds requested.

Subtitle B—Policy Relating to Vessels and Shipyards

SEC. 1011. AIRCRAFT CARRIER FORCE STRUCTURE.

(a) REDUCTION IN MINIMUM NUMBER OF OPERATIONAL AIRCRAFT CARRIERS REQUIRED BY LAW.—Section 5062(b) of title 10, United States Code, is amended by striking ''12'' and inserting ''11''.

(b) REQUIRED CERTIFICATION BEFORE RETIREMENT OF U.S.S. JOHN F. KENNEDY.—The Secretary of the Navy may not retire the U.S.S. John F. Kennedy (CV–67) from operational status unless the Secretary of Defense first submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of

the House of Representatives the Secretary's certification that the Secretary has received—

(1) a formal notice from the Secretary of Homeland Security that the Department of Homeland Security does not desire to maintain and operate that vessel; and

(2) a formal notice from the North Atlantic Treaty Organization that the North Atlantic Treaty Organization does not desire to maintain and operate that vessel.

(c) CONDITIONS ON STATUS OF U.S.S. JOHN F. KENNEDY IF RETIRED.—Upon the retirement from operational status of the U.S.S. John F. Kennedy (CV–67), the Secretary of the Navy—

(1) while the vessel is in the custody and control of the Navy, shall maintain that vessel in a state of preservation (including configuration control, dehumidification, cathodic protection, and maintenance of spares) that would allow for reactivation of that vessel in the event that the vessel was needed in response to a national emergency; and

(2) if the vessel is transferred from the custody and control of the Navy, shall require as a condition of such transfer that—

(A) if the President declares a national emergency pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.), the transferee shall, upon request of the Secretary of Defense, return the vessel to the United States; and

(B) in such a case (unless the transferee is otherwise notified by the Secretary), title to the vessel shall revert immediately to the United States.

SEC. 1012. SENSE OF CONGRESS ON NAMING THE CVN–78 AIRCRAFT CARRIER AS THE U.S.S. GERALD R. FORD.

(a) FINDINGS.—Congress makes the following findings:

(1) Gerald R. Ford has served his country with honor and distinction for the past 64 years, and continues to serve.

(2) Gerald R. Ford was commissioned in the Naval Reserve in 1942 and served valiantly at sea on the U.S.S. Monterey (CVL–26) during World War II, taking part in major operations in the Pacific, including at Makin Island, Kwajalein, Truk, Saipan, and the Philippine Sea.

(3) Gerald R. Ford received 9 engagement stars and 2 bronze stars for his service in the Navy during World War II.

(4) Gerald R. Ford was first elected to the House of Representatives in 1948.

(5) During 25 years of service in the House of Representatives, Gerald R. Ford distinguished himself by an exemplary record for character, decency, and trustworthiness.

(6) Throughout his service in the House of Representatives, Gerald R. Ford was an ardent proponent of strong national defense and international leadership by the United States.

(7) From 1965 to 1973, Gerald R. Ford served as minority leader of the House of Representatives, raising the standard for bipartisanship in his tireless fight for freedom, hope, and justice.

(8) In 1973, Gerald R. Ford was appointed by President Nixon to the office of Vice President of the United States under the 25th Amendment to the Constitution, having been confirmed by overwhelming majorities in both Houses of Congress.

(9) On August 9, 1974, Gerald R. Ford became the 38th President of the United States, taking of-

fice during one of the most challenging periods in the history of the United States.

(10) As President from August 9, 1974, to January 20, 1977, Gerald R. Ford restored the faith of the people of the United States in the office of the President through his steady leadership, courage, and ultimate integrity.

(11) As President, Gerald R. Ford helped restore the prestige of the United States in the world community by working to achieve peace in the Middle East, preserve detente with the Soviet Union, and set new limits on the spread of nuclear weapons.

(12) As President, Gerald R. Ford served as Commander in Chief of the Armed Forces with great dignity, supporting a strong Navy and a global military presence for the United States and honoring the members of the Armed Forces.

(13) Since leaving the office of President, Gerald R. Ford has been an international ambassador of American goodwill, a noted scholar and lecturer, a strong supporter of human rights, and a promoter of higher education.

(14) Gerald R. Ford was awarded the Medal of Freedom and the Congressional Gold Medal in 1999 in recognition of his contribution to the Nation.

(15) As President, Gerald R. Ford bore the weight of a constitutional crisis and guided the Nation on a path of healing and restored hope, earning forever the enduring respect and gratitude of the Nation.

(b) NAMING OF CVN–78 AIRCRAFT CARRIER.—It is the sense of Congress that the nuclear-powered aircraft carrier of the Navy designated as CVN–78 should be named the U.S.S. Gerald R. Ford.

SEC. 1013. TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BASED UPON VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended—

(1) by striking ''disposition of that vessel is approved'' and inserting ''disposal of that vessel, or of a vessel of the class of that vessel, is authorized''; and

(2) by adding at the end the following new sentences: ''In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilities as the named vessel. In the case of an authorization by law for the disposal of

vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the number of such vessels specified in that law as being authorized for disposal.''.

SEC. 1014. OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

Section 7310(a) of title 10, United States Code, is amended—

(1) by inserting ''OR GUAM'' in the subsection heading after ''UNITED STATES''; and

(2) by inserting ''or Guam'' after ''in the United States''.

SEC. 1015. REPORT ON OPTIONS FOR FUTURE LEASE ARRANGEMENT FOR GUAM SHIPYARD.

(a) REPORT REQUIRED.—Not later than December 15, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report describing the options available with respect to the Guam Shipyard in Santa Rita, Guam.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An evaluation of the performance of the entities that, as of the date of the enactment of this Act, are the lessee and operators of the Guam Ship-

yard under the terms of the lease in effect on the date of the enactment of this Act.

(2) An evaluation of each of the following options with respect to the Guam Shipyard lease:

(A) Terminating the remaining term of the lease and issuing a new 25 year lease with the same entity.

(B) Terminating the remaining term of the lease with respect to the approximately 73 acres within the Guam Shipyard that are required for mission requirements and leaving the remaining term of the lease in effect with respect to the approximately 27 acres within the Facility that are not required for mission requirements.

(C) Terminating the remaining term of the lease and negotiating a new use arrangement with a different lessee or operator. The new use arrangement options shall include:

(i) Government-owned and government-operated facility.

(ii) Government-owned and contractor-operated facility.

(iii) Government-leased property for contractor-owned and contractor-operated facility.

(c) OPTIONS FOR NEW USE ARRANGEMENTS.—In evaluating the options under subsection (b)(2)(C), the Secretary of the Navy shall include an evaluation of each of the following:

(1) The anticipated future military vessel repair and workload on Guam in relation to the 2006 Quadrennial Defense Review, issued on February 6, 2006, pursuant to section 118 of title 10, United States Code.

(2) The anticipated military vessel repair and workload attributable to vessels comprising the Maritime Prepositioning Ship Squadron Three.

(3) The anticipated military vessel repair and workload due to a change in section 7310 of title 10, United States Code, that would designate Guam as a United States homeport facility.

(4) The expected workload if the submarine tender the U.S.S. Frank Cable (AS-40) is decommissioned.

(5) The estimated reacquisition costs of transferred Government property.

(6) Costs to improve floating dry dock mooring certification and required nuclear certification for the floating dry dock designated as AFDB-8 to conduct the following maintenance:

(A) Dry-docking selected restricted availabilities and mid-term availability for attack submarines.

(B) Dry-docking phased maintenance availabilities for amphibious vessels, including to amphibious assault ships, dock landing ships, and amphibious transport dock ships.

(C) Dry-docking phased maintenance availabilities for surface combatants, including cruisers, destroyers, and frigates.

(7) Commercial opportunities for development to expand commercial ship repair and general industrial services, given anti-terrorism force protection requirements at the current facility.

(8) Estimates from three contractors for the maintenance and repair costs associated with executing a multiship, multioption contract that would generate a minimum 60,000 manday commitment for the Department of the Navy and Military Sealift Command vessels.

(9) A projection of the maintenance and repair costs associated with executing a minimum 60,000 mandays for the Department of the Navy and Military Sealift Command vessels as a Government-

owned and Government-operated Navy ship repair facility.

(d) INPUT FROM CONTRACTORS.—In evaluating the options under clauses (ii) and (iii) of subsection (b)(2)(C) for the purposes of paragraphs (1), (2), and (3) of subsection (c), the Secretary of the Navy shall seek input from at least three contractors on the viability of operations based on the projected workload fiscal years 2008 through 2013.

(e) RECOMMENDATIONS.—The Secretary of the Navy shall include in the report required under subsection (a) the following:

(1) The recommendations of the Secretary with respect to continuation of the existing Guam Shipyard lease based on evaluations conducted pursuant to subsection (b)(1).

(2) The option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

(f) GAO REPORT.—Not later than March 1, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report evaluating the report submitted by the Secretary of the Navy under subsection (a). The report shall include the

option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

SEC. 1016. ASSESSMENTS OF NAVAL VESSEL CONSTRUCTION EFFICIENCIES AND OF EFFECTIVENESS OF SPECIAL CONTRACTOR INCENTIVES.

(a) ASSESSMENT REQUIRED.—The Secretary of the Navy shall conduct an assessment of each of the aspects of naval vessel construction specified in subsection (b) in order to determine—

(1) what inefficiencies exist in those aspects of naval vessel construction;

(2) what innovative design and production technologies, processes, and performance incentives are warranted to alleviate the inefficiencies so identified; and

(3) what action the Secretary intends to take to facilitate the adoption by the shipbuilding industry of the technologies, processes, and performance incentives identified under paragraph (2).

(b) ASPECTS TO BE ASSESSED.—Subsection (a) applies with respect to the following aspects of naval vessel construction:

(1) Program design, engineering, and production engineering.

(2) Organization and operating systems.

(3) Steelwork production.

(4) Ship construction and outfitting.

(5) Combat systems development, integration, and installation.

(c) CONSIDERATION OF PRIOR ASSESSMENTS.—In making the assessments required by subsection (a), the Secretary shall take into consideration the results of—

(1) the study of the cost effectiveness of the ship construction program of the Navy required by section 1014 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2041);

(2) the assessment of the United States naval shipbuilding industry required by section 254 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3180); and

(3) any prior assessment performed by or on behalf of the Department of Defense.

(d) SPECIAL CONTRACTOR INCENTIVES.—In addition to the assessments under subsection (a), the Secretary shall conduct an assessment of the effectiveness of the use in naval vessel construction contracts of special contract incentives for investment by the contractor in facilities and process improvement projects. Such assessment shall include the following:

(1) A description of the intent of the use of such incentives in naval vessel construction contracts.

(2) A description of the process and criteria used by the Secretary for evaluation of proposed projects to receive such incentives in naval vessel construction contracts and for the selection among such proposed projects for inclusion of incentives in such contracts.

(3) For each facility or process improvement project for which funds were provided in a naval vessel construction contract during the five-year period ending on the date of the enactment of this Act (including the facility or process improvement project contract incentives incorporated in the Virginia-class submarine construction contract and in the CVN-21 construction contract)—

(A) a description of the facility or process improvement project proposed by the contractor;

(B) the amount expended (or to be expended) by the United States for the project under the contract; and

(C) the estimated or actual return on investment for the amounts referred to in subparagraph (B).

(4) The plans of the Secretary of the Navy to use similar contract incentives in ongoing and future shipbuilding programs.

(5) Any recommendation by the Secretary for the enactment of legislation that might increase the effectiveness of, or expand the use of, such contract incentives.

(e) REPORT.—Not later than April 1, 2007, the Secretary of the Navy shall submit to the congressional defense committees a report on—

(1) the Secretary's assessments of naval vessel construction efficiencies under subsection (a), addressing each of the matters specified in that subsection; and

(2) the Secretary's assessment of the effectiveness of special incentives for contractor investment in facilities and process improvement projects under subsection (d).

SEC. 1017. OBTAINING CARRIAGE BY VESSEL: CRITERION REGARDING OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN THE UNITED STATES.

(a) ACQUISITION POLICY.—In order to maintain the national defense industrial base, the Secretary of Defense shall issue an acquisition policy that establishes, as a criterion required to be considered in obtaining carriage by vessel of cargo for the Department of Defense, the extent to which an offeror of such carriage had overhaul, repair, and maintenance work for covered vessels of the offeror performed in shipyards located in the United States.

(b) COVERED VESSELS.—A vessel is a covered vessel of an offeror under this section if the vessel is—

(1) owned, operated, or controlled by the offeror; and

(2) qualified to engage in the carriage of cargo in the coastwise or non-contiguous trade under section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), section 12106 of title 46, United States Code, and section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

(c) APPLICATION OF POLICY.—The acquisition policy shall include rules providing for application of the policy to covered vessels as expeditiously as is practicable based

on the nature of carriage obtained, and by no later than June 1, 2007.

(d) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall prescribe regulations as necessary to carry out the acquisition policy and submit such regulations to the Committees on Armed Services of the Senate and the House of Representatives, by not later than June 1, 2007.

(2) INTERIM REGULATIONS.—

(A) IN GENERAL.—The Secretary may prescribe interim regulations as necessary to carry out the acquisition policy. For this purpose, the Secretary is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code.

(B) SUBMISSION TO CONGRESS.—Upon the issuance of interim regulations under this paragraph, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives the interim regulations and a description of the acquisition policy developed (or being developed) under subsection (a).

(C) EXPIRATION.—All interim regulations prescribed under the authority of this paragraph that are not earlier superseded by final regulations shall expire no later than June 1, 2007.

(e) ANNUAL REPORT.—The Secretary, acting through the United States Transportation Command, shall annually submit to the Committees on Armed Services of the Senate and the House of Representatives a report regarding overhaul, repair, and maintenance performed on covered vessels of each offeror of carriage to which the acquisition policy applies.

(f) DEFINITIONS.—In this section:

(1) FOREIGN SHIPYARD.—The term ''foreign shipyard'' means a shipyard that is not located in the United States.

(2) UNITED STATES.—The term ''United States'' means—

(A) any State of the United States; and

(B) Guam.

SEC. 1018. RIDING GANG MEMBER REQUIREMENTS.

(a) REQUIREMENT FOR CHARTERS AND CONTRACTS.—

(1) IN GENERAL.—The Secretary of Defense may not award, renew, extend, or exercise an option

to extend any charter of a vessel documented under chapter 121 of title 46, United States Code, for the Department of Defense, or any contract for the carriage of cargo by a vessel documented under that chapter for the Department of Defense, unless the charter or contract, respectively, includes provisions that allow riding gang members to perform work on the vessel during the effective period of the charter or contract only under terms, conditions, restrictions, and requirements that, except as provided in paragraphs (2) and (3), are substantially the same as those that apply under section 8106 of title 46, United States Code, as in effect immediately before the enactment of this Act, with respect to a vessel referred to in that section.

(2) LIMITATION.—For purposes of paragraph (1) of this subsection, subsections (a)(1)(A)(ii), (c), and (d) of section 8106 of title 46, United States Code, shall not apply with respect to a charter or contract referred to in paragraph (1).

(3) MERCHANT MARINER'S DOCUMENT REQUIRED.—The Secretary of Defense shall include in the provisions required under paragraph (1) a requirement that each riding gang member who performs work on the vessel must hold a merchant

mariner's document issued under chapter 73 of title 46, United States Code.

(4) RIDING GANG MEMBER DEFINED.—In this subsection the term ''riding gang member'' has the meaning that term has in section 8106 of title 46, United States Code, as in effect immediately before the enactment of this Act.

(b) EXEMPTIONS BY SECRETARY OF DEFENSE.—

(1) IN GENERAL.—The Secretary of Defense may issue regulations that exempt from the charter or contract provisions required under subsection (a) any individual who is on a vessel for purposes other than engaging in the operation or maintenance of the vessel, including an individual who is—

(A) one of the personnel who accompany, supervise, guard, and maintain unit equipment aboard a ship, commonly referred to as supercargo personnel;

(B) one of the force protection personnel of the vessel;

(C) a specialized repair technician; or

(D) otherwise required by the Secretary of Defense to be aboard the vessel.

(2) BACKGROUND CHECK.—Such regulations shall include a requirement that any individual who

is exempt under the regulations must pass a background check before going aboard the vessel, unless the individual holds a merchant mariner's document issued under chapter 73 of title 46, United States Code.

(3) EXEMPTED INDIVIDUAL NOT TREATED AS IN ADDITION TO THE CREW.—An individual exempted under paragraph (1) shall not be counted as an individual in addition to the crew for the purposes of section 3304 of title 46, United States Code.

SEC. 1019. AUTHORITY TO TRANSFER SS ARTHUR M. HUDDELL TO THE GOVERNMENT OF GREECE.

(a) AUTHORITY TO TRANSFER.—The President is authorized to transfer the ex-Liberty ship SS Arthur M. Huddell to the Government of Greece in accordance with such terms and conditions as the President may determine.

(b) ADDITIONAL EQUIPMENT.—The President is authorized to convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet to assist the Government of Greece in using the vessel referred to in subsection (a) as a museum exhibit.

(c) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARD.—To the maximum extent practicable, the President shall require, as a condition of the transfer

of the vessel referred to in subsection (a), that the Government of Greece have such repair or refurbishment of the vessel as is needed performed at a shipyard located in the United States.

Subtitle C—Counter-Drug Activities

SEC. 1021. EXTENSION OF AUTHORITY OF DEPARTMENT OF DEFENSE TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

Section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 1022. EXTENSION AND EXPANSION OF DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE SUPPORT FOR COUNTER-DRUG ACTIVITIES OF CERTAIN FOREIGN GOVERNMENTS.

(a) EXTENSION OF AUTHORITY.—Paragraph (2) of subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), as amended by section 1021 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136: 117 Stat. 1593), is amended by

striking ''September 30, 2006'' and inserting ''September 30, 2008''.

(b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section is amended by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.

''(11) The Government of Kazakhstan.

''(12) The Government of Kyrgyzstan.

''(13) The Government of Armenia.

''(14) The Government of Guatemala.

''(15) The Government of Belize.

''(16) The Government of Panama.''.

(c) TYPES OF SUPPORT.—Subsection (c) of such section is amended—

(1) in paragraph (2), by inserting '', vehicles, and, subject to section 484(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c(a)), aircraft'' after ''patrol boats''; and

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

''(4) The transfer of detection, interception, monitoring, and testing equipment.

''(5) For the Government of Afghanistan only, individual and crew-served weapons of 50 caliber or

less and ammunition for such weapons for counter-narcotics security forces.''.

(d) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section is amended—

(1) by striking ''or $40,000,000'' and inserting ''$40,000,000''; and

(2) by inserting before the period at the end the following: '', or $60,000,000 during either of the fiscal years 2007 and 2008''.

SEC. 1023. EXTENSION OF AUTHORITY TO SUPPORT UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''and 2006'' and inserting ''through 2008''; and

(2) in subsection (c), by striking ''and 2006'' and inserting ''through 2008''.

SEC. 1024. CONTINUATION OF REPORTING REQUIREMENT REGARDING DEPARTMENT OF DEFENSE EXPENDITURES TO SUPPORT FOREIGN COUNTERDRUG ACTIVITIES.

(a) TWO-YEAR EXTENSION OF REPORTING REQUIREMENT.—Section 1022 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–255), as amended by section 1022 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1215) and section 1021 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3426), is further amended by striking ''Not later than April 15, 2006,'' and inserting ''(a) REPORTS REQUIRED.—Not later than April 15, 2006, February 15, 2007, and February 15, 2008,''.

(b) ADDITIONAL INFORMATION TO BE INCLUDED.—Such section is further amended—

(1) by designating the second sentence as subsection (b) and striking ''The report'' and inserting ''INFORMATION TO BE PROVIDED.—Each report under this section''; and

(2) in paragraph (2), by inserting before the period at the end the following: ''and the amount of funds provided for each type of counterdrug activity assisted''.

(c) FORM AND SUBMISSION OF REPORTS.—Such section is further amended—

(1) in subsection (a), as designated by subsection (a) of this section, by striking ''the congressional defense committees'' and inserting ''the congressional committees specified in subsection (d)''; and

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

''(c) FORM OF REPORTS.—Each report under this section shall be submitted in both classified and unclassified form.

''(d) SPECIFIED COMMITTEES.—The congressional committees specified in this subsection are the following:

''(1) The Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

''(2) The Committee on Armed Services, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.''.

SEC. 1025. REPORT ON INTERAGENCY COUNTER-NARCOTICS PLAN FOR AFGHANISTAN AND SOUTH AND CENTRAL ASIAN REGIONS.

(a) REPORT REQUIRED.—Not later than December 31, 2006, the Secretary of Defense shall submit to the congressional defense committees a report updating the interagency counter-narcotics implementation plan for Afghanistan and the South and Central Asian regions, including Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, Iran, Armenia, Azerbaijan, Pakistan, India, and China.

(b) CONSULTATION.—The report under this section shall be prepared in consultation with the Secretary of State, the Administrator of the Agency for International Development, and the Director of the Drug Enforcement Administration.

(c) MATTERS TO BE INCLUDED.—The report shall include the following for each foreign government covered by the report:

(1) A consideration of what activities should be reallocated among the United States and the foreign government based on the capabilities of each department and agency involved.

(2) Any measures necessary to clarify the legal authority required to complete the mission.

(3) The measures necessary for the United States to successfully complete its counter-narcotics efforts in Afghanistan and the South and Central Asian regions, including an assessment of whether sufficient personnel and other resources, including infrastructure and development initiatives, are being made available by the United States and the foreign government.

(4) Current and proposed United States funding to support counter-narcotics activities of the foreign government.

SEC. 1026. REPORT ON UNITED STATES SUPPORT FOR OPERATION BAHAMAS, TURKS & CAICOS.

(a) FINDINGS.—Congress makes the following findings:

(1) In 1982 the United States Government created Operation Bahamas, Turks & Caicos (OPBAT) to counter the smuggling of cocaine into the United States.

(2) According to the Drug Enforcement Agency, an estimated 80 percent of the cocaine entering the United States in the 1980s came through the Bahamas, whereas, according to the Office of National Drug Control Policy, only an estimated 10 percent comes through the Bahamas today.

(3) According to the Drug Enforcement Agency, more than 80,000 kilograms of cocaine and nearly 700,000 pounds of marijuana have been seized in Operation Bahamas, Turks & Caicos since 1986, with a combined street value of approximately two billion dollars.

(4) The Army has provided military airlift to law enforcement officials under Operation Bahamas, Turks & Caicos to create an effective, reliable, and immediate response capability for drug interdiction. This support is largely responsible for the decline in cocaine shipments to the United States through the Bahamas.

(5) The Bahamas is an island nation composed of approximately 700 islands and keys, which makes aviation assets the best and most efficient method of transporting law enforcement agents and interdicting smugglers.

(6) It is in the interests of the United States to maintain the results of the successful Operation Bahamas, Turks & Caicos program and prevent drug smugglers from rebuilding their operations through the Bahamas.

(b) REPORT ON UNITED STATES GOVERNMENT SUPPORT FOR OPBAT.—

(1) REPORT ON DECISION TO WITHDRAW.—Not later than 30 days before implementing a decision to withdraw Department of Defense helicopters from Operation Bahamas, Turks & Caicos, the Secretary of Defense shall submit to the Congress a report outlining the plan for the coordination of the Operation Bahamas, Turks & Caicos mission, at the same level of effectiveness, using other United States Government assets.

(2) CONSULTATION.—The Secretary of Defense shall consult with the Secretary of State, the Attorney General, and the Secretary of Homeland Security, and with other appropriate officials of the United States Government, in preparing the report under paragraph (1).

(3) ELEMENTS.—The report under paragraph (1) on the withdrawal of equipment referred to in that paragraph shall include the following:

(A) An explanation of the military justification for the withdrawal of the equipment.

(B) An assessment of the availability of other options (including other Government helicopters) to provide the capability being provided by the equipment to be withdrawn.

(C) An explanation of how each option specified under subparagraph (B) will provide the capability currently provided by the equipment to be withdrawn.

(D) An assessment of the potential use of unmanned aerial vehicles in Operation Bahamas, Turks & Caicos, including the capabilities of such vehicles and any advantages or disadvantages associated with the use of such vehicles in that operation, and a recommendation on whether or not to deploy such vehicles in that operation.

Subtitle D—Force Structure and Defense Policy Matters

SEC. 1031. IMPROVEMENTS TO QUADRENNIAL DEFENSE REVIEW.

(a) FINDINGS.—Congress finds that the comprehensive examination of the defense program and policies of the United States that is undertaken by the Security Defense every four years pursuant to section 118 of title 10, United States Code, known as the Quadrennial Defense Review, is—

(1) vital in laying out the strategic military planning and threat objectives of the Department of Defense; and

(2) critical to identifying the correct mix of military planning assumptions, defense capabilities, and strategic focuses for the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Quadrennial Defense Review is intended to provide more than an overview of global threats and the general strategic orientation of the Department of Defense.

(c) CONDUCT OF REVIEW.—Subsection (b) of section 118 of title 10, United States Code, is amended—

(1) by striking ''and'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting ''; and''; and

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

''(4) to make recommendations that are not constrained to comply with the budget submitted to Congress by the President pursuant to section 1105 of title 31.''.

(d) ADDITIONAL ELEMENTS IN REPORT TO CONGRESS.—Subsection (d) of such section is amended—

(1) in paragraph (1), by inserting '', the strategic planning guidance,'' after ''United States'';

(2) by redesignating paragraphs (9) through (15) as paragraphs (10), (11), (12), (13), (14), (15), and (17), respectively;

(3) by inserting after paragraph (8) the following new paragraph (9):

''(9) The specific capabilities, including the general number and type of specific military platforms, needed to achieve the strategic and warfighting objectives identified in the review.''; and

(4) by inserting after paragraph (15), as redesignated by paragraph (2), the following new paragraph:

''(16) The homeland defense and support to civil authority missions of the active and reserve components, including the organization and capabilities required for the active and reserve components to discharge each such mission.''.

(e) CJCS REVIEW.—Subsection (e)(1) of such section is amended by inserting before the period at the end the following: ''and a description of the capabilities needed to address such risk''.

(f) INDEPENDENT ASSESSMENT.—Such section is further amended by adding at the end the following new subsection:

"(f) INDEPENDENT PANEL ASSESSMENT.—(1) Not later than six months before the date on which the report on a Quadrennial Defense Review is to be submitted under subsection (d), the Secretary of Defense shall establish a panel to conduct an assessment of the quadrennial defense review.

"(2) Not later than three months after the date on which the report on a quadrennial defense review is submitted under subsection (d) to the congressional committees named in that subsection, the panel appointed under paragraph (1) shall submit to those committees an assessment of the review, including the recommendations of the review, the stated and implied assumptions incorporated in the review, and the vulnerabilities of the strategy and force structure underlying the review. The assessment of the panel shall include analyses of the trends, asymmetries, and concepts of operations that characterize the military balance with potential adversaries, focusing on the strategic approaches of possible opposing forces.".

SEC. 1032. QUARTERLY REPORTS ON IMPLEMENTATION OF 2006 QUADRENNIAL DEFENSE REVIEW REPORT.

(a) REPORTS REQUIRED.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services

of the Senate and the Committee on Armed Services of the House of Representatives a report on the implementation of recommendations described in the Department of Defense 2006 Quadrennial Defense Review Report.

(b) CONTENTS OF REPORTS.—Each quarterly report under subsection (a) shall, at a minimum—

(1) describe the processes and procedures established by the Secretary of Defense to examine the various recommendations referred to in subsection (a);

(2) discuss implementation plans and strategies for each area highlighted by the Quadrennial Defense Review Report;

(3) provide relevant information about the status of such implementation; and

(4) indicate changes in the Secretary's assessment of the defense strategies or capabilities required since the publication of the 2006 Quadrennial Defense Review Report.

(c) INITIAL REPORT.—The first report under subsection (a) shall be submitted not later than January 31, 2007.

(d) EXPIRATION OF REQUIREMENT.—The reporting requirement in subsection (a) shall terminate upon the earlier of the following:

(1) The date of the publication of the next Quadrennial Defense Review Report after the date of the enactment of this Act pursuant to section 118 of title 10, United States Code.

(2) The date of transmission of a written notification by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives that implementation of the recommendations of the 2006 Quadrennial Defense Review is complete.

SEC. 1033. REPORT ON FEASIBILITY OF ESTABLISHING A REGIONAL COMBATANT COMMAND FOR AFRICA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the establishment under chapter 6 of title 10, United States Code, of a new unified combatant command with a geographic area of responsibility consisting of the African continent and adjacent waters.

(b) CONTENT.—The report under subsection (a) shall include—

(1) a study on the feasibility and advisability of establishing a combatant command for Africa as described in subsection (a);

(2) an assessment of the benefits and problems associated with establishing such a command; and

(3) an estimate of the costs, time, and resources needed to establish such a command.

SEC. 1034. DETERMINATION OF DEPARTMENT OF DEFENSE INTRATHEATER AND INTERTHEATER AIRLIFT REQUIREMENTS AND SEALIFT MOBILITY REQUIREMENTS.

(a) DETERMINATION OF REQUIREMENTS.—The Secretary of Defense, as part of the 2006 Mobility Capabilities Study, shall determine Department of Defense mobility requirements as follows:

(1) The Secretary shall determine intratheater and intertheater airlift mobility requirements (stated in terms of million ton miles per day) and sealift mobility requirements (stated in terms of tons) necessary to support warfighting objectives of the commanders of the combatant commands for each scenario that was modeled in the 2005 Mobility Capabilities Study and each scenario that is modeled in the 2006 Mobility Capabilities Study.

(2) The Secretary shall determine intratheater and intertheater airlift mobility requirements (stated in terms of million ton miles per day) and sealift mobility requirements (stated in terms of tons) for executing the National Military Strategy with a low acceptable level of risk, with a medium acceptable level of risk, and with a high acceptable level of risk, for each of the following:

(A) Two overlapping ''swift defeat'' campaigns.

(B) The Global War on Terrorism.

(C) Baseline security posture operations.

(D) Homeland defense and civil support operations.

(E) Special operations missions.

(F) Global long-range strike missions.

(G) Strategic nuclear missions.

(b) REPORT.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report providing the mobility requirements determined pursuant to subsection (a). As part of the report, the Secretary shall—

(1) set forth each mobility requirement specified in paragraph (1) or (2) of subsection (a); and

(2) compare those defined mobility requirements to the Department of Defense's mobility capability program of record for intertheater and intratheater airlift and sealift.

(c) MOBILITY CAPABILITIES STUDIES.—For purposes of this section:

(1) 2006 MOBILITY CAPABILITIES STUDY.—The term "2006 Mobility Capabilities Study" means the studies conducted by the Secretary of Defense and the Joint Staff during 2006 as a follow-on to the 2005 Mobility Capabilities Study.

(2) 2005 MOBILITY CAPABILITIES STUDY.—The term "2005 Mobility Capabilities Study" means the comprehensive Mobility Capabilities Study completed in December 2005 and conducted through the Office of Program Analysis and Evaluation of the Department of Defense to assess mobility needs for all aspects of the National Defense Strategy.

SEC. 1035. PRESIDENTIAL REPORT ON IMPROVING INTER-AGENCY SUPPORT FOR UNITED STATES 21ST CENTURY NATIONAL SECURITY MISSIONS AND INTERAGENCY OPERATIONS IN SUPPORT OF STABILITY, SECURITY, TRANSITION, AND RECONSTRUCTION OPERATIONS.

(a) REPORT REQUIRED.—Not later than April 1, 2007, the President shall submit to Congress a report on building interagency capacity and enhancing the integration of civilian capabilities of the executive branch with the capabilities of the Armed Forces to enhance the achievement of United States national security goals and objectives.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An assessment of the capacity and capabilities required within the civilian agencies of the United States Government to achieve the full range of United States national security goals and objectives, to defend United States national security interests, and, in particular, to coordinate with the Armed Forces where deployed, including capacity and capabilities in at least the following areas:

(A) Organizations and organizational structures, including a description of the roles, responsibilities, and authorities;

1 (B) Planning and assessment capabilities;
2 (C) Information sharing policies, practices,
3 and systems;
4 (D) Leadership issues, including command
5 and control of forces and personnel in the field;
6 (E) Personnel policies and systems, includ-
7 ing those pertaining to recruiting, retention,
8 training, education, promotion, awards, employ-
9 ment, deployment, and retirement; and
10 (F) Acquisition authorities, including iden-
11 tifying any economies of scale that could be
12 gained by improved coordination of acquisition
13 activities and replicating ''best practices'', as
14 appropriate.
15 (2) The criteria and considerations used to
16 evaluate progress in each of the areas specified in
17 paragraph (1) towards building interagency capacity
18 and capabilities and integrating such capabilities
19 across the United States Government to enhance the
20 achievement of United States national security goals
21 and objectives.
22 (3) Recommendations for specific legislative
23 proposals that would build interagency capacity by—
24 (A) addressing statutory or budgetary im-
25 pediments, if any, to the improvement of inter-

agency cooperation and coordination in order to carry out the full range of national security missions (including stability, security, transition, and reconstruction operations); and

(B) providing means to enhance the integration of civilian capabilities with the capabilities of deployed elements of the Armed Forces for each of those national security missions.

(c) ADDITIONAL REPORT ELEMENTS.—The report under subsection (a) shall include a portion dedicated to efforts to address the near-term need to strengthen interagency operations in support of stability, security, transition, and reconstruction operations, including a plan to establish interagency operating procedures for the departments and agencies of the United States Government for the planning and conduct of stability, security, transition, and reconstruction operations. Such plan shall include the following:

(1) A delineation of the roles, responsibilities, and authorities of the departments and agencies of the United States Government for stability, security, transition, and reconstruction operations.

(2) A description of operational processes for setting policy direction for stability, security, transi-

tion, and reconstruction operations in order to guide—

(A) operational planning and funding decisions of those departments and agencies;

(B) integration of civilian and military planning efforts;

(C) integration of programs and activities into an implementation plan;

(D) oversight of policy implementation;

(E) provision of guidance to field-level personnel on program direction and priorities; and

(F) monitoring of field implementation of assistance programs.

(3) A description of available capabilities and resources of each department and agency of the United States Government that could be used in support of stability, security, transition, and reconstruction operations and identification of additional resources needed to support the conduct of such operations.

(4) A description of how the capabilities and resources of the departments and agencies of the United States Government will be coordinated to support stability, security, transition, and reconstruction operations.

(5) A description of existing, or planned, protocols between departments and agencies of the United States Government on the utilization and allocation of assets in field operations that support stability, security, transition, and reconstruction operations.

(6) Recommendations for improving interagency training, education, and simulation exercises in order to adequately prepare civilian and military personnel in the departments and agencies of the United States Government to perform stability, security, transition, and reconstruction operations.

(7) Guidance for the implementation of the plan.

(d) FORM OF REPORT.—To the maximum extent practicable, the report shall be unclassified, with a classified annex, if necessary.

Subtitle E—Reports

SEC. 1041. ADDITIONAL ELEMENT IN ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL WARFARE DEFENSE.

Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

"(10) A description of the coordination and integration of the program of the Defense Advanced Research Projects Agency (DARPA) on basic and applied research and advanced technology development on chemical and biological warfare defense technologies and systems under section 1701(c)(2) with the overall program of the Department of Defense on chemical and biological warfare defense, including—

"(A) an assessment of the degree to which the DARPA program is coordinated and integrated with, and supports the objectives and requirements of, the overall program of the Department of Defense; and

"(B) the means by which the Department determines the level of such coordination and support.".

SEC. 1042. REPORT ON BIODEFENSE HUMAN CAPITAL REQUIREMENTS IN SUPPORT OF BIOSAFETY LABORATORIES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study to determine the Department of Defense human capital requirements for pending capital programs to construct biodefense laboratories at Biosafety

Level (BSL) 3 and Biosafety Level 4 or to expand current biodefense laboratories to such biosafety levels.

(b) ELEMENTS.—In conducting the study, the Secretary shall address the following:

(1) The number of trained research and support staff, by discipline and qualification level, including researchers, laboratory technicians, animal handlers, facility managers, facility or equipment maintainers, biosecurity personnel (including biosafety, physical, and electronic security personnel), and other safety personnel required—

(A) for existing biodefense laboratories at Biosafety Level 3 and Biosafety Level 4; and

(B) to manage biodefense research efforts to combat bioterrorism at the biodefense laboratories described in subsection (a).

(2) Plans to recruit and retain skilled personnel, in numbers sufficient to meet requirements described in paragraph (1)(B).

(3) A forecast of the training required to provide the personnel described by paragraph (1)(B) in time to meet the scheduled openings of the biodefense laboratories described in subsection (a), including—

(A) the types of training required;

(B) the length of training required; and

(C) the training sources.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth the results of the study conducted under this section.

SEC. 1043. REPORT ON TECHNOLOGIES FOR NEUTRALIZING OR DEFEATING THREATS TO MILITARY ROTARY-WING AIRCRAFT FROM PORTABLE AIR DEFENSE SYSTEMS AND ROCKET-PROPELLED GRENADES.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on technologies for neutralizing or defeating threats to military rotary-wing aircraft posed by portable air defense systems and rocket-propelled grenades that are being researched, developed, employed, or considered by the United States Government or the North Atlantic Treaty Organization.

(b) CONTENT.—The report under subsection (a) shall include the following:

(1) An assessment of the expected value and utility of the technologies referred to in subsection (a), particularly with respect to—

(A) the saving of lives;

(B) the ability to reduce the vulnerability of aircraft; and

(C) the enhancement of the ability of aircraft and their crews to accomplish assigned missions.

(2) An assessment of the potential costs of developing and deploying such technologies.

(3) A description of efforts undertaken to develop such technologies, including—

(A) nonlethal countermeasures;

(B) lasers and other systems designed to dazzle, impede, or obscure threatening weapon or their users;

(C) direct fire response systems;

(D) directed energy weapons; and

(E) passive and active systems.

(4) A description of any impediment to the development of such technologies, such as legal restrictions under the law of war, treaty restrictions under the Protocol on Blinding Lasers, and political obsta-

cles such as the reluctance of other allied countries to pursue such technologies.

SEC. 1044. REPORTS ON EXPANDED USE OF UNMANNED AERIAL VEHICLES IN THE NATIONAL AIRSPACE SYSTEM.

(a) FINDINGS.—Congress makes the following findings:

(1) Unmanned aerial vehicles (UAVs) serve Department of Defense intelligence, surveillance, reconnaissance, and combat missions.

(2) Operational reliability of unmanned aerial systems continues to improve, and development and fielding of so-called sense-and-avoid technology should continue in order to provide unmanned aerial systems with an appropriate level of safety.

(3) Unmanned aerial vehicles have the potential to support the Nation's homeland defense mission, border security mission, and natural disaster recovery efforts.

(b) REPORTS.—

(1) DOD REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the relevant congressional committees a report on the actions of the Department of Defense to develop standards for the

testing and operation of unmanned aerial vehicles in the National Airspace System.

(2) FAA REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall submit to the relevant congressional committees a report on progress in developing a policy for testing and a plan for achieving wider access by unmanned aerial vehicles that are appropriately equipped to operate in the National Airspace System

(3) RELEVANT CONGRESSIONAL COMMITTEE.—For the purposes of this subsection, the relevant congressional committees are the following:

(A) The Committee on Armed Services, the Committee on Commerce, the Committee on Science and Transportation, and the Committee on Homeland Security and Governmental Affairs of the Senate.

(B) The Committee on Armed Services, the Committee on Energy and Commerce, the Committee on Government Reform, and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 1045. REPORT ON INCENTIVES TO ENCOURAGE CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES TO SERVE IN THE BUREAU OF CUSTOMS AND BORDER PROTECTION.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense shall jointly submit to the congressional committees specified in subsection (e) a report assessing the desirability and feasibility of offering incentives to members and former members of the Armed Forces described in subsection (b) for the purpose of encouraging such members to serve in the Bureau of Customs and Border Protection of the Department of Homeland Security.

(b) COVERED MEMBERS AND FORMER MEMBERS.—The members and former members of the Armed Forces to be covered by the report under subsection (a) are the following:

(1) Members of the reserve components of the Armed Forces.

(2) Former members of the Armed Forces within two years of separation from service in the Armed Forces.

(c) REQUIREMENTS AND LIMITATIONS.—

(1) NATURE OF INCENTIVES.—In considering incentives for purposes of the report required by subsection (a), the Secretaries shall consider such incentives as the Secretaries jointly consider appropriate, whether or not such incentives are monetary or otherwise and whether or not such incentives are authorized by current law or regulations.

(2) TARGETING OF INCENTIVES.—In assessing any incentive for purposes of the report, the Secretaries shall give particular attention to the utility of such incentive in—

(A) encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by members and former members of the Armed Forces described in subsection (b) who provided border patrol or border security assistance to the Bureau as part of their duties as members of the Armed Forces; and

(B) leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, required for service with the Bureau of Customs and Border Protection.

(3) PAYMENT.—In assessing incentives for purposes of the report, the Secretaries shall assume that any costs of such incentives shall be borne by the Department of Homeland Security.

(d) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of various monetary and non-monetary incentives considered for purposes of the report.

(2) An assessment of the desirability and feasibility of utilizing any such incentive for the purpose specified in subsection (a), including an assessment of the particular utility of such incentive in encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by members and former members of the Armed Forces described in subsection (c)(2)(A).

(3) Any other matters that the Secretaries jointly consider appropriate.

(e) SUBMISSION OF REPORT.—The report required by subsection (a) shall be submitted to—

(1) the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, and the Committee on Appropriations of the Senate; and

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

SEC. 1046. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) ANNUAL REPORT ON AVIATION CAREER INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended by striking subsection (f).

(b) ANNUAL REPORT ON EFFECTS OF CERTAIN INITIATIVES ON RECRUITMENT AND RETENTION.—

(1) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by striking the item relating to section 1015.

(c) SECRETARY OF DEFENSE RECOMMENDATION ON NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section 1041 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1217) is repealed.

(d) REPORT ON PILOT PROGRAM TO ENHANCE MILITARY RECRUITING BY IMPROVING MILITARY AWARENESS OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564 of the Floyd D. Spence National Defense Authorization

Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–133; 10 U.S.C. 503 note)) is amended by striking subsection (c).

(e) ANNUAL REPORT ON MEDICAL INFORMATICS.—Section 723(d) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 10 U.S.C. 1071 note) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

SEC. 1047. REQUIREMENT FOR IDENTIFICATION OF RECENTLY ENACTED RECURRING REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) IDENTIFICATION AND SUBMITTAL TO CONGRESSIONAL COMMITTEES.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a listing of each provision of law specified in paragraph (2).

(2) COVERED PROVISIONS OF LAW.—Paragraph (1) applies with respect to any provision of law enacted on or after November 24, 2003 (the date of

the enactment of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136)), and before February 1, 2007, that requires the submission by the Secretary of Defense or any other official of the Department of Defense of annual, semiannual, or other periodic reports to one or more of the congressional defense committees

(b) ADDITIONAL MATTER TO BE SUBMITTED.—The Secretary of Defense shall include with the listing submitted under subsection (a) the following:

(1) With respect to each provision of law covered by that subsection, a description of the report requirement under that provision.

(2) For each such report requirement—

(A) an assessment by the Secretary—

(i) of the burden imposed on the Department of Defense by the preparation of the report; and

(ii) of the utility of such report from the perspective of the Department of Defense; and

(B) a recommendation on the advisability of repealing or modifying the requirement for the submittal of such report.

(c) DEFINITION.—In this section, the term ''report'' has the meaning given that term in section 480(c) of title 10, United States Code.

Subtitle F—Miscellaneous Authorities and Limitations on Availability and Use of Funds

SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSEMENT FROM NON-FEDERAL SOURCES TO DEFRAY DEPARTMENT OF DEFENSE COSTS OF CONFERENCES.

(a) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2262. Department of Defense conferences: collection of fees to cover Department of Defense costs

''(a) AUTHORITY TO COLLECT FEES.—(1) The Secretary of Defense may collect fees from any individual or commercial participant in a conference, seminar, exhibition, symposium, or similar meeting conducted by the Department of Defense (in this section referred to collectively as a 'conference').

''(2) The Secretary may provide for the collection of fees under this section directly or by contract. The fees may be collected in advance of a conference.

1 "(b) USED OF COLLECTED FEES.—Amounts col-
2 lected under subsection (a) with respect to a conference
3 shall be credited to the appropriation or account from
4 which the costs of the conference are paid and shall be
5 available to pay the costs of the Department of Defense
6 with respect to the conference or to reimburse the Depart-
7 ment for costs incurred with respect to the conference.

8 "(c) TREATMENT OF EXCESS AMOUNTS.—In the
9 event the total amount of fees collected under subsection
10 (a) with respect to a conference exceeds the actual costs
11 of the Department of Defense with respect to the con-
12 ference, the amount of such excess shall be deposited into
13 the Treasury as miscellaneous receipts.

14 "(d) ANNUAL REPORTS.—(1) Not later than 45 days
15 after the President submits to Congress the budget for
16 a fiscal year under section 1105 of title 31, the Secretary
17 of Defense shall submit to the congressional defense com-
18 mittees a budget justification document summarizing the
19 use of the fee-collection authority provided by this section.

20 "(2) Each report shall include the following:

21 "(A) A list of all conferences conducted during
22 the preceding two calendar years for which fees were
23 collected under this section.

24 "(B) For each conference included on the list
25 under subparagraph (A):

"(i) The estimated costs of the Department for the conference.

"(ii) The actual costs of the Department for the conference, including a separate statement of the amount of any conference coordinator fees associated with the conference.

"(iii) The amount of fees collected under this section for the conference.

"(C) An estimate of the number of conferences to be conducted during the calendar year in which the report is submitted for which the Department will collect fees under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following new item:

"2262. Department of Defense conferences: collection of fees to cover Department of Defense costs.".

SEC. 1052. INCREASED FLEXIBILITY IN USE OF FUNDS FOR JOINT STAFF EXERCISES.

(a) IN GENERAL.—Amounts available to the Chairman of the Joint Chiefs of Staff for joint staff exercises may be available for any expenses as follows:

(1) Expenses of the Armed Forces in connection with such exercises, including expense relating

to self-deploying watercraft under the jurisdiction of a military department.

(2) Expenses relating to the costs of port support activities in connection with such exercises, including transportation and port handling.

(3) Expenses relating to the breakout and operation of prepositioned watercraft and lighterage for joint logistics and over the shore exercises in connection with such exercises.

(b) SUPPLEMENT NOT SUPPLANT.—Any amounts made available by the Chairman of the Joint Chiefs of Staff under subsection (a) for expenses covered by that subsection are in addition to any other amounts available under law for such expenses.

SEC. 1053. PROHIBITION ON PARKING OF FUNDS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773a the following new section:

"§ 2773b. Parking of funds: prohibition; penalties

''(a) PROHIBITION.—An officer or employee of the Department of Defense may not direct the designation of funds for a particular purpose in the budget of the President, as submitted to Congress pursuant to section 1105 of title 31, or the supporting documents of the Depart-

ment of Defense component of such budget, with the knowledge or intent that such funds, if made available to the Department, will not be used for the purpose for which they are designated.

"(b) PENALTIES.—The direction of the designation of funds in violation of the prohibition in subsection (a) shall be treated for purposes of chapter 13 of title 31 as a violation of section 1341(a)(1)(A) of such title.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2773a the following new item:

"2773b. Parking of funds: prohibition; penalties.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 31 days after the date of the enactment of this Act.

(2) MODIFICATION OF CERTAIN POLICIES AND REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall modify the policies and regulations of the Department of Defense regarding the preparation and submittal to Congress of budget materials for the Department of Defense to take into account section 2773b of title 10, United States Code, as added by subsection (a).

SEC. 1054. MODIFICATION OF AUTHORITIES RELATING TO THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

(a) DUTIES.—For purposes of carrying out the duties of the Special Inspector General for Iraq Reconstruction under section 3001(f) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1235 et seq.; 5 U.S.C. App., note to section 8G of Public Law 95–452), any United States funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

(b) TERMINATION.—Section 3001(o) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95–452) is amended to read as follows:

''(o) TERMINATION.—The Office of the Inspector General shall terminate on October 1, 2007, with transition operations authorized to continue through December 31, 2007.''.

Subtitle G—Matters Involving Detainees

SEC. 1061. PROVISION OF INFORMATION TO CONGRESS ON CERTAIN CRIMINAL INVESTIGATIONS AND PROSECUTIONS INVOLVING DETAINEES.

(a) ANNUAL REPORT.—Subsection (c) of section 1093 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2070) is amended—

(1) in paragraph (1), by inserting ", or any prosecution on account of," after "Notice of any investigation into"; and

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

"(3) For each investigation or prosecution described in paragraph (1) with respect to which notice is included in the report—

"(A) a detailed and comprehensive description of such investigation or prosecution and any resulting judicial or nonjudicial punishment or other disciplinary action; and

"(B) if the individual receiving the punishment or disciplinary action is a member of the Armed Forces, the grade of that individual (i) as of the time of the incident resulting in the

investigation or prosecution, (ii) as of the beginning of the investigation or prosecution, and (iii) as of the submission of the report.''.

(b) TIMELY SUBMISSION OF COVERED INFORMATION.—Such section is further amended by adding at the end the following new subsection:

''(f) ADDITIONAL REPORTING.—In addition to the annual report under subsection (c), the Secretary of Defense shall submit to the committees named in that subsection regular and timely reports on the matters described in paragraphs (1) and (3) of that subsection.''.

Subtitle H—Other Matters

SEC. 1071. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 115 is amended—

(A) by striking the second subsection (i) (added by section 512(b) of Public Law 108–375 (118 Stat. 1880)); and

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

''(13) Members of the National Guard on full-time National Guard duty involuntarily and performing homeland defense activities under chapter 9 of title 32.''.

(2) Sections 133(c)(1), 2225(f)(1), 2302c(b), 2304(f)(1)(B)(iii), 2359a(i), and 2382(c)(3)(A) are amended by striking ''section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3))'' and inserting ''section 16(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(c))''.

(3) Section 426(a)(1)(B) is amended by striking ''coordiation'' and inserting ''coordination''.

(4) Section 843(b)(2) is amended—

(A) in subparagraph (B)(iii), by striking ''article 126'' and inserting ''article 125''; and

(B) in subparagraph (C), by striking ''under chapter 110 or 117, or under section 1591, of title 18'' and inserting ''under chapter 110 or 117 of title 18 or under section 1591 of that title''.

(5) Section 1107a(a) is amended—

(A) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(B) in paragraph (2), as so redesignated, by striking ''subparagraph (A)'' and inserting ''paragraph (1)''.

(6) Section 1217(a) is amended by striking ''the date of'' and all that follows and inserting ''October 28, 2004.''.

(7) Section 1406(i)(3)(B)(vi) is amended by striking ''Advisor for'' and inserting ''Advisor to''.

(8) Section 1448(d)(6)(A) is amended by striking the second comma after ''November 23, 2003''.

(9) Section 2006(b)(1) is amended—

(A) by inserting ''of this title'' after ''and 1607''; and

(B) by striking ''of this title'' before the period at the end.

(10) Section 2103a(b) is amended in the subsection heading by striking ''ELIGIBILTY'' and inserting ''ELIGIBILITY''.

(11) Section 2105 is amended by adding a period at the end of the last sentence.

(12) The item relating to section 2152 in the table of sections at the beginning of chapter 107 is amended to read as follows:

''2152. Joint professional military education: general requirements.''.

(13) The heading for section 2155, and the item relating to that section in the table of sections at the beginning of chapter 107, are amended by capitalizing the first letter of the fifth word.

(14) Section 2155(a) is amended in the subsection heading by inserting ''PHASE'' after ''EDUCATION''.

(15) Section 2157 is amended by striking ''phase II'' in paragraph (1) and inserting ''Phase II''.

(16) Section 2216(b)(1) is amended by striking ''subsections'' and inserting ''subsection''.

(17) The heading for section 2440 is amended so that the first letter of each word after the first is lower case.

(18) The item relating to section 2481 in the table of sections at the beginning of subchapter I of chapter 147 is amended by adding a period at the end.

(19)(A) The second section 2613 (added by section 1051(a) of Public Law 108–375 (118 Stat. 2053)) is redesignated as section 2614 and is amended by redesignating the second subsection (c) as subsection (d).

(B) The item relating to such section in the table of sections at the beginning of chapter 155 is revised to reflect the redesignation of such section by subparagraph (A).

(20) Section 2613(b) is amended by striking ''In the'' and inserting ''In this''.

(21) Section 2692(b)(9) is amended by striking ''materiel'' and inserting ''material''.

(22) Section 2694a(c) is amended in the subsection heading by striking ''REVISIONARY'' and inserting ''REVERSIONARY''.

(23) Section 2703(h) is amended by striking ''subsection'' in the first sentence and inserting ''section''.

(24) Section 2722(c)(2) is amended by striking ''section 921'' and inserting ''section 921(a)''.

(25) Section 2784a(a)(2) is amended by striking ''care'' and inserting ''card''.

(26) Section 2831(f)(2) is amended by striking ''enviromental'' and inserting ''environmental''.

(27) Section 3911(b) is amended—

(A) in paragraph (1), by striking the second comma after ''paragraph (2)''; and

(B) in paragraph (2), by striking ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006'' and inserting ''January 6, 2006,''.

(28) Section 4342(a)(9) is amended by striking ''cadet'' and inserting ''cadets''.

(29) Section 4544(d) is amended in the subsection heading by striking ''ARANGEMENT'' and inserting ''ARRANGEMENT''.

(30) Section 4687(c) is amended by striking ''section 921(10)'' and inserting ''section 921(a)(10)''.

(31) The item relating to section 6086 in the table of sections at the beginning of chapter 557 is amended by striking the semicolon and inserting a colon.

(32) The table of sections at the beginning of chapter 561 is amended—

(A) in the item relating to section 6154, by striking the semicolon and inserting a colon; and

(B) by striking the item relating to section 6161 and inserting the following:

''6161. Settlement of accounts: remission or cancellation of indebtedness of members.''.

(33) Section 6323(a)(2) is amended—

(A) in subparagraph (A), by striking the second comma after ''subparagraph (B)''; and

(B) in subparagraph (B), by striking ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006'' and inserting ''January 6, 2006,''.

(34) The item relating to section 6965 in the table of sections at the beginning of chapter 603 is amended by striking the semicolon and inserting a colon.

(35) The item relating to section 7081 in the table of sections at the beginning of chapter 607 is amended by striking the first semicolon and inserting a colon.

(36) Section 7306b(b)(1) is amended by striking ''section 2(14)'' and inserting ''section 3(14)''.

(37) Section 8911(b) is amended—

(A) in paragraph (1), by striking the second comma after ''paragraph (2)''; and

(B) in paragraph (2), by striking ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006'' and inserting ''January 6, 2006,''.

(38) Section 9342(a)(9) is amended by striking ''cadet'' and inserting ''cadets''.

(39) Section 9355(c)(1) is amended by striking ''board'' and inserting ''Board''.

(40) Section 12731(a)(3) is amended by striking ''before the end of the 180-day period beginning on the date of the enactment of the National De-

fense Authorization Act for Fiscal Year 2005'' and inserting ''before April 25, 2005''.

(41) Section 12741 is amended by striking ''under subsection (b)'' in subsections (c) and (d) and inserting ''under subsection (a)''.

(42) Section 18233(f)(2) is amended by striking the comma after ''purchase''.

(b) TITLE 32, UNITED STATES CODE.—Title 32, United States Code, is amended as follows:

(1) Section 902 is amended by striking ''(a)'' before ''The Secretary''.

(2) Section 908(b)(1) is amended by striking ''subsection (i)'' and inserting ''subsection (i)(13)''.

(c) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 210(c)(6) is amended by striking ''Advisor for'' and inserting ''Advisor to''.

(2) Section 301(f)(2)(C) is amended by striking the comma after ''the term''.

(3) Section 308g(f) is amended by striking the second period at the end.

(4) Section 308j is amended by striking subsection (g) and inserting the following new subsection:

"(g) REPAYMENT.—A person who enters into an agreement under this section and receives all or part of the bonus under the agreement, but who does not accept a commission or an appointment as an officer or does not commence to participate or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.".

(5) The table of sections at the beginning of chapter 7 is amended—

(A) by striking the item relating to section 407 and inserting the following:

"407. Travel and transportation allowances: dislocation allowance."; and

(B) by striking the item relating to section 425 and inserting the following:

"425. United States Navy Band; United States Marine Corps Band: allowances while on concert tour.".

(6) Section 402a(b)(3)(B) is amended by striking "section 310 of this section" and inserting "section 310 of this title".

(7) Section 414(c) is amended by striking ", or the Senior Enlisted Advisor for the Chairman of the Joint Chiefs of Staff" before the period at the end.

(8) The heading of section 1010 is amended to read as follows:

"§ 1010. Commissioned officers: promotions; effective date for pay and allowances".

(d) PUBLIC LAW 109–272.—Effective as of August 14, 2006, and as if included therein as enacted, section 2(a) of Public Law 109–272 (120 Stat. 770; 16 U.S.C. 431 note) is amended by striking ''division E'' and inserting ''division J''.

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2006.—Effective as of January 6, 2006, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended as follows:

(1) Section 341(e) (119 Stat. 3199) is amended by striking ''(a)(1)(E)'' and inserting ''(a)(1)(F)''.

(2) Section 545(b) (119 Stat. 3254) is amended by striking ''title''.

(3) Section 606(a) (119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking ''title 10'' and inserting ''title 37''.

(5) Section 608(b) (119 Stat. 3289) is amended—

(A) in paragraph (1), by striking ''the first sentence'' and inserting ''the second sentence''; and

(B) in paragraph (2), by striking ''the second sentence'' and inserting ''the third sentence''.

(6) Section 685(a) (119 Stat. 3325) is amended by striking ''Advisor for'' both places it appears and inserting ''Advisor to''.

(7) Section 687(a)(2) (119 Stat. 3327) is amended by striking ''subsection (a)'' and inserting ''subsection (e)''.

(8) Section 687(b)(15) (119 Stat. 3330) is amended—

(A) by striking ''Subsection (d)'' and inserting ''Subsection (e)''; and

(B) in the matter inserted by that section, by striking ''(d) REPAYMENT.—'' and inserting ''(e) REPAYMENT.—''.

(9) Section 740(c) (119 Stat. 3359; 10 U.S.C. 1073 note) is amended by inserting ''include'' after ''shall''.

(f) RECONCILIATION OF DUPLICATE ENACTMENTS.—

(1) In executing to section 2554 of title 10, United States Code, the identical amendments made by section 8126(c)(2) of Public Law 109-148 (119 Stat. 2729) and section 1058(c) of Public Law 109-

163 (119 Stat. 3443), such amendments shall be executed so as to appear only once in the law as amended.

(2) In executing to section 109 of the Housing and Community Development Act of 1974 the identical amendments made by section 8126(d) of Public Law 109-148 (119 Stat. 2730) and section 1058(d) of Public Law 109-163 (119 Stat. 3443), such amendments shall be executed so as to appear only once in the law as amended.

(3) Section 8126 of Public Law 109-148 (119 Stat. 2728) is repealed.

(g) RONALD W. REAGAN NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2005.—Effective as of October 28, 2004, and as if included therein as enacted, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375) is amended as follows:

(1) Section 416 is amended—

(A) in subsection (a)(1) (118 Stat. 1866), by inserting ''the second place it appears'' before the semicolon at the end; and

(B) in subsection (g)(1) (118 Stat. 1868), by inserting open quotation marks before ''(1) Reserve''.

(2) Subsections (a)(2), (b)(2), and (c)(2) of section 544 (118 Stat. 1906) are amended by striking ''such title'' and inserting ''such chapter''.

(3) Section 554(1) (118 Stat. 1913) is amended by inserting ''of'' in the quoted matter after ''a period''.

(4) Section 593(a) (118 Stat. 1934; 10 U.S.C. 503 note) is amended in the subsection heading by striking ''SCREEING'' and inserting ''SCREENING''.

(5) Section 645 (118 Stat. 1962; 10 U.S.C. 1448 note) is amended by redesignating the last subsection (relating to definitions) as subsection (j).

(6) Section 651(a)(5)(C) (118 Stat. 1966) is amended by striking ''subsection (f)'' and inserting ''subsection (e)''.

(7) Section 726(b)(1) (118 Stat. 1992) is amended by striking ''(1)'' in the second quoted matter.

(8) Section 731 (118 Stat. 1993; 10 U.S.C. 1074 note) is amended by striking ''this title'' each place it appears in subsections (a), (b)(3)(C), and (c)(1)(A) and inserting ''this subtitle''.

(9) Section 733(b)(2) (118 Stat. 1998; 10 U.S.C. 1074f note) is amended by striking ''section 1301'' and inserting ''section 731(b)''.

(10) Section 801(b)(2)(A) (118 Stat. 2004) is amended—

(A) by striking ''(7), (8), and (9)'' and inserting ''(7) and (8)''; and

(B) by striking ''(8), (9), and (10)'' and inserting ''(8) and (9)''.

(11) Section 818(b) (118 Stat. 2016) is amended by inserting ''of subsection (b)'' after ''Paragraph (3)''.

(12) Section 1103(a)(1) (118 Stat. 2072) is amended by inserting ''basic'' after ''rates of'' in the first quoted matter.

(13) Section 1203(e)(2)(B) (118 Stat. 2079) is amended by inserting ''office'' after ''and field'' in the first quoted matter.

(h) BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003.—Section 806(d) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note) is amended in the subsection heading by striking ''STATUES'' and inserting ''STATUTES''.

(i) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this sec-

tion shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1072. REVISION TO AUTHORITIES RELATING TO COMMISSION ON THE IMPLEMENTATION OF THE NEW STRATEGIC POSTURE OF THE UNITED STATES.

Section 1051 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3431) is amended—

(1) in subsection (c)(1), by striking ''June 30, 2007'' and inserting ''September 30, 2007''; and

(2) in subsection (f), by striking ''July 30, 2007'' and inserting ''November 30, 2007''.

SEC. 1073. REVISED DEADLINE FOR SUBMISSION OF FINAL REPORT OF EMP COMMISSION.

Section 1403(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–346), as amended by section 1052(f) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434), is amended by striking ''June 30, 2007'' and inserting ''September 30, 2007''.

SEC. 1074. EXTENSION OF RETURNING WORKER EXEMPTION TO H-2B NUMERICAL LIMITATION.

(a) IN GENERAL.—Section 214(g)(9) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(9)) is amended—

(1) by amending the first sentence of subparagraph (A) to read as follows: ''Subject to subparagraphs (B) and (C), an alien who has already been counted toward the numerical limitation of paragraph (1)(B) during fiscal year 2004, 2005, or 2006 shall not again be counted toward such limitation during fiscal year 2007.''; and

(2) in subparagraph (B), by striking ''referred to in subparagraph (A)'' and inserting ''to admit or otherwise provide status under section 101(a)(15)(H)(ii)(b)''.

(b) DELETION OF PRIOR SUNSET PROVISION.—Section 402(b)(1) of the Save Our Small and Seasonal Businesses Act of 2005 (title IV of division B of Public Law 109–13; 119 Stat. 318; 8 U.S.C. 1184 note) is amended by striking ''2004,'' and all that follows through the period at the end and inserting ''2004.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006. If this section is enacted after October 1, 2006, the amendments

made by this section shall take effect as if enacted on such date.

SEC. 1075. PATENT TERM EXTENSIONS FOR THE BADGES OF THE AMERICAN LEGION, THE AMERICAN LEGION WOMEN'S AUXILIARY, AND THE SONS OF THE AMERICAN LEGION.

(a) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION.—The term of the design patent numbered 54,296 (for the badge of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(b) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION WOMEN'S AUXILIARY.—The term of the design patent numbered 55,398 (for the badge of the American Legion Women's Auxiliary) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(c) PATENT TERM EXTENSION FOR THE BADGE OF THE SONS OF THE AMERICAN LEGION.—The term of the design patent numbered 92,187 (for the badge of the Sons of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of

this Act, with all the rights and privileges pertaining to such patent.

SEC. 1076. USE OF THE ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.

(a) USE OF THE ARMED FORCES AUTHORIZED.—

(1) IN GENERAL.—Section 333 of title 10, United States Code, is amended to read as follows:

"§ 333. Major public emergencies; interference with State and Federal law

''(a) USE OF ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.—(1) The President may employ the armed forces, including the National Guard in Federal service, to—

''(A) restore public order and enforce the laws of the United States when, as a result of a natural disaster, epidemic, or other serious public health emergency, terrorist attack or incident, or other condition in any State or possession of the United States, the President determines that—

''(i) domestic violence has occurred to such an extent that the constituted authorities of the State or possession are incapable of maintaining public order; and

''(ii) such violence results in a condition described in paragraph (2); or

"(B) suppress, in a State, any insurrection, domestic violence, unlawful combination, or conspiracy if such insurrection, violation, combination, or conspiracy results in a condition described in paragraph (2).

"(2) A condition described in this paragraph is a condition that—

"(A) so hinders the execution of the laws of a State or possession, as applicable, and of the United States within that State or possession, that any part or class of its people is deprived of a right, privilege, immunity, or protection named in the Constitution and secured by law, and the constituted authorities of that State or possession are unable, fail, or refuse to protect that right, privilege, or immunity, or to give that protection; or

"(B) opposes or obstructs the execution of the laws of the United States or impedes the course of justice under those laws.

"(3) In any situation covered by paragraph (1)(B), the State shall be considered to have denied the equal protection of the laws secured by the Constitution.

"(b) NOTICE TO CONGRESS.—The President shall notify Congress of the determination to exercise the authority in subsection (a)(1)(A) as soon as practicable after

the determination and every 14 days thereafter during the duration of the exercise of that authority.''.

(2) PROCLAMATION TO DISPERSE.—Section 334 of such title is amended by inserting ''or those obstructing the enforcement of the laws'' after ''insurgents''.

(3) HEADING AMENDMENT.—The heading of chapter 15 of such title is amended to read as follows:

''CHAPTER 15—ENFORCEMENT OF THE LAWS TO RESTORE PUBLIC ORDER''.

(4) CLERICAL AMENDMENTS.—(A) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 15 and inserting the following new item:

''15 Enforcement of the Laws to Restore Public Order ..... 331''.

(B) The table of sections at the beginning of chapter 15 of such title is amended by striking the item relating to sections 333 and inserting the following new item:

''333. Major public emergencies; interference with State and Federal law.''.

(b) PROVISION OF SUPPLIES, SERVICES, AND EQUIPMENT.—

(1) IN GENERAL.—Chapter 152 of such title is amended by adding at the end the following new section:

"§ 2567. Supplies, services, and equipment: provision in major public emergencies

''(a) PROVISION AUTHORIZED.—In any situation in which the President determines to exercise the authority in section 333(a)(1)(A) of this title, the President may direct the Secretary of Defense to provide supplies, services, and equipment to persons affected by the situation.

''(b) COVERED SUPPLIES, SERVICES, AND EQUIPMENT.—The supplies, services, and equipment provided under this section may include food, water, utilities, bedding, transportation, tentage, search and rescue, medical care, minor repairs, the removal of debris, and other assistance necessary for the immediate preservation of life and property.

''(c) LIMITATIONS.—(1) Supplies, services, and equipment may be provided under this section—

''(A) only to the extent that the constituted authorities of the State or possession concerned are unable to provide such supplies, services, and equipment, as the case may be; and

''(B) only until such authorities, or other departments or agencies of the United States charged

with the provision of such supplies, services, and equipment, are able to provide such supplies, services, and equipment.

''(2) The Secretary may provide supplies, services, and equipment under this section only to the extent that the Secretary determines that doing so will not interfere with military preparedness or ongoing military operations or functions.

''(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—The provision of supplies, services, or equipment under this section shall not be subject to the provisions of section 403(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).''.

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

''2567. Supplies, services, and equipment: provision in major public emergencies''.

(c) CONFORMING AMENDMENT.—Section 12304(c)(1) of such title is amended by striking ''No unit'' and all that follows through ''subsection (b),'' and inserting ''Except to perform any of the functions authorized by chapter 15 or section 12406 of this title or by subsection (b), no unit or member of a reserve component may be ordered to active duty under this section''.

SEC. 1077. INCREASED HUNTING AND FISHING OPPORTUNITIES FOR MEMBERS OF THE ARMED FORCES, RETIRED MEMBERS, AND DISABLED VETERANS.

(a) ACCESS FOR MEMBERS, RETIRED MEMBERS, AND DISABLED VETERANS.—Consistent with section 2671 of title 10, United States Code, and using such funds as are made available for this purpose, the Secretary of Defense shall ensure that members of the Armed Forces, retired members, disabled veterans, and persons assisting disabled veterans are able to utilize lands under the jurisdiction of the Department of Defense that are available for hunting or fishing.

(b) ASSESSMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report containing the results of an assessment of those lands under the jurisdiction of the Department of Defense and suitable for hunting or fishing and describing the actions necessary—

(1) to further increase the acreage made available to members of the Armed Forces, retired members, disabled veterans, and persons assisting disabled veterans for hunting and fishing; and

(2) to make that acreage more accessible to disabled veterans.

(c) RECREATIONAL ACTIVITIES ON SANTA ROSA ISLAND.—The Secretary of the Interior shall immediately cease the plan, approved in the settlement agreement for case number 96-7412 WJR and case number 97-4098 WJR, to exterminate the deer and elk on Santa Rosa Island, Channel Islands, California, by helicopter and shall not exterminate or nearly exterminate the deer and elk.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. Accrual of annual leave for members of the uniformed services performing dual employment.
Sec. 1102. Strategy for improving the senior management, functional, and technical workforce of the Department of Defense.
Sec. 1103. Three-year extension of authority for experimental personnel management program for scientific and technical personnel.
Sec. 1104. Reports on members of the Armed Forces and civilian employees of the Department of Defense serving in the legislative branch.
Sec. 1105. Extension of authority to waive annual limitation on total compensation paid to Federal civilian employees.

SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member also is entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of a uniformed service.''.

SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MANAGEMENT, FUNCTIONAL, AND TECHNICAL WORKFORCE OF THE DEPARTMENT OF DEFENSE.

(a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL PLAN.—The Secretary of Defense shall include in the March 1, 2007, strategic human capital plan required by section 1122(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape and improve the senior management, functional, and technical workforce (including scientists and engineers) of the Department of Defense.

(b) SCOPE OF PLAN.—The strategic plan required by subsection (a) shall cover, at a minimum, the following categories of Department of Defense civilian personnel:

(1) Appointees in the Senior Executive Service under section 3131 of title 5, United States Code.

(2) Persons serving in positions described in section 5376(a) of title 5, United States Code.

(3) Highly qualified experts appointed pursuant to section 9903 of title 5, United States Code.

(4) Scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as amended by section 1114 of the

Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into by law by Public Law 106–398 (114 Stat. 1654A-315)).

(5) Scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note).

(6) Persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code.

(7) Persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code.

(c) CONTENTS OF PLAN.—The strategic plan required by subsection (a) shall include—

(1) an assessment of—

(A) the needs of the Department of Defense for senior management, functional, and technical personnel (including scientists and engineers) in light of recent trends and projected changes in the mission and organization of the Department and in light of staff support needed to accomplish that mission;

(B) the capability of the existing civilian employee workforce of the Department to meet

requirements relating to the mission of the Department, including the impact on that capability of projected trends in the senior management, functional, and technical personnel workforce of the Department based on expected losses due to retirement and other attrition; and

(C) gaps in the existing or projected civilian employee workforce of the Department that should be addressed to ensure that the Department has continued access to the senior management, functional, and technical personnel (including scientists and engineers) it needs; and

(2) a plan of action for developing and reshaping the senior management, functional, and technical workforce of the Department to address the gaps identified under paragraph (1)(C), including—

(A) any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in subsection (b) or to establish a new category of senior management or technical personnel;

(B) any changes in the number of personnel authorized in any category of personnel

identified in subsection (b) that may be needed to address such gaps and effectively meet the needs of the Department;

(C) any changes in the rates or methods of pay for any category of personnel identified in subsection (b) that may be needed to address inequities and ensure that the Department has full access to appropriately qualified personnel to address such gaps and meet the needs of the Department;

(D) specific recruiting and retention goals, including the program objectives of the Department to be achieved through such goals;

(E) specific strategies for developing, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior management, functional, and technical workforce of the Department, including the program objectives of the Department to be achieved through such strategies; and

(F) specific steps that the Department has taken or plans to take to ensure that the senior management, functional, and technical workforce of the Department is managed in compli-

ance with the requirements of section 129 of title 10, United States Code.

SEC. 1103. THREE-YEAR EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL MANAGEMENT PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(e)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

SEC. 1104. REPORTS ON MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE SERVING IN THE LEGISLATIVE BRANCH.

(a) QUARTERLY REPORTS ON DETAILS AND FELLOWSHIPS OF LONG DURATION.—Not later than 120 days after the date of the enactment of this Act, and quarterly thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the members of the Armed Forces and civilian employees of the Department of Defense who, as of the date of such report, have served continuously in the Legislative Branch for more than 12 consecutive months in one or a combination of covered legislative details or fellowships.

(b) REPORTS ON CERTAIN MILITARY DETAILS AND FELLOWSHIPS.—If a member of the Armed Forces is assigned to a covered legislative detail or fellowship as the last tour of duty of such member before retirement or separation from the Armed Forces in contravention of the regulations of the Department of Defense, the Secretary shall submit to the congressional defense committees a report on the assignment of such member to such covered legislative detail or fellowship. The report shall include a rationale for the waiver of the regulations of the Department in order to permit the detail or fellowship.

(c) REPORT ELEMENTS.—Each report under subsection (a) or (b) shall set forth, for each member of the Armed Forces or civilian employee of the Department of Defense covered by such report, the following:

(1) The name of such member or employee.

(2) In the case of a member, the Armed Force of such member.

(3) The committee or member of Congress to which such member or employee is detailed or assigned.

(4) A general description of the projects or tasks undertaken or to be undertaken, as applicable, by such member or employee as a detailee, fellow, or both.

(5) The anticipated termination date of the current detail or fellowship of such member or employee.

(d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP DEFINED.—In this section, the term ''covered legislative detail or fellowship'' means the following:

(1) A detail under the provisions of Department of Defense Directive 1000.17.

(2) A legislative fellowship (including a legislative fellowship under the provisions of Department of Defense Directive 1322.6).

SEC. 1105. EXTENSION OF AUTHORITY TO WAIVE ANNUAL LIMITATION ON TOTAL COMPENSATION PAID TO FEDERAL CIVILIAN EMPLOYEES.

Section 1105 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3450) is amended—

(1) in subsection (a), by inserting ''and 2007'' after ''2006''; and

(2) in subsection (b)—

(A) by striking ''$200,000'' in the heading; and

(B) by striking ''a calendar year'' and inserting ''2006 and $212,100 in 2007''.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Subtitle A—Assistance and Training

Sec. 1201. Logistic support for allied forces participating in combined operations.
Sec. 1202. Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability.
Sec. 1203. Recodification and revision to law relating to Department of Defense humanitarian demining assistance.
Sec. 1204. Enhancements to Regional Defense Combating Terrorism Fellowship Program.
Sec. 1205. Participation of the Department of Defense in multinational military centers of excellence.
Sec. 1206. Modification and extension of authorities relating to program to build the capacity of foreign military forces.
Sec. 1207. Authority for distribution to certain foreign personnel of education and training materials and information technology to enhance military interoperability.

Subtitle B—Nonproliferation Matters and Countries of Concern

Sec. 1211. North Korea.
Sec. 1212. Report on participation of multinational partners in the United Nations Command in the Republic of Korea.
Sec. 1213. Intelligence on Iran.
Sec. 1214. Sense of Congress on United States policy on the nuclear programs of Iran.

Subtitle C—Other Matters

Sec. 1221. Exclusion of petroleum, oil, and lubricants from limitations on annual amount of liabilities the United States may accrue under acquisition and cross-servicing agreements.
Sec. 1222. Modification of limitations on assistance under the American Servicemembers' Protection Act of 2002.
Sec. 1223. Humanitarian support for Iraqi children in urgent need of medical care.
Sec. 1224. Sense of Congress opposing the granting of amnesty by the government of Iraq to persons known to have attacked, killed, or wounded members of the United States Armed Forces in Iraq.
Sec. 1225. Annual reports on United States contributions to the United Nations.
Sec. 1226. Comprehensive regional strategy and annual reports on Somalia.
Sec. 1227. Report on the implementation of the Darfur Peace Agreement.
Sec. 1228. Sense of Congress concerning cooperation with Russia on issues pertaining to missile defense.
Sec. 1229. Sense of Congress calling for convening of a summit for a comprehensive political agreement for Iraq.
Sec. 1230. Sense of Congress on the commendable actions of the Armed Forces in Iraq.

Sec. 1231. Annual report on foreign sales of significant military equipment manufactured in the United States.

Subtitle A—Assistance and Training

SEC. 1201. LOGISTIC SUPPORT FOR ALLIED FORCES PARTICIPATING IN COMBINED OPERATIONS.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127b the following new section:

"§ 127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services

''(a) AUTHORITY.—Subject to subsections (b) and (c), the Secretary of Defense may provide logistic support, supplies, and services to allied forces participating in a combined operation with the armed forces. Provision of such support, supplies, and services to the forces of an allied nation may be made only with the concurrence of the Secretary of State.

''(b) LIMITATIONS.—(1) The authority provided by subsection (a) may be used only in accordance with the Arms Export Control Act and other export control laws of the United States.

''(2) The authority provided by subsection (a) may be used only for a combined operation—

"(A) that is carried out during active hostilities or as part of a contingency operation or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, a country stabilization operation, or a peacekeeping operation under chapter VI or VII of the Charter of the United Nations); and

"(B) in a case in which the Secretary of Defense determines that the allied forces to be provided logistic support, supplies, and services—

"(i) are essential to the success of the combined operation; and

"(ii) would not be able to participate in the combined operation but for the provision of such logistic support, supplies, and services by the Secretary.

"(c) LIMITATIONS ON VALUE.—(1) Except as provided in paragraph (2), the value of logistic support, supplies, and services provided under this section in any fiscal year may not exceed $100,000,000.

"(2) In addition to any logistic support, supplies, and services provided under subsection (a) that are covered by paragraph (1), the value of logistic support, supplies, and services provided under this section solely for the purposes of enhancing the interoperability of the logistical support

systems of military forces participating in combined operation of the United States in order to facilitate such operations may not, in any fiscal year, exceed $5,000,000.

''(d) ANNUAL REPORT.—(1) Not later than December 31 each year, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on International Relations of the House of Representatives a report on the use of the authority provided by subsection (a) during the preceding fiscal year.

''(2) Each report under paragraph (1) shall be prepared in coordination with the Secretary of State.

''(3) Each report under paragraph (1) shall include, for the fiscal year covered by the report, the following:

''(A) Each nation provided logistic support, supplies, and services through the use of the authority provided by subsection (a).

''(B) For each such nation, a description of the type and value of logistic support, supplies, and services so provided.

''(e) DEFINITION.—In this section, the term 'logistic support, supplies, and services' has the meaning given that term in section 2350(1) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127b the following new item:

"127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services.".

SEC. 1202. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LEND CERTAIN MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2), (3), and (4), the Secretary of Defense may treat covered military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for the purpose of providing for the use of such equipment by military forces of a nation participating in combined operations with the United States in Iraq or Afghanistan.

(2) REQUIRED DETERMINATIONS.—Equipment may be provided to the military forces of a nation under the authority of this section only upon—

(A) a determination by the Secretary of Defense that the United States forces in the combined operation have no unfilled requirements for that equipment; and

(B) a determination by the Secretary of Defense, with the concurrence of the Secretary of State, that it is in the national security interest of the United States to provide for the use of such equipment by the military forces of that nation under this section.

(3) LIMITATION ON USE OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by those forces only in Iraq or Afghanistan and only for personnel protection or to aid in the personnel survivability of those forces.

(4) LIMITATION ON DURATION OF PROVISION OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by the military forces of that nation for not longer than one year.

(b) SEMIANNUAL REPORTS TO CONGRESSIONAL COMMITTEES.—

(1) USE OF AUTHORITY DURING FIRST SIX MONTHS OF FISCAL YEAR.—If the authority pro-

vided in subsection (a) is exercised during the first six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following April 30.

(2) USE OF AUTHORITY DURING SECOND SIX MONTHS OF FISCAL YEAR.—If the authority provided in subsection (a) is exercised during the second six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following October 30.

(3) CONTENT.—Each report under paragraph (1) or (2) shall include, with respect to each exercise of the authority provided in subsection (a) during the period covered by the report, the following:

(A) A description of the basis for the determination of the Secretary of Defense that it is in the national security interests of the United States to provide for the use of covered military equipment in the manner authorized in subsection (a).

(B) Identification of each foreign force that receives such equipment.

(C) A description of the type, quantity, and value of the equipment provided to each foreign force that receives such equipment.

(D) A description of the terms and duration of the provision of the equipment to each foreign force that receives such equipment.

(4) COORDINATION.—Each report under paragraph (1) or (2) shall be prepared in coordination with the Secretary of State.

(c) LIMITATIONS ON PROVISION OF MILITARY EQUIPMENT.—The provision of military equipment under this section is subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control process under laws relating to the transfer of military equipment and technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''covered military equipment'' means items designated as significant military equipment in categories I, II, III, VII, XI, and XIII of the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(2) The term ''specified congressional committees'' means—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

(e) EXPIRATION.—The authority to provide military equipment to the military forces of a foreign nation under this section expires on September 30, 2008.

SEC. 1203. RECODIFICATION AND REVISION TO LAW RELATING TO DEPARTMENT OF DEFENSE HUMANITARIAN DEMINING ASSISTANCE.

(a) REPEAL.—Section 401 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (4);

(2) in subsection (b)—

(A) by striking ''(1)'' after ''(b)''; and

(B) by striking paragraph (2);

(3) in subsection (c), by striking paragraphs (2) and (3); and

(4) in subsection (e), by striking paragraph (5).

(b) RECODIFICATION AND REVISION.—

(1) IN GENERAL.—Chapter 20 of such title is amended by adding at the end the following new section:

"§ 407. Humanitarian demining assistance: authority; limitations

''(a) AUTHORITY.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department may carry out humanitarian demining assistance in a country if the Secretary concerned determines that the assistance will promote either—

''(A) the security interests of both the United States and the country in which the activities are to be carried out; or

''(B) the specific operational readiness skills of the members of the armed forces who participate in the activities.

''(2) Humanitarian demining assistance under this section shall complement, and may not duplicate, any other form of social or economic assistance which may be provided to the country concerned by any other department or agency of the United States.

''(3) The Secretary of Defense shall ensure that no member of the armed forces, while providing humanitarian demining assistance under this section—

''(A) engages in the physical detection, lifting, or destroying of landmines or other explosive remnants of war (unless the member does so for the concurrent purpose of supporting a United States military operation); or

"(B) provides such assistance as part of a military operation that does not involve the armed forces.

"(b) LIMITATIONS.—(1) Humanitarian demining assistance may not be provided under this section unless the Secretary of State specifically approves the provision of such assistance.

"(2) Any authority provided under any other provision of law to provide humanitarian demining assistance to a foreign country shall be carried out in accordance with, and subject to, the limitations prescribed in this section.

"(c) EXPENSES.—(1) Expenses incurred as a direct result of providing humanitarian demining assistance under this section to a foreign country shall be paid for out of funds specifically appropriated for the purpose of the provision by the Department of Defense of overseas humanitarian assistance.

"(2) Expenses covered by paragraph (1) include the following:

"(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing such assistance.

"(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or

supporting humanitarian demining activities, including any nonlethal, individual, or small-team equipment or supplies for clearing landmines or other explosive remnants of war that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

''(3) The cost of equipment, services, and supplies provided in any fiscal year under this section may not exceed $10,000,000.

''(d) ANNUAL REPORT.—The Secretary of Defense shall include in the annual report under section 401 of this title a separate discussion of activities carried out under this section during the preceding fiscal year, including—

''(1) a list of the countries in which humanitarian demining assistance was carried out during the preceding fiscal year;

''(2) the type and description of humanitarian demining assistance carried out in each country during the preceding fiscal year, as specified in paragraph (1);

''(3) a list of countries in which humanitarian demining assistance could not be carried out during the preceding fiscal year due to insufficient numbers

of Department of Defense personnel to carry out such activities; and

''(4) the amount expended in carrying out such assistance in each such country during the preceding fiscal year.

''(e) HUMANITARIAN DEMINING ASSISTANCE DEFINED.—In this section, the term 'humanitarian demining assistance', as it relates to training and support, means detection and clearance of landmines and other explosive remnants of war, including activities related to the furnishing of education, training, and technical assistance with respect to the detection and clearance of landmines and other explosive remnants of war.''.

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

''407. Humanitarian demining assistance: authority; limitations.''.

SEC. 1204. ENHANCEMENTS TO REGIONAL DEFENSE COMBATING TERRORISM FELLOWSHIP PROGRAM.

(a) AUTHORIZED PURPOSES.—Subsection (a) of section 2249c of title 10, United States Code, is amended by striking ''associated with'' and all that follows and inserting: ''associated with the education and training of foreign military officers, ministry of defense officials, or security officials at military or civilian educational institutions, regional centers, conferences, seminars, or other training

programs conducted under the Regional Defense Combating Terrorism Fellowship Program. Costs for which payment may be made under this section include the costs of transportation and travel and subsistence costs.''.

(b) ANNUAL LIMITATION ON AMOUNT OBLIGATED.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(c) OBLIGATION OF FUNDS ACROSS FISCAL YEARS.—Subsection (b) of such section is further amended by adding at the end the following new sentence: ''Amounts available under the authority in subsection (a) for a fiscal year may be used for programs that begin in such fiscal year but end in the next fiscal year.''.

(d) CLERICAL AMENDMENTS.—

(1) REFERENCE TO PROGRAM.—Subsection (c)(3) of such section is amended by striking ''Regional Defense Counterterrorism Fellowship Program'' and inserting ''program referred to in subsection (a)''.

(2) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials".

(3) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of subchapter I of chapter 134 of such title is amended to read as follows

"2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials.".

SEC. 1205. PARTICIPATION OF THE DEPARTMENT OF DEFENSE IN MULTINATIONAL MILITARY CENTERS OF EXCELLENCE.

(a) PARTICIPATION AUTHORIZED.—During fiscal year 2007, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize the participation of members of the Armed Forces and Department of Defense civilian personnel in any multinational military center of excellence hosted by any nation or combination of nations referred to in subsection (b) for purposes of—

(1) enhancing the ability of military forces and civilian personnel of the nations participating in such center to engage in joint exercises or coalition or international military operations; or

(2) improving interoperability between the Armed Forces of the United States and the military forces of friendly foreign nations.

(b) COVERED NATIONS.—The nations referred to in this subsection are the following:

(1) The United States.

(2) Any member nation of the North Atlantic Treaty Organization (NATO).

(3) Any major non-NATO ally.

(4) Any other friendly foreign nation identified by the Secretary of Defense, with the concurrence of the Secretary of State, for purposes of this section.

(c) DEFINITIONS.—In this section:

(1) MULTINATIONAL MILITARY CENTER OF EXCELLENCE.—The term ''multinational military center of excellence'' means an entity sponsored by one or more nations that is accredited and approved by the Military Committee of the North Atlantic Treaty Organization (NATO) as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of NATO by providing such personnel opportunities to—

(A) enhance education and training;

(B) improve interoperability and capabilities;

(C) assist in the development of doctrine; and

(D) validate concepts through experimentation.

(2) MAJOR NON-NATO ALLY.—The term ''major non-NATO ally'' means a country (other than a member nation of the North Atlantic Treaty Organization) that is designated as a major non-NATO ally pursuant to section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k).

(d) MEMORANDUM OF UNDERSTANDING.—

(1) REQUIREMENT.—The participation of members of the Armed Forces or Department of Defense civilian personnel in a multinational military center of excellence under subsection (a) shall be in accordance with the terms of one or more memoranda of understanding entered into by the Secretary of Defense, with the concurrence of the Secretary of State, and the foreign nation or nations concerned.

(2) SCOPE.—If Department of Defense facilities, equipment, or funds are used to support a multinational military center of excellence under subsection (a), the memoranda of understanding under paragraph (1) with respect to that center shall pro-

vide details of any cost-sharing arrangement or other funding arrangement.

(e) AVAILABILITY OF APPROPRIATED FUNDS.—

(1) AVAILABILITY.—Funds appropriated to the Department of Defense for operation and maintenance are available as follows:

(A) To pay the United States share of the operating expenses of any multinational military center of excellence in which the United States participates under this section.

(B) To pay the costs of the participation of members of the Armed Forces and Department of Defense civilian personnel in multinational military centers of excellence under this section, including the costs of expenses of such participants.

(2) LIMITATION ON AMOUNT.—The amount available under paragraph (1)(A) in fiscal year 2007 for the expenses referred to in that paragraph may not exceed $3,000,000.

(3) LIMITATION ON USE OF FUNDS.—No funds may be used under this section to fund the pay or salaries of members of the Armed Forces and Department of Defense civilian personnel who partici-

pate in multinational military centers of excellence under this section.

(f) USE OF DEPARTMENT OF DEFENSE FACILITIES AND EQUIPMENT.—Facilities and equipment of the Department of Defense may be used for purposes of the support of multinational military centers of excellence under this section that are hosted by the Department.

(g) REPORT ON USE OF AUTHORITY.—

(1) REPORT REQUIRED.—Not later than October 31, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the use of the authority in this section during fiscal year 2007.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the participation of the Department of Defense, and of members of the Armed Forces and civilian personnel of the Department, in multinational military centers of excellence under the authority of this section during fiscal year 2007.

(B) For each multinational military center of excellence in which the Department of Defense, or members of the Armed Forces or civil-

ian personnel of the Department, so participated—

(i) a description of such multinational military center of excellence;

(ii) a description of the activities participated in by the Department, or by members of the Armed Forces or civilian personnel of the Department; and

(iii) a statement of the costs of the Department for such participation, including—

(I) a statement of the United States share of the expenses of such center and a statement of the percentage of the United States share of the expenses of such center to the total expenses of such center; and

(II) a statement of the amount of such costs (including a separate statement of the amount of costs paid for under the authority of this section by category of costs).

SEC. 1206. MODIFICATION AND EXTENSION OF AUTHORITIES RELATING TO PROGRAM TO BUILD THE CAPACITY OF FOREIGN MILITARY FORCES.

(a) PROGRAM IMPLEMENTATION VESTED IN SECRETARY OF DEFENSE.—

(1) AUTHORITY.—Subsection (a) of section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3456) is amended by striking by ''The President may direct the Secretary of Defense to'' and inserting ''The Secretary of Defense, with the concurrence of the Secretary of State, may''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (b), by striking ''directed by the President'' in paragraphs (1) and (2);

(B) in subsection (c)—

(i) in paragraph (1), by striking ''directed by the President''; and

(ii) in paragraphs (2) and (3), by striking ''The President'' and inserting ''The Secretary of Defense'';

(C) in subsection (d), by striking ''directed by the President'' both places it appears; and

(D) in subsection (e)(2), by striking ''as directed by the President''.

(b) FUNDING.—Subsection (c)(1) of such section is further amended—

(1) by striking ''$200,000,000'' and inserting ''$300,000,000''; and

(2) by striking ''defense-wide''.

(c) NOTIFICATION TO CONGRESS.—Paragraph (1) of subsection (e) of such section is amended to read as follows:

''(1) NOTIFICATION.—Whenever the Secretary of Defense decides, with the concurrence of the Secretary of State, to conduct or support a program authorized under subsection (a), the Secretary of Defense shall submit to Congress a notification in writing of that decision. Any such notification shall be prepared in coordination with the Secretary of State.''.

(d) ONE-YEAR EXTENSION OF PROGRAM AUTHORITY.—Subsection (g) of such section is amended to read as follows:

''(g) TERMINATION OF PROGRAM.—The authority provided under subsection (a) terminates at the close of September 30, 2008. Any program directed before that date may be completed, but only using funds available for fiscal year 2006, 2007, or 2008.''.

SEC. 1207. AUTHORITY FOR DISTRIBUTION TO CERTAIN FOREIGN PERSONNEL OF EDUCATION AND TRAINING MATERIALS AND INFORMATION TECHNOLOGY TO ENHANCE MILITARY INTEROPERABILITY.

(a) DISTRIBUTION AUTHORIZED.—To enhance interoperability between the Armed Forces and military forces of friendly foreign countries, the Secretary of Defense may—

(1) provide to personnel referred to in subsection (b) electronically-distributed learning content for the education and training of such personnel for the development and enhancement of allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations; and

(2) provide information technology, including computer software developed for such purpose, but only to the extent necessary to support the use of such learning content for the education and training of such personnel.

(b) AUTHORIZED RECIPIENTS.—The personnel to whom learning content and information technology may be provided under subsection (a) are military and civilian personnel of a friendly foreign government, with the permission of that government.

(c) EDUCATION AND TRAINING.—Any education and training provided under subsection (a) shall include the following:

(1) Internet-based education and training.

(2) Advanced distributed learning and similar Internet learning tools, as well as distributed training and computer assisted exercises.

(d) SECRETARY OF STATE CONCURRENCE IN CERTAIN ACTIVITIES.—In the case of any activity proposed to be undertaken under this section that is not authorized by another provision of law, the Secretary of Defense may undertake such activity only with the concurrence of the Secretary of State.

(e) APPLICABILITY OF EXPORT CONTROL REGIMES.—The provision of learning content and information technology under this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations.

(f) SECRETARY OF DEFENSE GUIDANCE.—

(1) GUIDANCE REQUIRED.—The Secretary of Defense shall develop and issue guidance on the procedures for the use of the authority provided in this section.

(2) SUBMITTAL TO CONGRESSIONAL COMMITTEES.—Not later than 30 days after issuing the guidance required by paragraph (1), the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth such guidance.

(3) MODIFICATION.—If the Secretary modifies the guidance issued under paragraph (1), the Secretary shall submit to the committees named in paragraph (2) a report setting forth the modified guidance not later than 30 days after the date of such modification.

(g) ANNUAL REPORT.—

(1) REPORT REQUIRED.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the committees named in subsection (f)(1) a report on the exercise of the authority provided in this section during the preceding fiscal year.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for the fiscal year covered by such report, the following:

(A) A statement of the recipients of learning content and information technology provided under this section.

(B) A description of the type, quantity, and value of the learning content and information technology provided under this section.

(h) TERMINATION.—The authority provided in this section shall expire on September 30, 2008.

Subtitle B—Nonproliferation Matters and Countries of Concern

SEC. 1211. NORTH KOREA.

(a) COORDINATOR OF POLICY ON NORTH KOREA.—

(1) APPOINTMENT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the President shall appoint a senior presidential coordinator of United States policy on North Korea.

(2) DESIGNATION.—The individual appointed under paragraph (1) may be known as the ''North Korea Policy Coordinator'' (in this subsection referred to as the ''Coordinator)''.

(3) DUTIES.—The Coordinator shall—

(A) conduct a full and complete interagency review of United States policy toward North Korea;

(B) consult with foreign governments, including the parties to the Six Party Talks on the denuclearization of the Korean peninsula; and

(C) provide policy direction and leadership for negotiations with North Korea relating to nuclear weapons, ballistic missiles, and other security matters.

(4) REPORT.—Not later than 90 days after the date of the appointment of an individual as Coordinator under paragraph (1), the Coordinator shall submit to the President and Congress an unclassified report, with a classified annex if necessary, on the actions undertaken under paragraph (3). The report shall set forth—

(A) the results of the review under paragraph (3)(A); and

(B) any other matter on North Korea that the Coordinator considers appropriate.

(5) TERMINATION.—The position under this subsection shall terminate no later than December 31, 2011.

(b) SEMIANNUAL REPORTS ON NUCLEAR AND MISSILE PROGRAMS OF NORTH KOREA.—

(1) REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter for fiscal years 2007 and 2008, the President shall transmit to Congress an unclassified report, with a classified annex as appro-

1 priate, on the nuclear program and the missile pro-
2 gram of North Korea.
3 (2) MATTERS TO BE INCLUDED.—Each report
4 under paragraph (1) shall include the following:
5 (A) The most current national intelligence
6 estimate on the nuclear program and the mis-
7 sile program of North Korea and, consistent
8 with the protection of intelligence sources and
9 methods, an unclassified summary of the key
10 judgments in that estimate.
11 (B) The most current unclassified United
12 States Government assessment, stated as a
13 range if necessary, of—
14 (i) the number of nuclear weapons
15 possessed by North Korea; and
16 (ii) the amount of nuclear material
17 suitable for weapons use produced by
18 North Korea by plutonium reprocessing
19 and uranium enrichment.
20 (C) Any other matter relating to the nu-
21 clear program or missile program of North
22 Korea that the President considers appropriate.

SEC. 1212. REPORT ON PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on participation of multinational partners in the United Nations Command in the Republic of Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, together with a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

(3) A discussion of how members of the United Nations Command in the Republic of Korea might be persuaded to increase their contribution of mili-

tary forces stationed in the Republic and an assessment of how United States political-military requirements in the Republic of Korea might be affected by such increases.

(4) An assessment of how the contribution of additional military forces by a member of the United Nations Command might affect that member's approach to facilitating a diplomatic resolution of the nuclear challenge posed by the Democratic People's Republic of Korea.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 1213. INTELLIGENCE ON IRAN.

(a) SUBMITTAL TO CONGRESS OF UPDATED NATIONAL INTELLIGENCE ESTIMATE ON IRAN.—

(1) SUBMITTAL REQUIRED.—The Director of National Intelligence shall submit to Congress an updated, comprehensive National Intelligence Estimate on Iran. Such National Intelligence Estimate shall be submitted as soon as is practicable, but not later than the end of the 90–day period beginning on the date of the enactment of this Act.

(2) NOTICE REGARDING SUBMITTAL.—If before the end of the 90–day period specified in paragraph (1) the Director determines that the National Intelligence Estimate required by that paragraph cannot be submitted by the end of that period as required by that paragraph, the Director shall (before the end of that period) submit to Congress a report setting forth—

(A) the reasons why the National Intelligence Estimate cannot be submitted by the end of such 90–day period; and

(B) an estimated date for the submittal of the National Intelligence Estimate.

(3) FORM.—The National Intelligence Estimate under paragraph (1) shall be submitted in classified form. Consistent with the protection of intelligence sources and methods, an unclassified summary of

the key judgments of the National Intelligence Estimate should be submitted.

(b) PRESIDENTIAL REPORT ON POLICY OBJECTIVES AND UNITED STATES STRATEGY REGARDING IRAN.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the President shall submit to Congress a report on—

(A) the objectives of United States policy on Iran; and

(B) the strategy for achieving those objectives.

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form with a classified annex, as appropriate.

(3) ELEMENTS.—The report submitted under paragraph (1) shall—

(A) address the role of diplomacy, incentives, sanctions, other punitive measures and incentives, and other programs and activities relating to Iran for which funds are provided by Congress; and

(B) summarize United States contingency planning regarding the range of possible United

States military actions in support of United States policy objectives with respect to Iran.

SEC. 1214. SENSE OF CONGRESS ON UNITED STATES POLICY ON THE NUCLEAR PROGRAMS OF IRAN.

Congress—

(1) endorses the policy of the United States to achieve a successful diplomatic outcome, in coordination with leading members of the international community, with respect to the threat posed by the efforts of the Iranian regime to acquire a capability to produce nuclear weapons;

(2) calls on Iran to—

(A) suspend fully and verifiably its enrichment and reprocessing activities, as required by the International Atomic Energy Agency (IAEA); and

(B) work with the international community to achieve a negotiated outcome to the concerns regarding its nuclear program;

(3) in the event Iran fails to comply with United Nations Security Council Resolution 1696 (July 31, 2006), urges the Security Council to work for the adoption of appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations; and

(4) urges the President and the Secretary of State to keep Congress fully and currently informed regarding the progress of this vital diplomatic initiative.

Subtitle C—Other Matters

SEC. 1221. EXCLUSION OF PETROLEUM, OIL, AND LUBRICANTS FROM LIMITATIONS ON ANNUAL AMOUNT OF LIABILITIES THE UNITED STATES MAY ACCRUE UNDER ACQUISITION AND CROSS-SERVICING AGREEMENTS.

(a) EXCLUSION.—Section 2347 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''(other than petroleum, oils, and lubricants)'' in paragraphs (1) and (2); and

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

''(d) The amount of any sale, purchase, or exchange of petroleum, oils, or lubricants by the United States under this subchapter in any fiscal year shall be excluded in any computation for the purposes of subsection (a) or (b) of the amount of reimbursable liabilities or reimbursable credits that the United States accrues under this subchapter in that fiscal year.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect beginning with fiscal year 2007.

(c) REPORTS.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the exercise during the preceding fiscal year of the authority provided in subchapter I of chapter 138 of title 10, United States Code, with respect to the sale, purchase, or exchange of petroleum, oil, or lubricants. Each report shall identify each country involved in a sale, purchase, or exchange of petroleum, oil, or lubricants with the United States and include a description, by country, of the type, quantity, and value of the petroleum, oil, and lubricants that were sold, purchased, or exchanged by the United States.

SEC. 1222. MODIFICATION OF LIMITATIONS ON ASSISTANCE UNDER THE AMERICAN SERVICEMEMBERS' PROTECTION ACT OF 2002.

Section 2013(13)(A) of the American Servicemembers' Protection Act of 2002 (22 U.S.C. 7432(13)(A)) is amended by striking ''or 5''.

SEC. 1223. HUMANITARIAN SUPPORT FOR IRAQI CHILDREN IN URGENT NEED OF MEDICAL CARE.

(a) FINDINGS.—Congress makes the following findings:

(1) The Secretary of Defense has discretionary authority to permit space-available travel on military aircraft for various reasons, including humanitarian purposes.

(2) Recently, 110 Iraqi children journeyed 22 hours by bus from Baghdad, Iraq, to Amman, Jordan, for urgently needed oral/facial surgery. While traveling, armed insurgents stopped and boarded the children's bus, raising serious questions about the safety of further travel by ground.

(3) Pursuant to the Secretary's discretionary authority referred to in paragraph (1), the Secretary authorized the Iraqi children to travel on military aircraft for their return trip from Amman to Baghdad.

(4) The Secretary is to be commended for his initiative in providing for the safe return of these children to Iraq by military aircraft.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should continue to provide space-available travel on military aircraft for humanitarian reasons to Iraqi children who would otherwise

have no means available to seek urgently needed medical care such as that provided by a humanitarian organization in Amman, Jordan.

SEC. 1224. SENSE OF CONGRESS OPPOSING THE GRANTING OF AMNESTY BY THE GOVERNMENT OF IRAQ TO PERSONS KNOWN TO HAVE ATTACKED, KILLED, OR WOUNDED MEMBERS OF THE UNITED STATES ARMED FORCES IN IRAQ.

(a) FINDINGS.—Congress makes the following findings:

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March of 2003.

(3) As of June 15, 2006, more than 2,500 members of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 have been injured in operations to bring peace and stability to all the people of Iraq.

(b) SENSE OF CONGRESS.—

(1) IRAQI SOVEREIGNTY.—It is the sense of Congress that the goal of the United States and of the coalition partners of the United States has been to empower the Iraqi people and, in doing so, to recognize their freedom to exercise full sovereignty.

(2) AMNESTY.—Recognizing the sovereignty of the Iraqi people as referred to in paragraph (1), it is further the sense of Congress that the Government of Iraq, consistent with that sovereignty, should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States.

SEC. 1225. ANNUAL REPORTS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS.

(a) ANNUAL REPORT.—Not later than 90 days after the date of the enactment of this Act and annually thereafter until December 31, 2010, the President shall submit to Congress a report listing all assessed and voluntary contributions of the United States Government for the preceding fiscal year to the United Nations and United Nations affiliated agencies and related bodies.

(b) CONTENTS.—Each report required under subsection (a) shall set forth, for the fiscal year covered by such report, the following:

(1) The total amount of all assessed and voluntary contributions of the United States Government to the United Nations and United Nations affiliated agencies and related bodies.

(2) The approximate percentage of United States Government contributions to each United Nations affiliated agency or body in such fiscal year when compared with all contributions to such agency or body from any source in such fiscal year.

(3) For each such contribution—

(A) the amount of such contribution;

(B) a description of such contribution (including whether assessed or voluntary);

(C) the department or agency of the United States Government responsible for such contribution;

(D) the purpose of such contribution; and

(E) the United Nations or United Nations affiliated agency or related body receiving such contribution.

SEC. 1226. COMPREHENSIVE REGIONAL STRATEGY AND ANNUAL REPORTS ON SOMALIA.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should—

(1) support—

(A) the establishment of a functional, legitimate, and unified national government in Somalia;

(B) humanitarian assistance to the people of Somalia;

(C) efforts to prevent Somalia from becoming a safe haven for terrorists and terrorist activities; and

(D) regional stability;

(2) broaden and integrate its strategic approach toward Somalia within the context of United States policy and activities in the countries of the Horn of Africa and other relevant countries on the Arabian Peninsula; and

(3) coordinate and carry out all diplomatic, humanitarian, counterterrorism, and security-related activities in Somalia within the framework of an interagency process.

(b) COMPREHENSIVE REGIONAL STRATEGY.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on a comprehensive regional strategy toward Somalia within the context of United States policy and activities in the countries of the

1 Horn of Africa and other relevant countries on the
2 Arabian Peninsula.
3 (2) COMPONENTS.—The comprehensive regional
4 strategy described in the report shall include the fol-
5 lowing components:
6 (A) A clearly stated policy towards Somalia
7 that will help establish a functional, legitimate,
8 and unified national government in Somalia
9 that is capable of maintaining the rule of law
10 and preventing Somalia from becoming a safe
11 haven for terrorists.
12 (B) A description of the type and form of
13 bilateral, regional, and multilateral efforts to
14 coordinate and strengthen diplomatic engage-
15 ment with Somalia.
16 (C) A description of an integrated political,
17 humanitarian, intelligence, and military ap-
18 proach to counter transnational security threats
19 in Somalia and throughout the countries of the
20 Horn of Africa.
21 (D) A description of an interagency frame-
22 work involving the Federal agencies and depart-
23 ments of the United States to plan, coordinate,
24 and execute United States policy and activities
25 in Somalia and throughout the countries of the

Horn of Africa and to oversee policy and program implementation.

(E) Guidance on the manner in which the comprehensive regional strategy will be implemented.

(c) ANNUAL REPORTS.—Not later than April 1, 2007, and annually thereafter until April 1, 2010, the President shall submit to the appropriate congressional committees a report on the status of the implementation of the comprehensive regional strategy toward Somalia required under subsection (b).

(d) FORM.—Each report under this section, including the comprehensive regional strategy, shall be submitted in unclassified form, but may include a classified annex, as appropriate.

(e) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Armed Services, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate.

SEC. 1227. REPORT ON THE IMPLEMENTATION OF THE DARFUR PEACE AGREEMENT.

(a) REQUIREMENT FOR REPORTS.—Not later than 90 days after the date of the enactment of this Act and every six months thereafter until December 31, 2011, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate congressional committees a report on the implementation of the Darfur Peace Agreement of May 5, 2006, and the contributions of the Department of Defense to the North Atlantic Treaty Organization in support of the African Union Mission in Sudan (AMIS).

(b) CONTENTS.—Each report under subsection (a) shall include—

(1) a description of major violations of the Darfur Peace Agreement and major delays in implementing the Agreement, including violations and delays relating to the demobilization and disarmament of the Janjaweed, the voluntary safe return of internally displaced persons and refugees, and security and access for humanitarian supply routes;

(2) an assessment of the extent to which the Ceasefire Commission and the AMIS are able to monitor the implementation of the Darfur Peace Agreement and an assessment of efforts to impede

the monitoring activities of the Ceasefire Commission and AMIS;

(3) a list of contributions made by the Department of Defense in support of NATO assistance to AMIS and the United Nations peacekeeping operation authorized for Darfur;

(4) a description of the activities carried out by United States Armed Forces in support of NATO assistance to AMIS and the United Nations peacekeeping operation authorized for Darfur;

(5) the amount of funds expended by the Department of Defense in support of NATO assistance to AMIS; and

(6) a description of the efforts by the United States to obtain troop contributions from other countries to serve in the United Nations peacekeeping operation authorized for Darfur.

(c) FORM AND AVAILABILITY OF REPORTS.—

(1) FORM.—Reports submitted under this section shall be in an unclassified form and may include a classified annex.

(2) AVAILABILITY.—The unclassified portion of such reports shall be made available to the public.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Armed Services and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Armed Services and the Committee on Foreign Relations of the Senate.

SEC. 1228. SENSE OF CONGRESS CONCERNING COOPERATION WITH RUSSIA ON ISSUES PERTAINING TO MISSILE DEFENSE.

It is the sense of Congress that—

(1) cooperation between the United States and Russia with regard to missile defense is in the interest of the United States;

(2) there does not exist strong enough engagement between the United States and Russia with respect to missile defense cooperation;

(3) the United States should explore innovative and nontraditional means of cooperation with Russia on issues pertaining to missile defense; and

(4) as part of such an effort, the Secretary of Defense should consider the possibilities for United States-Russian cooperation with respect to missile defense through—

(A) the testing of specific elements of the detection and tracking equipment of the Missile Defense Agency of the United States Department of Defense through the use of Russian target missiles; and

(B) the provision of early warning radar to the Missile Defense Agency by the use of Russian radar data.

SEC. 1229. SENSE OF CONGRESS CALLING FOR CONVENING OF A SUMMIT FOR A COMPREHENSIVE POLITICAL AGREEMENT FOR IRAQ.

(a) IN GENERAL.—It is the sense of Congress that the President should continue working with the Government of Iraq and the United Nations to convene a summit as soon as possible after the enactment of this Act for the purpose of reaching a comprehensive political agreement for Iraq—

(1) that promotes the Government of Iraq's National Reconciliation and Dialogue Plan of June 25, 2006, which is designed to focus on many of the fundamental questions dividing Iraqis; and

(2) that address the issues of—

(A) federalism;

(B) the equitable distribution of oil revenues;

(C) the demobilization and reintegration of armed militias

(D) the inducement of the armed opposition to lay down their arms and join the political process, and

(E) the building of a renewed international partnership with Iraq aimed at encouraging the economic recovery and reconstruction of Iraq.

(b) SUMMIT PARTICIPANTS.—A summit convened for the purpose stated in subsection (a) should include the following participants (as well as other appropriate participants):

(1) Representatives of Iraq's neighbors.

(2) Representatives of the Arab League.

(3) The Secretary General of the North Atlantic Treaty Organization.

(4) Representatives of the European Union.

(5) Leaders of the governments of each permanent member of the United Nations Security Council.

SEC. 1230. SENSE OF CONGRESS ON THE COMMENDABLE ACTIONS OF THE ARMED FORCES IN IRAQ.

(a) FINDINGS.—Congress makes the following findings:

(1) On June 7, 2006, the United States Armed Forces carried out an air strike near the City of Baquba, northeast of Baghdad, Iraq, that resulted in the death of Ahmad Fadeel al-Nazal al-Khalayleh, better known as Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq.

(2) Zarqawi, as the operational commander of al-Qaeda in Iraq, led a brutal campaign of suicide bombings, car bombings, assassinations, and abductions that caused the deaths of many members of the United States Armed Forces, civilian officials of the United States Government, thousands of innocent Iraqi civilians, and innocent civilians of other nations.

(3) Zarqawi publicly swore his allegiance to Osama bin Laden and al-Qaeda in 2004, and changed the name of his terrorist organization from the ''Monotheism and Holy War Group'' to ''al-Qaeda in Iraq''.

(4) In an audiotape broadcast in December 2004, Osama bin Laden, the leader of al-Qaeda's worldwide terrorist organization, called Zarqawi ''the prince of al-Qaeda in Iraq''.

(5) Three perpetrators confessed to being paid by Zarqawi to carry out the October 2002 assassination of the United States diplomat, Lawrence Foley, in Amman, Jordan.

(6) The Monotheism and Holy War Group claimed responsibility for—

(A) the August 2003 suicide attack that destroyed the United Nations headquarters in Baghdad and killed the United Nations envoy to Iraq, Sergio Vieira de Mello, along with 21 other people; and

(B) the suicide attack on the Imam Ali Mosque in Najaf that occurred less than two weeks later, which killed at least 85 people, including the Ayatollah Sayed Mohammed Baqr al-Hakim, and wounded dozens more.

(7) Zarqawi is believed to have personally beheaded American hostage Nicholas Berg in May 2004.

(8) In May 2004, Zarqawi was implicated in a car bombing that killed Izzadine Salim, the rotating president of the Iraqi Governing Council.

(9) In November 2005, al-Qaeda in Iraq attacked three hotels in Amman, Jordan, killing at least 67 innocent civilians.

(10) Zarqawi and his terrorist organization were directly responsible for numerous other brutal terrorist attacks against the American and coalition forces, Iraqi security forces and recruits, and innocent Iraqi civilians.

(11) Zarqawi sought to turn Iraq into a safe haven for al-Qaeda.

(12) To achieve that end, Zarqawi stated his opposition to the democratically elected government of Iraq and worked to divide the Iraqi people, foment sectarian violence, and incite a civil war in Iraq.

(13) The members of the United States Armed Forces, the intelligence community, and other Federal agencies, along with coalition partners and the Iraqi Security Forces, should be commended for their courage and extraordinary efforts to track down the most wanted terrorist in Iraq and to secure a free and prosperous future for the people of Iraq.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress—

(1) commends the United States Armed Forces, the intelligence community, and other Federal agencies, along with coalition partners, for the actions

taken through June 7, 2006, that resulted in the death of Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) commends the United States Armed Forces, the intelligence community, and other agencies for the action referred to in paragraph (1) and their exemplary performance in striving to bring freedom, democracy, and security to the people of Iraq;

(3) commends the coalition partners of the United States, the new government of Iraq, and members of the Iraqi Security Forces for their invaluable assistance in the operation referred to in paragraph (1) and their extraordinary efforts to secure a free and prosperous Iraq;

(4) commends United States civilian and military leadership for their continuing efforts to eliminate the leadership of al-Qaeda in Iraq, and also commends the new government of Iraq, led by Prime Minister Nouri al-Maliki, for its contribution to that achievement;

(5) recognizes that the death of Abu Musab al-Zarqawi is a victory for American and coalition forces in the global war on terror and a blow to the al-Qaeda terrorist organization;

(6) commends Iraqi Prime Minister Nouri al-Maliki on the finalization of the new Iraqi cabinet;

(7) urges the democratically elected government in Iraq to use this opportunity to defeat the terrorist enemy, to put an end to ethnic and sectarian violence, and to achieve a free, prosperous, and secure future for Iraq; and

(8) affirms that the Congress will continue to support the United States Armed Forces, the democratically elected unity government of Iraq, and the people of Iraq in their quest to secure a free, prosperous, and democratic Iraq.

SEC. 1231. ANNUAL REPORT ON FOREIGN SALES OF SIGNIFICANT MILITARY EQUIPMENT MANUFACTURED IN THE UNITED STATES.

(a) REPORT REQUIRED.—Not later than March 31 of each year, the Secretary of Defense shall submit to the congressional defense committees a report on foreign military sales and direct sales to foreign entities of significant military equipment manufactured in the United States during the preceding calendar year.

(b) CONTENTS.—Each report required by subsection (a) shall indicate, for each sale of significant military equipment in excess of $2,000,000—

(1) the nature of the equipment and the dollar value of the sale;

(2) the country to which the equipment was sold; and

(3) the manufacturer of the equipment and the State in which the equipment was manufactured.

(c) PUBLIC AVAILABILITY.—The Secretary of Defense shall make each report required by subsection (a) publicly available to the maximum extent practicable.

(d) SIGNIFICANT MILITARY EQUIPMENT DEFINED.—In this section, the term ''significant military equipment'' has the meaning given the term in section 47(9) of the Arms Export Control Act (22 U.S.C. 2794(9) note).

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Extension of temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1304. National Academy of Sciences study of prevention of proliferation of biological weapons.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs

specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $76,985,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,486,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,357,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expendi-

ture of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE-AND-WAIT REQUIRED.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) RESTRICTION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended—

(1) in subsection (a), by striking ''shall not apply for a calendar year for which the President submits to Congress a written certification'' and inserting the following: ''shall not apply for a calendar year to the chemical weapons destruction facility that is (as of 2006) under construction at Shchuch'ye in the Russian Federation, if the President submits to Congress a written certification, for the calendar year concerned,''; and

(2) in subsection (b), by striking ''shall expire'' and all that follows through the period at the end

and inserting ''is not effective for calendar years after calendar year 2011.''.

SEC. 1304. NATIONAL ACADEMY OF SCIENCES STUDY OF PREVENTION OF PROLIFERATION OF BIOLOGICAL WEAPONS.

(a) STUDY REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall enter into an arrangement with the National Academy of Sciences under which the Academy shall carry out a study to identify areas for further cooperation with Russia and other states of the former Soviet Union under the Cooperative Threat Reduction (CTR) program of the Department of Defense in the specific area of prevention of proliferation biological weapons.

(b) MATTERS TO BE INCLUDED IN STUDY.—The Secretary shall provide for the study under subsection (a) to include the following:

(1) A brief review of any ongoing or previously completed United States Government program (whether conducted through the Cooperative Threat Reduction program or otherwise) in the area of prevention of proliferation of biological weapons.

(2) An identification of further cooperative work between the United States Government and foreign governments, including technical scientific

cooperation, that could effectively be pursued in the area of prevention of proliferation of biological weapons and the objectives that such work would be designed to achieve.

(3) An identification of any obstacles to designing and implementing a nonproliferation program (whether conducted through the Cooperative Threat Reduction program or otherwise) that could successfully accomplish the objectives identified pursuant to paragraph (2), together with recommendations for overcoming such obstacles, including recommendations in the area of coordination among relevant United States Government departments and agencies.

(c) REPORT.—

(1) SECRETARY OF DEFENSE REPORT.—Not later than December 31, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the study carried out under subsection (a).

(2) MATTERS TO BE INCUDED.—The report under paragraph (1) shall incude the following:

(A) The results of the study carried out under subsection (a), including any report re-

ceived from the National Academy of Sciences on such study.

(B) An assessment of the study by the Secretary.

(C) an action plan for implementing the recommendations from the study, if any, that the Secretary has decided to pursue.

(3) FORM OF SUBMITTAL.—The report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(d) FUNDING.—Of the amounts made available pursuant to the authorization of appropriations in section 301(19) for Cooperative Threat Reduction programs, not more than $150,000 shall be available to carry out this section.

TITLE XIV—MATTERS RELATED TO DEFENSE AGAINST TERRORISM AND RELATED SECURITY MATTERS

Sec. 1401. Enhancement to authority to pay rewards for assistance in combating terrorism.
Sec. 1402. Quarterly reports on Department of Defense response to threat posed by improvised explosive devices.
Sec. 1403. Requirement that all military wheeled vehicles used in Iraq and Afghanistan outside of secure military operating bases be protected by Improvised Explosive Device (IED) jammers.
Sec. 1404. Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism.
Sec. 1405. Treatment under Freedom of Information Act of certain confidential information shared with State and local personnel.
Sec. 1406. Database of emergency response capabilities.

SEC. 1401. ENHANCEMENT TO AUTHORITY TO PAY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) INCREASE IN DELEGATION LIMITATION.—Paragraph (2) of section 127b(c) of title 10, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

(b) EXPANSION OF SENIOR OFFICERS TO WHOM COMBATANT COMMANDER AUTHORITY MAY BE DELEGATED.—Such paragraph is further amended—

(1) by inserting after ''deputy commander'' the following: '', or to the commander of a command directly subordinate to that commander,''; and

(2) by adding at the end the following new sentence: ''Such a delegation may be made to the commander of a command directly subordinate to the commander of a combatant command only with the approval of the Secretary of Defense, the Deputy Secretary of Defense, or an Under Secretary of Defense to whom authority has been delegated under subparagraph (1)(A).''.

SEC. 1402. QUARTERLY REPORTS ON DEPARTMENT OF DEFENSE RESPONSE TO THREAT POSED BY IMPROVISED EXPLOSIVE DEVICES.

(a) REPORTS REQUIRED.—

(1) INITIAL REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report—

(A) regarding the status of the threat posed to United States and allied forces in Iraq and Afghanistan by improvised explosive devices; and

(B) describing efforts being undertaken by the Department of Defense to defeat that threat.

(2) SUPPLEMENTAL QUARTERLY REPORTS.—After the submission of the report under paragraph (1), the Secretary shall submit to Congress a supplemental report, not later than 30 days after the end of each calendar-year quarter, to account for every reported incident involving the detonation or discovery of an improvised explosive device during the preceding quarter that involved United States or allied forces in Iraq and Afghanistan.

(3) CLASSIFICATION OF REPORTS.—Reports under this section shall be transmitted in an unclassified manner with a classified annex, if necessary.

(b) JOINT IED DEFEAT ORGANIZATION AND RELATED OFFICES.—Each report under subsection (a) shall

provide the following information regarding the joint entity in the Office of the Secretary of Defense known as the ''Joint IED Defeat Organization'' and those portions of all other organizational elements within the Department of Defense that are focused on countering improvised explosive devices:

(1) The number of Department of Defense personnel assigned to the Joint IED Defeat Organization and each other organizational element.

(2) The major locations to which such personnel are assigned and the organizational structure of those elements.

(3) The projected budget of the Joint IED Defeat Organization and those other elements relating to the counter-IED mission.

(4) The level of funding required for administrative costs relating to the counter-IED mission.

(c) EXISTING THREAT AND COUNTER MEASURES.—Each report under subsection (a) shall include the following information regarding the threat posed by improvised explosive devices and the countermeasures employed to defeat those threats:

(1) The number of improvised explosive devices being encountered by United States and allied mili-

tary personnel, including general trends in tactics and technology used by the enemy.

(2) Passive countermeasures employed and the success rate of each such countermeasure.

(3) Active countermeasures employed and the success rate of each such countermeasure.

(4) Any evidence of assistance to the enemy by foreign countries or other entities not directly involved in fighting United States and allied forces in Iraq and Afghanistan.

(5) A summary of data collected and reports generated by the Department of Defense on efforts to counter improvised explosive devices in Iraq and Afghanistan and other fronts in the Global War on Terrorism.

(d) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION OF NEW COUNTERMEASURES.—Each report under subsection (a) shall include the following information regarding research, development, test, and evaluation activities relating to new active and passive countermeasures and any impediments to those activities:

(1) The status of any effort within the Department of Defense to conduct research, development, test, and evaluation of passive and active counter-

1 measures and to accelerate the introduction of those
2 countermeasures into deployed units.
3 (2) Impediments to introduction of new passive
4 and active countermeasures.
5 (e) INTERDICTION EFFORTS.—
6 (1) DESCRIPTION OF INTERDICTION EF-
7 FORTS.—Each report under subsection (a) shall
8 identify those portions of any office within the De-
9 partment of Defense (in addition to those discussed
10 pursuant to subsection (b)) that are focused on
11 interdiction of improvised explosive devices, together
12 with the personnel and funding requirements for
13 that office (as specified in subsection (b)) and the
14 success of the interdiction efforts of that office.
15 (2) INTERDICTION DEFINED.—For purposes of
16 this subsection, the term ''interdiction'' includes—
17 (A) the development of intelligence regard-
18 ing persons and locations involved in the manu-
19 facture or deployment of improvised explosive
20 devices; and
21 (B) subsequent action against those per-
22 sons or locations, including efforts to prevent
23 emplacement of improvised explosive devices.

SEC. 1403. REQUIREMENT THAT ALL MILITARY WHEELED VEHICLES USED IN IRAQ AND AFGHANISTAN OUTSIDE OF SECURE MILITARY OPERATING BASES BE PROTECTED BY IMPROVISED EXPLOSIVE DEVICE (IED) JAMMERS.

(a) REQUIREMENT.—The Secretary of Defense shall take such steps as necessary to ensure that by the end of fiscal year 2007 all United States military wheeled vehicles used in Iraq and Afghanistan outside of secure military operating bases are protected by Improvised Explosive Device (IED) jammers.

(b) FUNDING.—The Secretary shall carry out subsection (a) using funds provided pursuant to authorizations of appropriations in title XV.

(c) REPORT.—Not later than December 15, 2006, the Secretary of Defense shall submit to the congressional defense committees a report on the cost and timeline to complete compliance with the requirement in subsection (a) that by the end of fiscal year 2007 each vehicle described in that subsection be protected by an Improvised Explosive Device jammer.

SEC. 1404. REPORT ON ASSESSMENT PROCESS OF CHAIRMAN OF THE JOINT CHIEFS OF STAFF RELATING TO GLOBAL WAR ON TERRORISM.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services

of the Senate and the Committee on Armed Services of the House of Representatives a report on the findings of the semiannual assessment process relating to the Global War on Terrorism that is described in the annex to the National Military Strategic Plan for the War on Terrorism, issued by the Secretary of Defense on February 1, 2006, that is designated as the Implementation and Assessment Annex (Annex R).

SEC. 1405. TREATMENT UNDER FREEDOM OF INFORMATION ACT OF CERTAIN CONFIDENTIAL INFORMATION SHARED WITH STATE AND LOCAL PERSONNEL.

(a) IN GENERAL.—Chapter 3 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 130d. Treatment under Freedom of Information Act of certain confidential information shared with State and local personnel

''Confidential business information and other sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared, pursuant to section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482), with State and local personnel (as defined in such section) shall not be subject to disclo-

sure under section 552 of title 5 by virtue of the sharing of such information with such personnel.''.

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

''130d. Treatment under Freedom of Information Act of certain confidential information shared with State and local personnel.''.

SEC. 1406. DATABASE OF EMERGENCY RESPONSE CAPABILITIES.

The Secretary of Defense shall maintain a database of emergency response capabilities that includes the following:

(1) The types of emergency response capabilities that each State's National Guard, as reported by the States, may be able to provide in response to a domestic natural or manmade disaster, both to their home States and under State-to-State mutual assistance agreements.

(2) The types of emergency response capabilities that the Department of Defense may be able to provide in support of the National Response Plan's Emergency Support Functions, and identification of the units that provide these capabilities.

TITLE XV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

Sec. 1501. Purpose.
Sec. 1502. Army procurement.
Sec. 1503. Navy and Marine Corps procurement.
Sec. 1504. Air Force procurement.
Sec. 1505. Defense-wide activities procurement.
Sec. 1506. Research, development, test, and evaluation.
Sec. 1507. Operation and maintenance.
Sec. 1508. Defense Health Program.
Sec. 1509. Classified programs.
Sec. 1510. Military personnel.
Sec. 1511. Treatment as additional authorizations.
Sec. 1512. Transfer authority.
Sec. 1513. Availability of funds.
Sec. 1514. Joint Improvised Explosive Device Defeat Fund.
Sec. 1515. Iraq Freedom Fund.
Sec. 1516. Iraq Security Forces Fund.
Sec. 1517. Afghanistan Security Forces Fund.
Sec. 1518. Submittal to Congress of Department of Defense supplemental and cost of war execution reports.
Sec. 1519. Limitation on availability of funds for certain purposes relating to Iraq.
Sec. 1520. Intelligence Community Management Account.

SEC. 1501. PURPOSE.

The purpose of this title is to authorize estimated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1502. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft procurement, $1,524,300,000

(2) For ammunition procurement, $48,591,000.

(3) For weapons and tracked combat vehicles procurement, $3,022,836,000.

(4) For other procurement, $4,636,810,000.

(5) For missile procurement, $3,200,000.

SEC. 1503. NAVY AND MARINE CORPS PROCUREMENT.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Navy in amounts as follows:

(1) For aircraft procurement, $389,465,000

(2) For weapons procurement, $109,400,000.

(3) For other procurement, $14,600,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $4,397,926,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for ammunition for the Navy and the Marine Corps in the amount of $151,439,000.

SEC. 1504. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Air Force in amounts as follows:

(1) For aircraft procurement, $2,174,000,000.

(2) For other procurement, $5,650,000.

SEC. 1505. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for Defense-wide in the amount of $127,600,000.

SEC. 1506. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $2,639,000.

(2) For the Navy, $7,856,000.

SEC. 1507. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $28,045,387,000.

(2) For the Navy, $2,007,948,000.

(3) For the Marine Corps, $2,257,089,000.

(4) For the Air Force, $2,478,906,000.

(5) For Defense-wide activities, $1,544,614,000.

(6) For the Army National Guard, $221,500,000.

(7) For the Air National Guard, $2,000,000.

(8) For the Army Reserve, $500,000.

SEC. 1508. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, the Defense Health Program, in the amount of $869,200,000 for operation and maintenance.

SEC. 1509. CLASSIFIED PROGRAMS.

Funds are hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for classified programs, in the amount of $2,500,000,000.

SEC. 1510. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel accounts for fiscal year 2007 a total of $8,106,979,000.

SEC. 1511. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1512. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1513. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

SEC. 1514. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

(a) AUTHORIZATION OF APPROPRIATION.—Funds are hereby authorized for fiscal year 2007 for the Joint Improvised Explosive Device Defeat Fund in the amount of $2,100,000,000.

(b) USE OF FUNDS.—Funds appropriated pursuant to subsection (a) shall be available to the Secretary of Defense for the purpose of allowing the Director of the Joint Improvised Explosive Device Defeat Organization to investigate, develop, and provide equipment, supplies, services, training, facilities, personnel, and funds to assist United States forces in the defeat of improvised explosive devices.

(c) TRANSFER AUTHORITY.—

(1) TRANSFERS AUTHORIZED.—Amounts authorized to be appropriated by subsection (a) may be transferred from the Joint Improvised Explosive Device Defeat Fund to any of the following accounts and funds of the Department of Defense to accomplish the purposes provided in subsection (b):

(A) Military personnel accounts.

(B) Operation and maintenance accounts.

(C) Procurement accounts.

(D) Research, development, test, and evaluation accounts.

(E) Defense working capital funds.

(2) ADDITIONAL TRANSFER AUTHORITY.—The transfer authority provided by paragraph (1) is in addition to any other transfer authority available to the Department of Defense.

(3) TRANSFERS BACK TO THE FUND.—Upon determination that all or part of the funds transferred from the Joint Improvised Explosive Device Defeat Fund under paragraph (1) are not necessary for the purpose provided, such funds may be transferred back to the Joint Improvised Explosive Device Defeat Fund.

(4) PRIOR NOTICE TO CONGRESSIONAL COMMITTEES.—Funds may not be obligated from the Joint Improvised Explosive Device Defeat Fund, or transferred under the authority provided in paragraph (1), until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the details of the proposed obligation or transfer.

(5) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

(d) MANAGEMENT PLAN.—

(1) PLAN REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan for the intended management and use of the Joint Improvised Explosive Device Defeat Fund.

(2) MATTER TO BE INCLUDED.—The plan required by paragraph (1) shall include an update of the plan required in the paragraph under the heading "Joint Improvised Explosive Device Defeat Fund" in chapter 2 of title I of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 424), including identification of—

(A) year-to-date transfers and obligations; and

(B) projected transfers and obligations through September 30, 2007.

(e) QUARTERLY REPORTS.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary shall submit to the congressional defense committees a report summarizing the detail of any obligation or transfer of funds from the Joint Improvised Explosive Device Defeat Fund plan required by subsection (d).

(f) DURATION OF AUTHORITY.—Amounts appropriated to the Fund are available for obligation or transfer from the Fund until September 30, 2009.

SEC. 1515. IRAQ FREEDOM FUND.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Freedom Fund in the amount of $50,000,000.

(b) TRANSFER.—

(1) TRANSFER AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Freedom Fund to any accounts as follows:

(A) Operation and maintenance accounts of the Armed Forces.

(B) Military personnel accounts.

(C) Research, development, test, and evaluation accounts of the Department of Defense.

(D) Procurement accounts of the Department of Defense.

(E) Accounts providing funding for classified programs.

(F) The operating expenses account of the Coast Guard.

(2) NOTICE TO CONGRESS.—A transfer may not be made under the authority in paragraph (1) until

five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the transfer.

(3) TREATMENT OF TRANSFERRED FUNDS.—Amounts transferred to an account under the authority in paragraph (1) shall be merged with amounts in such account and shall be made available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(4) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

SEC. 1516. IRAQ SECURITY FORCES FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Security Forces Fund in the amount of $1,734,000,000.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Funds appropriated pursuant to subsection (a) shall be available to the Secretary of Defense for the purpose of allowing the Commander, Multi-National Security Transition

Command—Iraq, to provide assistance to the security forces of Iraq.

(2) TYPES OF ASSISTANCE AUTHORIZED.—Assistance provided under this section may include the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding.

(3) SECRETARY OF STATE CONCURRENCE.—Assistance may be provided under this section only with the concurrence of the Secretary of State.

(c) AUTHORITY IN ADDITION TO OTHER AUTHORITIES.—The authority to provide assistance under this section is in addition to any other authority to provide assistance to foreign nations.

(d) TRANSFER AUTHORITY.—

(1) TRANSFERS AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Security Forces Fund to any of the following accounts and funds of the Department of Defense to accomplish the purposes provided in subsection (b):

(A) Military personnel accounts.

(B) Operation and maintenance accounts.

(C) Procurement accounts.

(D) Research, development, test, and evaluation accounts.

(E) Defense working capital funds.

(F) Overseas Humanitarian, Disaster, and Civic Aid account.

(2) ADDITIONAL AUTHORITY.—The transfer authority provided by paragraph (1) is in addition to any other transfer authority available to the Department of Defense.

(3) TRANSFERS BACK TO THE FUND.—Upon determination that all or part of the funds transferred from the Iraq Security Forces Fund under paragraph (1) are not necessary for the purpose provided, such funds may be transferred back to the Iraq Security Forces Fund.

(4) PRIOR NOTICE TO CONGRESSIONAL COMMITTEES.—Funds may not be obligated from the Iraq Security Forces Fund, or transferred under the authority provided in paragraph (1), until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the details of the proposed obligation or transfer.

(5) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the au-

thority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

(e) CONTRIBUTIONS.—

(1) AUTHORITY TO ACCEPT CONTRIBUTIONS.—Contributions of funds for the purposes provided in subsection (b) from any person, foreign government, or international organization may be credited to the Iraq Security Forces Fund and used for the purposes provided in subsection (b).

(2) LIMITATION.—The Secretary may not accept a contribution under this subsection if the acceptance of the contribution would compromise or appear to compromise the integrity of any program of the Department of Defense.

(3) NOTIFICATION.—The Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution. Such notice shall delineate the sources and amounts of the funds received and the specific use of such contributions.

(f) QUARTERLY REPORTS.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary shall submit to the congressional defense committees a report summarizing the details of any obligation or transfer

of funds from the Iraq Security Forces Fund during the preceding quarter.

(g) DURATION OF AUTHORITY.—Amounts appropriated or contributed to the Fund are available for obligation or transfer from the Iraq Security Forces Fund until September 30, 2008.

SEC. 1517. AFGHANISTAN SECURITY FORCES FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Afghanistan Security Forces Fund in the amount of $1,446,300,000.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Funds appropriated pursuant to subsection (a) shall be available to the Secretary of Defense for the purpose of allowing the Commander, Office of Security Cooperation—Afghanistan, to provide assistance to the security forces of Afghanistan.

(2) TYPES OF ASSISTANCE AUTHORIZED.—Assistance provided under this section may include the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding.

(3) SECRETARY OF STATE CONCURRENCE.—Assistance may be provided under this section only with the concurrence of the Secretary of State.

(c) AUTHORITY IN ADDITION TO OTHER AUTHORITIES.—The authority to provide assistance under this section is in addition to any other authority to provide assistance to foreign nations.

(d) TRANSFER AUTHORITY.—

(1) TRANSFERS AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Afghanistan Security Forces Fund to any of the following accounts and funds of the Department of Defense to accomplish the purposes provided in subsection (b):

(A) Military personnel accounts.

(B) Operation and maintenance accounts.

(C) Procurement accounts.

(D) Research, development, test, and evaluation accounts.

(E) Defense working capital funds.

(F) Overseas Humanitarian, Disaster, and Civic Aid account.

(2) ADDITIONAL AUTHORITY.—The transfer authority provided by paragraph (1) is in addition to

any other transfer authority available to the Department of Defense.

(3) TRANSFERS BACK TO THE FUND.—Upon determination that all or part of the funds transferred from the Afghanistan Security Forces Fund under paragraph (1) are not necessary for the purpose provided, such funds may be transferred back to the Afghanistan Security Forces Fund.

(4) PRIOR NOTICE TO CONGRESSIONAL COMMITTEES.—Funds may not be obligated from the Afghanistan Security Forces Fund, or transferred under the authority provided in paragraph (1), until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the details of the proposed obligation or transfer.

(5) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

(e) CONTRIBUTIONS.—

(1) AUTHORITY TO ACCEPT CONTRIBUTIONS.—Contributions of funds for the purposes provided in subsection (b) from any person, foreign government,

or international organization may be credited to the Afghanistan Security Forces Fund and used for the purposes provided in subsection (b).

(2) LIMITATION.—The Secretary may not accept a contribution under this subsection if the acceptance of the contribution would compromise or appear to compromise the integrity of any program of the Department of Defense.

(3) NOTIFICATION.—The Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution. Such notice shall delineate the sources and amounts of the funds received and the specific use of such contributions.

(f) QUARTERLY REPORTS.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary shall submit to the congressional defense committees a report summarizing the details of any obligation or transfer of funds from the Afghanistan Security Forces Fund during the preceding quarter.

(g) DURATION OF AUTHORITY.—Amounts appropriated or contributed to the Fund are available for obligation or transfer from the Afghanistan Security Forces Fund until September 30, 2008.

SEC. 1518. SUBMITTAL TO CONGRESS OF DEPARTMENT OF DEFENSE SUPPLEMENTAL AND COST OF WAR EXECUTION REPORTS.

Section 1221(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3462; 10 U.S.C. 113 note) is amended—

(1) in the subsection caption by inserting ''CONGRESS AND'' after ''SUBMISSION TO''; and

(2) by inserting ''the congressional defense committees and'' before ''the Comptroller General''.

SEC. 1519. LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN PURPOSES RELATING TO IRAQ.

No funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended for a purpose as follows:

(1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.

(2) To exercise United States economic control of the oil resources of Iraq.

SEC. 1520. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

There is hereby authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2007 a total of $19,265,000.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2007''.

SEC. 2002. RECOGNITION OF REPRESENTATIVE JOEL HEFLEY UPON HIS RETIREMENT FROM THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Joel Hefley was elected to represent Colorado's 5th Congressional district in 1986 and has served in the House of Representatives since that time with distinction, class, integrity, and honor.

(2) Representative Hefley has served on the Committee on Armed Services of the House of Representatives for 18 years, including service as Chairman of the Subcommittee on Military Installations and Facilities from 1995 through 2000 and, since 2001, as Chairman of the Subcommittee on Readiness.

(3) Representative Hefley's colleagues know him to be a fair and effective lawmaker who works

for the national interest while never forgetting his Western roots.

(4) Representative Hefley's efforts on the Committee on Armed Services have been instrumental to the military value of, and quality of life at, installations in the State of Colorado, including Fort Carson, Cheyenne Mountain, Peterson Air Force Base, Schriever Air Force Base, Buckley Air Force Base, and the United States Air Force Academy.

(5) Representative Hefley was a leader in efforts to retain and expand Fort Carson as an essential part of the national defense system during the Defense Base Closure and Realignment process.

(6) Representative Hefley has consistently advocated for providing members of the Armed Forces and their families with quality, safe, and affordable housing and supportive communities.

(7) As a primary architect of the Military Housing Privatization Initiative, Representative Hefley helped lead congressional efforts to establish this initiative to eliminate inadequate housing on military installations, and the first pilot program was located at Fort Carson.

(8) Representative Hefley's leadership on the Military Housing Privatization Initiative has allowed

for the privatization of more than 121,000 units of military family housing, which brought meaningful improvements to living conditions for thousands of members of the Armed Forces and their spouses and children at installations throughout the United States.

(b) RECOGNITION.—Congress recognizes and commends Representative Joel Hefley for his 20 years of service to benefit the people of Colorado, members of the Armed Forces and their families, veterans, and the United States.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects
Sec. 2102. Family housing
Sec. 2103. Improvements to military family housing units
Sec. 2104. Authorization of appropriations, Army

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$24,300,000

Army: Inside the United States—Continued

State	Installation or Location	Amount
Alaska	Fort Richardson	$72,300,000
	Fort Wainwright	$8,800,000
California	Fort Irwin	$18,200,000
Colorado	Fort Carson	$30,800,000
Georgia	Fort Gillem	$15,000,000
	Fort Stewart/Hunter Army Air Field	$95,300,000
Hawaii	Schofield Barracks	$54,500,000
Kansas	Fort Leavenworth	$23,200,000
	Fort Riley	$47,400,000
Kentucky	Blue Grass Army Depot	$3,500,000
	Fort Campbell	$135,300,000
Louisiana	Fort Polk	$15,900,000
Maryland	Aberdeen Proving Ground	$8,800,000
	Fort Detrick	$12,400,000
Michigan	Detroit Arsenal	$18,500,000
Missouri	Fort Leonard Wood	$34,500,000
New Jersey	Picatinny Arsenal	$9,900,000
New York	Fort Drum	$218,600,000
North Carolina	Fort Bragg	$96,900,000
	Sunny Point Military Ocean Terminal	$46,000,000
Oklahoma	McAlester Army Ammunition Plant	$3,050,000
Pennsylvania	Letterkenny Depot	$7,500,000
Texas	Corpus Christi Army Depot	$12,200,000
	Fort Bliss	$8,200,000
	Fort Hood	$93,000,000
	Red River Depot	$6,000,000
Utah	Dugway Proving Ground	$14,400,000
Virginia	Fort Belvoir	$27,000,000
	Fort Lee	$4,150,000
Washington	Fort Lewis	$502,600,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2104(a)(2), the Secretary of the Army
4 may acquire real property and carry out military construc-
5 tion projects for the installations or locations outside the
6 United States, and in the amounts, set forth in the fol-
7 lowing table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	$157,632,000
	Vilseck	$19,000,000
Italy	Vicenza	$223,000,000
Japan	Camp Hansen	$7,150,000
Korea	Camp Humphreys	$61,600,000
	Yongpyong	$7,400,000
Romania	Babadag Range	$34,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, in the number of units, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Units	Amount
Alaska	Fort Richardson	162	$70,000,000
	Fort Wainwright	234	$132,000,000
Arizona	Fort Huachuca	119	$32,000,000
Arkansas	Pine Bluff Arsenal	10	$2,900,000
Wisconsin	Fort McCoy	13	$4,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military

family housing units in an amount not to exceed $320,659,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,518,450,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,362,200,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $510,582,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,930,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $219,830,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $578,791,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $675,617,000.

(6) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(7) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(8) For the construction of increment 2 of a barracks complex for the 3nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(9) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section

2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(10) For the construction of increment 2 of a defense access road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2004, 2005, and 2006 projects.

1 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND**
2 **ACQUISITION PROJECTS.**

3 (a) INSIDE THE UNITED STATES.—Using amounts
4 appropriated pursuant to the authorization of appropria-
5 tions in section 2204(a)(1), the Secretary of the Navy may
6 acquire real property and carry out military construction
7 projects for the installations or locations inside the United
8 States, and in the amounts, set forth in the following
9 table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$5,966,000
California	Marine Corps Air Station, Camp Pendleton	$6,412,000
	Marine Corps Air Station, Miramar	$2,968,000
	Marine Corps Base, Camp Pendleton	$106,142,000
	Marine Corps Base, Twentynine Palms	$27,217,000
	Naval Air Station, North Island	$21,535,000
	Naval Support Activity, Monterey	$7,380,000
Connecticut	Naval Submarine Base, New London	$9,580,000
Florida	Cape Canaveral	$9,900,000
	Naval Air Station, Pensacola	$13,486,000
Georgia	Marine Corps Logistics Base, Albany	$70,540,000
	Navy/Naval Submarine Base, Kings Bay	$20,282,000
Hawaii	Naval Base, Pearl Harbor	$48,338,000
	Naval Magazine, Pearl Harbor	$6,010,000
	Naval Shipyard, Pearl Harbor	$22,000,000
Indiana	Naval Support Activity, Crane	$6,730,000
Maine	Portsmouth Naval Shipyard	$9,650,000
Maryland	Naval Air Station, Patuxent River	$16,316,000
	NMIC/Naval Support Activity, Suitland	$67,939,000
Mississippi	Naval Air Station, Meridian	$5,870,000
Nevada	Naval Air Station, Fallon	$7,730,000
North Carolina	Marine Corps Air Station, Cherry Point	$2,790,000
	Marine Corps Air Station, New River	$21,500,000
	Marine Corps Base, Camp Lejeune	$160,904,000
Rhode Island	Naval Station, Newport	$3,308,000
South Carolina	Marine Corps Air Station, Beaufort	$25,575,000
Virginia	Marine Corps Base, Quantico	$30,628,000
	Naval Shipyard, Norfolk	$34,952,000
	Naval Special Weapons Center, Dahlgren	$9,850,000
	Naval Station, Norfolk	$12,062,000
	Naval Support Activity, Norfolk	$41,712,000
Washington	Naval Air Station, Whidbey Island	$67,303,000
	Naval Base, Kitsap	$17,617,000

10 (b) OUTSIDE THE UNITED STATES.—Using amounts
11 appropriated pursuant to the authorization of appropria-

tions in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	$37,473,000
Italy	Naval Air Station, Sigonella	$13,051,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Project	Amount
	Helicopter Support Facility	$12,185,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, in the number of units, and in the amounts set forth in the following table:

Navy: Family Housing

Location	Installation	Units	Amount
California	Marine Corps Log. Base, Barstow	74	$27,851,000
Guam	Naval Station/Base, Guam	176	$98,174,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2204(a)(6)(A), the Secretary of the Navy may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of military family housing units in an
7 amount not to exceed $2,785,000.

8 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
9 **UNITS.**

10 Subject to section 2825 of title 10, United States
11 Code, and using amounts appropriated pursuant to the
12 authorization of appropriations in section 2204(a)(6)(A),
13 the Secretary of the Navy may improve existing military
14 family housing units in an amount not to exceed
15 $180,146,000.

16 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
18 are hereby authorized to be appropriated for fiscal years
19 beginning after September 30, 2006, for military con-
20 struction, land acquisition, and military family housing
21 functions of the Department of the Navy in the total
22 amount of $2,109,367,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $832,982,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $70,861,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $308,956,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $509,126,000.

(7) For the construction of increment 2 of a reclamation and conveyance project for Marine Corps Base, Camp Pendleton, California, authorized

by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), as amended by section 2205(c) of this Act, $33,290,000.

(8) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of a field house at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $26,685,000.

(11) For the construction of increment 2 of the replacement of Ship Repair Pier 3 at Naval Support

Activity, Norfolk Naval Shipyard, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(12) For the construction of increment 2 of an addition to Hockmuth Hall, Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $10,159,000.

(13) For the construction of increment 2 of wharf upgrades at Naval Station Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(14) For the construction of increment 2 of wharf upgrades at Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(15) For the construction of increment 2 of bachelor quarters at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006

(division B of Public Law 109–163; 119 Stat. 3490), $20,917,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493, $14,274,000.

(17) For the construction of the next increment of the outlaying landing field facilities at Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205(a) of this Act, $7,926,000.

(18) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of an addition to the National Maritime Intelligence Center, Suitland, Maryland).

(3) $31,153,000 (the balance of the amount authorized under section 2201(a) to recapitalize Hangar 5 at Naval Air Station, Whidbey Island, Washington).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2004, 2005, AND 2006 PROJECTS.

(a) FISCAL YEAR 2004 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law

108–136; 117 Stat. 1704), as amended by section 2205 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3492), is amended—

(A) at the end of the items relating to North Carolina, by inserting a new item entitled "Navy Outlying Landing Field, Washington County" in the amount of "$193,260,000";

(B) by striking the item relating to Various Locations, CONUS; and

(C) by striking the amount identified as the total in the amount column and inserting "$1,489,424,000".

(2) CONFORMING AMENDMENTS.—Section 2204(b)(6) of that Act (117 Stat. 1706) is amended—

(A) by striking "$28,750,000" and inserting "$165,650,000"; and

(B) by striking "outlying landing field facilities, various locations in the continental United States" and inserting "an outlying landing field in Washington County, North Carolina".

(b) FISCAL YEAR 2005 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) by striking the item relating to Navy Outlying Landing Field, Washington County, North Carolina; and

(B) by striking the amount identified as the total in the amount column and inserting ''$825,479,000''.

(2) CONFORMING AMENDMENTS.—Section 2204 of that Act (118 Stat. 2107), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''$752,927,000'' and inserting ''722,927,000''; and

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

"(10) For the construction of increment 2 of the Navy outlying landing field in Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205(a) of the Military Construction Authorization Act for Fiscal Year 2007, $30,000,000."; and

(B) in subsection (b), by striking paragraph (3).

(c) FISCAL YEAR 2006 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489) is amended in the item related to Marine Corps Base, Camp Pendleton, California, by striking "$90,437,000" in the amount column and inserting "$86,006,000".

(2) CONFORMING AMENDMENTS.—Section 2204(b)(2) of that Act (119 Stat. 3492) is amended by striking "$37,721,000" and inserting "$33,290,000".

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Modification of authority to carry out certain fiscal year 2006 project.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	$38,300,000
	Elmendorf Air Force Base	$68,100,000
Arizona	Davis-Monthan Air Force Base	$11,800,000
Arkansas	Little Rock Air Force Base	$9,800,000
California	Beale Air Force Base	$28,000,000
	Travis Air Force Base	$85,800,000
Colorado	Buckley Air Force Base	$10,700,000
	Peterson Air Force Base	$4,900,000
	Schriever Air Force Base	$21,000,000
Delaware	Dover Air Force Base	$30,400,000
Florida	Eglin Air Force Base	$30,350,000
	Hurlburt Field	$32,950,000
	MacDill Air Force Base	$71,000,000
	Tyndall Air Force Base	$8,200,000
Georgia	Robins Air Force Base	$59,600,000
Hawaii	Hickam Air Force Base	$28,538,000
Illinois	Scott Air Force Base	$28,200,000
Kansas	McConnell Air Force Base	$3,875,000
Kentucky	Fort Knox	$3,500,000
Maryland	Andrews Air Force Base	$29,000,000
Massachusetts	Hanscom Air Force Base	$12,400,000
Missouri	Whiteman Air Force Base	$3,800,000
Montana	Malmstrom Air Force Base	$5,700,000
Nevada	Indian Springs Auxiliary Field	$49,923,000
New Jersey	McGuire Air Force Base	$28,500,000
New Mexico	Kirtland Air Force Base	$11,400,000
North Dakota	Minot Air Force Base	$9,000,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
Oklahoma	Altus Air Force Base	$9,500,000
	Tinker Air Force Base	$5,700,000
South Carolina	Charleston Air Force Base	$10,200,000
	Shaw Air Force Base	$31,500,000
South Dakota	Ellsworth Air Force Base	$3,000,000
Texas	Fort Bliss	$8,500,000
	Lackland Air Force Base	$13,200,000
	Laughlin Air Force Base	$12,600,000
	Sheppard Air Force Base	$7,000,000
Utah	Hill Air Force Base	$63,400,000
Virginia	Langley Air Force Base	$57,700,000
Washington	Fairchild Air Force Base	$4,250,000
Wyoming	Francis E. Warren Air Force Base	$11,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	$53,150,000
Guam	Andersen Air Base	$65,300,000
Korea	Kunsan Air Base	$37,360,000
	Osan Air Base	$2,156,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
Worldwide Classified	Classified Project 1	$3,377,000
	Classified Project 2	$4,600,000
	Classified Project 3	$1,700,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, in the number of units, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or Location	Units	Amount
Alaska	Eielson Air Force Base	129	$87,414,000
Idaho	Mountain Home Air Force Base	457	$107,800,000
Missouri	Whiteman Air Force Base	116	$39,270,000
Montana	Malmstrom Air Force Base	493	$140,252,000
North Carolina	Seymour Johnson Air Force Base	56	$22,956,000
North Dakota	Minot Air Force Base	575	$170,188,000
Texas	Dyess Air Force Base	199	$49,215,000
Germany	Ramstein Air Base	101	$59,488,000
	Spangdahlem Air Base	60	$39,294,000
United Kingdom	Royal Air Force Lakenheath	74	$35,282,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $13,202,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $403,777,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,231,442,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $962,286,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $157,966,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $9,677,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $79,004,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,168,138,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C-17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), as amended by section 2305 of this Act,$23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECT.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494) is amended in the item relating to MacDill Air Force Base, Florida, by striking ''$107,200,000'' in the amount column and inserting ''$101,500,000''.

(b) CONFORMING AMENDMENT.—Section 2304(b)(4) of that Act (119 Stat. 3496) is amended by striking ''$29,000,000'' and inserting ''$23,300,000''.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.
Sec. 2403. Energy conservation projects.
Sec. 2404. Authorized base closure and realignment activities funded through Department of Defense Base Closure Account 2005.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out certain fiscal year 2006 project.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,715,000
California	Beale Air Force Base	$9,000,000
Pennsylvania	Defense Distribution Depot, New Cumberland	$8,900,000
Viginia	Fort Belvoir	$5,500,000
Washington	Naval Air Station, Whidbey Island	$26,000,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	$24,400,000
Colorado	Fort Carson	$26,100,000
Florida	Hurlburt Field	$14,482,000
	MacDill Air Force Base	$27,300,000
Kentucky	Fort Campbell	$24,500,000
Mississippi	Stennis Space Center	$10,200,000
North Carolina	Fort Bragg	$51,768,000
	Marine Corps Base, Camp Lejeune	$51,600,000
	Pope Air Force Base	$15,276,000
Virginia	Naval Air Base, Little Creek	$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	$37,200,000
California	Fort Irwin	$6,050,000
Florida	MacDill Air Force Base	$92,000,000
	Naval Hospital, Jacksonville	$16,000,000
Hawaii	Naval Base, Pearl Harbor	$7,700,000
Illinois	Naval Hospital, Great Lakes	$20,000,000
Maryland	Fort Detrick	$550,000,000
New York	Fort Drum	$9,700,000
Texas	Fort Hood	$18,000,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2405(a)(2), the Secretary of Defense may
4 acquire real property and carry out military construction
5 projects for the installations or locations outside the
6 United States, and in the amounts, set forth in the fol-
7 lowing tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Vicenza	$47,210,000
Korea	Osan Air Base	$4,589,000
Spain	Naval Station, Rota	$23,048,000

Defense Logistics Agency

Country or Possession	Installation or Location	Amount
Japan	Okinawa	$5,000,000
Wake Island	Wake Island	$2,600,000

Missile Defense Agency

Country or Possession	Installation or Location	Amount
Kwajalein	Kwajalein Atoll	$7,592,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid AB	$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	$52,000,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9)(A), the Secretary of Defense may construct or acquire family housing units (including land acquisition and supporting facilities) at the location, in the number of units, and in the amount set forth in the following table:

Defense Logistics Agency: Family Housing

State	Location	Units	Amount
Virginia	Defense Supply Center, Richmond	25	$7,840,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or

improvement of military family housing units in an amount not to exceed $200,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $55,000,000.

SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

(a) AUTHORIZED ACTIVITIES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $5,902,723,000.

(b) CONFORMING AMENDMENTS TO FISCAL YEAR 2006 AUTHORIZATIONS.—

(1) AUTHORIZED ACTIVITIES.—Title XXIV of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3496) is amended by adding at the end the following new section:

"SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

''Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(7), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $2,035,466,000.''.

(2) AUTHORIZATION OF APPROPRIATIONS AND LIMITATIONS.—Section 2403 of that Act (119 Stat. 3499) is amended—

(A) in subsection (a)(7)—

(i) by striking ''as authorized by the Defense Base Closure and Realignment

Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)'' and inserting ''authorized by section 2404 of this Act''; and

(ii) by striking ''section 2906 of such Act'' and inserting ''section 2906A 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)'';

(B) by redesignating subsection (c) as subsection (d); and

(C) by inserting after subsection (b) the following new subsection (c):

''(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404 of this Act may not exceed the sum of the following:

''(1) The total amount authorized to be appropriated under subsection (a)(7).

"(2) $531,000,000 (the balance of the amount authorized under section 2404 for base closure and realignment activities).".

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $7,163,431,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $533,099,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $170,789,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,950,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $55,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities authorized by section 2404 of this Act and funded through the Department of Defense Base Closure Account 2005 established by section 2906A 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), $5,236,223,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000

(10) For the construction of increment 2 of the regional security operations center at Augusta, Georgia, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 7016 of Public Law 109–234 (120 Stat. 485), $77,118,000.

(11) For the construction of increment 2 of the regional security operations center at Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 7017 of Public Law 109–234 (120 Stat. 485), $47,016,000.

(12) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year

2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(13) For the construction of increment 2 of an operations building, Royal Air Force Menwith Hill Station, United Kingdom, authorized by section 2401(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2406 of this Act, $46,386,000.

(14) For the construction of the second increment of certain base closure and realignment activities authorized by section 2404 of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3500), as added by section 2404(b) of this Act, $390,000,000.

(15) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Con-

1 struction Authorization Act for Fiscal Year 2003
2 (division B of Public Law 107–314; 116 Stat.
3 2698), $99,157,000.
4 (16) For the construction of increment 8 of a
5 munitions demilitarization facility at Pueblo Chem-
6 ical Activity, Colorado, authorized by section
7 2401(a) of the Military Construction Authorization
8 Act for Fiscal Year 1997 (division B of Public Law
9 104–201; 110 Stat. 2775), as amended by section
10 2406 of the Military Construction Authorization Act
11 for Fiscal Year 2000 (division B of Public Law 106–
12 65; 113 Stat. 839), and section 2407 of the Military
13 Construction Authorization Act for Fiscal Year 2003
14 (division B of Public Law 107–314; 116 Stat.
15 2698), $41,836,000.
16 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
17 PROJECTS.—Notwithstanding the cost variations author-
18 ized by section 2853 of title 10, United States Code, and
19 any other cost variation authorized by law, the total cost
20 of all projects carried out under section 2401 of this Act
21 may not exceed the sum of the following:
22 (1) The total amount authorized to be appro-
23 priated under paragraphs (1) and (2) of subsection
24 (a).

(2) $46,400,000 (the balance of the amount authorized under section 2401(a) for construction of a health clinic at MacDill Air Force Base, Florida).

(3) $521,000,000 (the balance of the amount authorized under section 2401(a) for stage 1 of the replacement of the Army Medical Research Institute of Infectious Diseases at Fort Detrick, Maryland).

(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404(a) of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under subsection (a)(8).

(2) $666,500,000 (the balance of the amount authorized under section 2404(a) for base closure and realignment activities).

(d) CONGRESSIONAL NOTIFICATION REGARDING BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Not later later 14 days after the date on which funds appropriated pursuant to the authorization of appropriations in

subsection (a)(8) are first obligated for a particular program, project, or activity, the Secretary of Defense shall submit to the congressional defense committees a report describing the program, project, or activity.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECT.

(a) MODIFICATION OF OUTSIDE THE UNITED STATES NATIONAL SECURITY AGENCY PROJECT.—The table relating to the National Security Agency in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking ''$86,354,000'' in the amount column and inserting ''$91,383,000''.

(b) CONFORMING AMENDMENTS.—Section 2403(b)(5) of that Act (119 Stat. 3500) is amended by striking ''$44,657,000'' and inserting ''$49,686,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $200,985,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

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

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for the

costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $561,375,000; and

(B) for the Army Reserve, $190,617,000.

(2) For the Department of the Navy, for the Navy Reserve and Marine Corps Reserve, $49,998,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $294,283,000; and

(B) for the Air Force Reserve, $56,836,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 2004 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 2003 projects.
Sec. 2704. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing

projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2004 PROJECTS.

(a) EXTENSION AND RENEWAL.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1716), authorizations set forth in the tables in subsection (b), as provided in section 2101, 2301, 2302, 2401, or 2601 of that Act shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2004 Project Authorizations

Installation or Location	Project	Amount
Aviano Air Base, Italy	Joint deployment facility	$15,500,000
Fort Wainwright, Alaska	Training range complex	$47,000,000

Air Force: Extension of 2004 Project Authorizations

Installation or Location	Project	Amount
Eglin Air Force Base, Florida	Family housing (279 units)	$32,166,000
Hickam Air Force Base, Hawaii	Parking ramp	$10,102,000
Travis Air Force Base, California	Family housing (56 units)	$12,723,000

Defense Wide: Extension of 2004 Project Authorization

Installation or Location	Agency and Project	Amount
Hickam Air Force Base, Hawaii	DLA hydrant fuel system	$14,100,000

Army National Guard: Extension of 2004 Project Authorizations

Installation or Location	Project	Amount
Albuquerque, New Mexico	Readiness center	$2,533,000
Fort Indiantown Gap, Pennsylvania	Training range	$15,338,000
Gary, Indiana	Aviation support facility	$15,581,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), authorizations set forth in the table in subsection (b), as provided in section 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3502), shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The table referred to in subsection (a) is as follows:

Air Force: Extension of 2003 Project Authorizations

Installation or Location	Project	Amount
Eglin Air Force Base, Florida	Family housing (134 units)	$15,906,000
Eglin Air Force Base, Florida	Family housing office	$597,000
Randolph Air Force Base, Texas	Housing maintenance facility	$447,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

1 (1) October 1, 2006; or

2 (2) the date of the enactment of this Act.

3 TITLE XXVIII—MILITARY CON-
4 STRUCTION GENERAL PROVI-
5 SIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Increase in maximum annual amount authorized to be obligated for emergency military construction.
Sec. 2802. One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.
Sec. 2803. Repeal of requirement to determine availability of suitable alternative housing for acquisition in lieu of construction of new family housing.
Sec. 2804. Authority to continue to occupy leased family housing for United States Southern Command personnel.
Sec. 2805. Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet.
Sec. 2806. Modification of notification requirements related to cost variation authority.
Sec. 2807. Consideration of local comparability of floor areas in construction, acquisition, and improvement of military unaccompanied housing.
Sec. 2808. Certification required for military construction projects for facilities designed to provide training in urban operations.
Sec. 2809. Authority to carry out military construction projects in connection with industrial facility investment program.
Sec. 2810. Repeal of special requirement for military construction contracts on Guam.
Sec. 2811. Temporary expansion of authority to convey property at military installations to support military construction.
Sec. 2812. Pilot projects for acquisition or construction of military unaccompanied housing.

Subtitle B—Real Property and Facilities Administration

Sec. 2821. Congressional notice requirements, in advance of acquisition of land by condemnation for military purposes.
Sec. 2822. Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way.
Sec. 2823. Authority to grant restrictive easements for conservation purposes in connection with land conveyances.
Sec. 2824. Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing.
Sec. 2825. Consolidation of laws relating to transfer of Department of Defense real property within the Department of Defense and to other Federal agencies.

Sec. 2826. Defense access road program.
Sec. 2827. Reports on Army operational ranges.

Subtitle C—Base Closure and Realignment

Sec. 2831. Modification of deposit requirements in connection with lease proceeds received at military installations approved for closure or realignment after January 1, 2005.
Sec. 2832. Report on Air Force and Air National Guard bases affected by 2005 round of defense base closure and realignment.

Subtitle D—Land Conveyances

Sec. 2841. Conveyance of easement, Pine Bluff Arsenal, Arkansas.
Sec. 2842. Modification of land transfer authority, Potomac Annex, District of Columbia.
Sec. 2843. Land conveyance, Naval Air Station, Barbers Point, Hawaii.
Sec. 2844. Land conveyances, Omaha, Nebraska.
Sec. 2845. Land conveyance, Hopkinton, New Hampshire.
Sec. 2846. Land conveyance, North Hills Army Reserve Center, Allison Park, Pennsylvania.
Sec. 2847. Transfer of jurisdiction, Fort Jackson, South Carolina.
Sec. 2848. Sense of Congress regarding land conveyance involving Army Reserve Center, Marshall, Texas.
Sec. 2849. Modifications to land conveyance authority, Engineering Proving Ground, Fort Belvoir, Virginia.
Sec. 2850. Land conveyance, Radford Army Ammunition Plant, New River Unit, Virginia.

Subtitle E—Energy Security

Sec. 2851. Consolidation and enhancement of laws to improve Department of Defense energy efficiency and conservation.
Sec. 2852. Department of Defense goal regarding use of renewable energy to meet electricity needs.
Sec. 2853. Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts.
Sec. 2854. Use of energy efficiency products in new construction.

Subtitle F—Other Matters

Sec. 2861. Availability of research and technical assistance under Defense Economic Adjustment Program.
Sec. 2862. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.
Sec. 2863. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.
Sec. 2864. Modification of certain transportation projects.
Sec. 2865. Availability of funds for South County Commuter Rail project, Providence, Rhode Island.
Sec. 2866. Fox Point Hurricane Barrier, Providence, Rhode Island.
Sec. 2867. Federal funding for fixed guideway projects.
Sec. 2868. Feasibility study regarding use of General Services Administration property for Fort Belvoir, Virginia, realignment.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN MAXIMUM ANNUAL AMOUNT AUTHORIZED TO BE OBLIGATED FOR EMERGENCY MILITARY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking ''$45,000,000'' and inserting ''$50,000,000''.

SEC. 2802. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended by striking ''and 2006'' and inserting ''through 2007''.

SEC. 2803. REPEAL OF REQUIREMENT TO DETERMINE AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING FOR ACQUISITION IN LIEU OF CONSTRUCTION OF NEW FAMILY HOUSING.

(a) IN GENERAL.—Section 2823 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 169 of such title is amended by striking the item relating to section 2823.

SEC. 2804. AUTHORITY TO CONTINUE TO OCCUPY LEASED FAMILY HOUSING FOR UNITED STATES SOUTHERN COMMAND PERSONNEL.

Section 2828(b)(4) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

''(D) Until September 30, 2008, the Secretary of the Army may authorize family members of a member of the armed forces on active duty who is assigned to a family-member-restricted area and who, before such assignment, was occupying a housing unit leased under this paragraph, to remain in the leased housing unit until the member completes the assignment. Costs incurred for the leased housing unit during the assignment shall be included in the costs subject to the limitation under subparagraph (B).''.

SEC. 2805. CONSIDERATION OF ALTERNATIVE AND MORE EFFICIENT USES FOR GENERAL OFFICER AND FLAG OFFICER QUARTERS IN EXCESS OF 6,000 SQUARE FEET.

(a) REPORTING REQUIREMENTS.—Subsection (e)(1) of section 2831 of title 10, United States Code, is amended—

(1) in subparagraph (A), by striking ''and'' at the end of the subparagraph;

(2) in subparagraph (B)—

(A) by striking ''so identified'' and inserting ''identified under subparagraph (A)''; and

(B) by striking the period at the end of the subparagraph and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

''(C) identifying each family housing unit in excess of 6,000 square feet used, or intended for use, as quarters for a general officer or flag officer;

''(D) for each family housing unit identified under subparagraph (C), specifying any alternative and more efficient use to which the unit could be converted (which would include any costs necessary to convert the unit) and containing an explanation of the reasons why the unit is not being converted to the alternative use; and

"(E) for each family housing unit identified under subparagraph (C) for which costs under subparagraph (A) or new construction costs are anticipated to exceed $100,000 in the next fiscal year, specifying any alternative use to which the unit could be converted (which would include any costs necessary to convert the unit) and an estimate of the costs to demolish and rebuild the unit to private sector standards.".

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "ESTABLISHMENT.—" after "(a)";

(2) in subsection (b), by inserting "CREDITS TO ACCOUNT.—" after "(b)";

(3) in subsection (c), by inserting "AVAILABILITY OF AMOUNTS IN ACCOUNT.—" after "(c)"; and

(4) in subsection (d), by inserting "USE OF ACCOUNT.—" after "(d)"; and

(5) in the heading of subsection (e), by striking "COST OF";

SEC. 2806. MODIFICATION OF NOTIFICATION REQUIREMENTS RELATED TO COST VARIATION AUTHORITY.

Section 2853(c) of title 10, United States Code, is amended by striking ''if—'' and paragraphs (1), (2), and (3) and inserting the following: ''if the variation in cost or reduction in the scope of work is approved by the Secretary concerned and—

''(1) in the case of a cost increase or a reduction in the scope of work—

''(A) the Secretary concerned notifies the appropriate committees of Congress in writing of the cost increase or reduction in scope and the reasons therefor, including a description of the funds proposed to be used to finance any increased costs; and

''(B) a period of 21 days has elapsed after the date on which the notification is received by the committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title; or

''(2) in the case of a cost decrease, the Secretary concerned notifies the appropriate committees of Congress in writing not later than 14 days after the date funds are obligated in connection with the

military construction project or military family housing project.''.

SEC. 2807. CONSIDERATION OF LOCAL COMPARABILITY OF FLOOR AREAS IN CONSTRUCTION, ACQUISITION, AND IMPROVEMENT OF MILITARY UNACCOMPANIED HOUSING.

(a) COMPARABILITY OF FLOOR AREAS.—

(1) IN GENERAL.—Section 2856 of title 10, United States Code, is amended to read as follows:

''§ 2856. Military unaccompanied housing: local comparability of floor areas

''In the construction, acquisition, and improvement of military unaccompanied housing, the Secretary concerned shall ensure that the floor areas of such housing in a particular locality (as designated by the Secretary concerned for purposes of this section) do not exceed the floor areas of similar housing in the private sector in that locality.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2856 and inserting the following new item:

''2856. Military unaccompanied housing: local comparability of floor areas.''.

(b) CONFORMING AMENDMENTS REGARDING ALTERNATIVE ACQUISITION AND IMPROVEMENT AUTHORITY.—Section 2880(b) of such title is amended—

(1) by striking ''(1) Section 2826'' and inserting ''Sections 2826 and 2856'';

(2) by inserting ''or military unaccompanied housing'' after ''military family housing''; and

(3) by striking paragraph (2).

SEC. 2808. CERTIFICATION REQUIRED FOR MILITARY CONSTRUCTION PROJECTS FOR FACILITIES DESIGNED TO PROVIDE TRAINING IN URBAN OPERATIONS.

(a) CERTIFICATION REQUIRED.—Section 2859 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) CERTIFICATION REQUIRED FOR MILITARY CONSTRUCTION PROJECTS DESIGNED TO PROVIDE TRAINING IN URBAN OPERATIONS.—(1) Except as provided in paragraph (3), the Secretary concerned may not carry out a military construction project to construct a facility designed to provide training in urban operations for members of the armed forces or personnel of the Department of Defense or other Federal agencies until—

''(A) the Secretary of Defense approves a strategy for training and facility construction for operations in urban terrain; and

''(B) the Under Secretary of Defense for Personnel and Readiness evaluates the project and cer-

tifies to the appropriate committees of Congress that the project—

"(i) is consistent with the strategy; and

"(ii) incorporates the appropriate capabilities for joint and interagency use in accordance with the strategy.

"(2) The Under Secretary of Defense for Personnel and Readiness shall conduct the evaluation required by paragraph (1)(B) in consultation with the Commander of the United States Joint Forces Command.

"(3) This subsection shall not apply with respect to a military construction project carried out under the authority of section 2803, 2804, or 2808 of this title or section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723).".

(b) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2859. Construction requirements related to antiterrorism and force protection or urban-training operations".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating

to section 2859 and inserting the following new item:

"2859. Construction requirements related to antiterrorism and force protection or urban-training operations.".

(c) EFFECTIVE DATE.—Subsection (d) of section 2859 of title 10, United States Code, as added by subsection (a), shall apply with respect to military construction projects described in such subsection (d) for which funds are first provided for fiscal year 2007 or thereafter.

SEC. 2809. AUTHORITY TO CARRY OUT MILITARY CONSTRUCTION PROJECTS IN CONNECTION WITH INDUSTRIAL FACILITY INVESTMENT PROGRAM.

(a) AUTHORITY.—Subchapter III of chapter 169 of title 10, United States Code, is amended by inserting after section 2860 the following new section:

"§ 2861. Military construction projects in connection with industrial facility investment program

"(a) AUTHORITY.—The Secretary of Defense may carry out a military construction project, not previously authorized, for the purpose of carrying out activities under section 2474(a)(2) of this title, using funds appropriated or otherwise made available for that purpose in military construction accounts.

"(b) CREDITING OF FUNDS TO CAPITAL BUDGET.—Funds appropriated or otherwise made available in a fiscal year for the purpose of carrying out a military construction project with respect to a covered depot (as defined in subsection (e) of section 2476 of this title) may be credited to the amount required by subsection (a) of such section to be invested in the capital budgets of the covered depots in that fiscal year.

"(c) NOTICE AND WAIT REQUIREMENT.—When a decision is made to carry out a project under subsection (a), the Secretary of Defense shall notify in writing the appropriate committees of Congress of that decision and the savings estimated to be realized from the project. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.

"(d) ANNUAL REPORT.—Not later than December 31 of each year, the Secretary shall submit to Congress a report describing actions taken under this section and the savings realized from such actions during the fiscal year ending in the year in which the report is submitted.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2860 the following new item:

"2861. Military construction projects in connection with industrial facility investment program.".

SEC. 2810. REPEAL OF SPECIAL REQUIREMENT FOR MILITARY CONSTRUCTION CONTRACTS ON GUAM.

(a) REPEAL.—Section 2864 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2864.

SEC. 2811. TEMPORARY EXPANSION OF AUTHORITY TO CONVEY PROPERTY AT MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) TEMPORARY INCLUSION OF ALL MILITARY INSTALLATIONS.—Subsection (a) of section 2869 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "The Secretary concerned";

(3) by striking ''located on a military installation that is closed or realigned under a base closure law'' and inserting ''described in paragraph (2)''; and

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

''(2) Paragraph (1) applies with respect to real property under the jurisdiction of the Secretary concerned that—

''(A) is located on a military installation that is closed or realigned under a base closure law; or

''(B) is located on a military installation not covered by subparagraph (A) and is determined to be excess to the needs of the Department of Defense.

''(3) Subparagraph (B) of paragraph (2) shall apply only during the period beginning on the date of the enactment of the John Warner National Defense Authorization Act for Fiscal Year 2007 and ending on September 30, 2008. Any conveyance of real property described in such subparagraph for which the Secretary concerned has provided the advance public notice required by subsection (d)(1) before the expiration date may be completed after that date.''.

(b) USE OF AUTHORITY TO SUPPORT AGREEMENTS TO LIMIT ENCROACHMENTS.—Subparagraph (A) of paragraph (1) of subsection (a) of such section, as redesignated and amended by subsection (a), is further amended by striking ''land acquisition'' and inserting ''land acquisition, including the acquisition of all right, title, and interest or a lesser interest in real property under an agreement entered into under section 2684a of this title to limit encroachments and other constraints on military training, testing, and operations''.

(c) ADVANCE NOTICE OF USE OF AUTHORITY; CONTENT OF NOTICE.—Subsection (d) of such section is amended—

(1) in paragraph (1), by striking ''closed or realigned under the base closure laws is to be conveyed'' and inserting ''is proposed for conveyance'';

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

''(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

''(A) the Secretary submits to Congress notice of the conveyance, including—

''(i) a description of the real property to be conveyed by the Secretary under the agreement;

"(ii) a description of the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

"(iii) the amount of any payment to be made under subsection (b) or under section 2684a(d) of this title to equalize the fair market values of the property to be conveyed and the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

"(B) the waiting period applicable to that notice under paragraph (3) expires.

"(3) If the notice submitted under paragraph (2) deals with the conveyance of real property located on a military installation that is closed or realigned under a base closure law or the conveyance of real property under an agreement entered into under section 2684a of this title, the Secretary concerned may enter into the agreement under subsection (a) for the conveyance of the property after a period of 21 days has elapsed from the date of receipt of the notice or, if over sooner, a period of 14

days has elapsed from the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title. In the case of other real property to be conveyed under subsection (a), the Secretary concerned may enter into the agreement only after a period of 60 days has elapsed from the date of receipt of the notice or, if over sooner, a period of 45 days has elapsed from the date on which the electronic copy is provided.''.

(d) DEPOSIT AND USE OF FUNDS.—Subsection (e) of such section is amended to read as follows:

''(e) DEPOSIT AND USE OF FUNDS.—(1) Except as provided in paragraph (2), the Secretary concerned may deposit funds received under subsection (b) in the Department of Defense housing funds established under section 2883(a) of this title.

''(2) During the period specified in paragraph (3) of subsection (a), the Secretary concerned shall deposit funds received under subsection (b) in the appropriation 'Foreign Currency Fluctuations, Construction, Defense'.

''(3) The funds deposited under paragraph (2) shall be available, in such amounts as provided in appropriation Acts, for the purpose of paying increased costs of overseas military construction and family housing construction or improvement associated with unfavorable fluctuations in currency exchange rates. The use of such funds for this

purpose does not relieve the Secretary concerned from the duty to provide advance notice to Congress under section 2853(c) of this title whenever the Secretary approves an increase in the cost of an overseas project under such section.''.

(e) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—Subsection (f) of such section is amended—

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

(2) in subparagraph (C), as so redesignated, by inserting before the period at the end the following: ''and of excess real property at military installations'';

(3) by striking ''(f)'' and all that follows through ''the following:'' and inserting the following:

''(f) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—(1) Not later than March 15 of each year, the Secretary of Defense shall submit to Congress a report detailing the following:''; and

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

''(2) If the report for a year is not submitted to Congress by the date specified in paragraph (1), the Secretary concerned may not enter into an agreement under subsection (a) after that date for the conveyance of real prop-

erty until the date on which the report is finally submitted.''.

(f) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 2869. Conveyance of property at military installations to support military construction or limit encroachment''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869 and inserting the following new item:

''2869. Conveyance of property at military installations to support military construction or limit encroachment.''.

(g) CONFORMING AMENDMENTS TO AUTHORITY TO LIMIT ENCROACHMENTS.—Subsection (d)(3) of section 2684a of such title is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(2) in subparagraph (C), as so redesignated, by striking ''in the sharing of acquisition costs of real property, or an interest in real property, under paragraph (1)(B)'' and inserting ''under subparagraph (A), either through the contribution of funds or excess real property, or both,''; and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) In lieu of or in addition to making a monetary contribution toward the cost of acquiring a parcel of real property, or an interest therein, pursuant to an agreement under this section, the Secretary concerned may convey, using the authority provided by section 2869 of this title, real property described in paragraph (2) of subsection (a) of such section, subject to the limitation in paragraph (3) of such subsection.''.

SEC. 2812. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) REDUCTION OF APPLICABLE NOTIFICATION PERIODS.—Section 2881a of title 10, United States Code, is amended by striking ''90 days'' both places it appears and inserting ''30 days''.

(b) EXTENSION OF AUTHORITY.—Subsection (f) of such section is amended by striking ''2007'' and inserting ''2009''.

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONGRESSIONAL NOTICE REQUIREMENTS, IN ADVANCE OF ACQUISITION OF LAND BY CONDEMNATION FOR MILITARY PURPOSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense, when acquiring land for military purposes, should—

(1) make every effort to acquire the land by means of purchases from willing sellers; and

(2) employ condemnation, eminent domain, or seizure procedures only as a measure of last resort in cases of compelling national security requirements or at the request of the seller.

(b) ADVANCE NOTICE OF USE OF CONDEMNATION; EXCEPTIONS.—Section 2663 of title 10, United States Code, is amended—

(1) in subsection (a)(1), ''The Secretary'' and inserting ''Subject to subsection (f), the Secretary''; and

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

''(f) ADVANCE NOTICE OF USE OF CONDEMNATION.—(1) Before commencing any legal proceeding to acquire any interest in land under subsection (a), including

acquisition for temporary use, by condemnation, eminent domain, or seizure, the Secretary of the military department concerned shall—

"(A) pursue, to the maximum extent practicable, all other available options for the acquisition or use of the land, such as the purchase of an easement or the execution of a land exchange; and

"(B) submit to the congressional defense committees a report containing—

"(i) a description of the land to be acquired;

"(ii) a certification that negotiations with the owner or owners of the land occurred, and that the Secretary tendered consideration in an amount equal to the fair market value of the land, as determined by the Secretary; and

"(iii) an explanation of the other approaches considered for acquiring use of the land, the reasons for the acquisition of the land, and the reasons why alternative acquisition strategies are inadequate.

"(2) The Secretary concerned may have proceedings brought in the name of the United States to acquire the land after the end of the 21-day period beginning on the date on which the report is received by the committees

or, if over sooner, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.

''(g) EXCEPTION TO ADVANCE NOTICE REQUIREMENT.—If the Secretary of a military department determines that the use of condemnation, eminent domain, or seizure to acquire an interest in land is required under subsection (a) to satisfy a requirement vital to national security, and that any delay would be detrimental to national security or the protection of health, safety, or the environment, the Secretary may have proceedings brought in the name of the United States to acquire the land in advance of submitting the report required by subsection (f)(1)(B). However, the Secretary shall submit the report not later than seven days after commencement of the legal proceedings with respect to the land.''.

SEC. 2822. CONSOLIDATION OF DEPARTMENT OF DEFENSE AUTHORITIES REGARDING GRANTING OF EASEMENTS FOR RIGHTS-OF-WAY.

(a) CONSOLIDATION.—Subsection (a) of section 2668 of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''he'' both places it appears and inserting ''the Secretary''; and

(B) by striking ''his control, to a State, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Commonwealth, or possession,'' and inserting ''the Secretary's control'';

(2) in paragraph (2), by striking ''oil pipe lines'' and inserting ''gas, water, sewer, and oil pipe lines''; and

(3) in paragraph (13), by striking ''he considers advisable, except a purpose covered by section 2669 of this title'' and inserting ''the Secretary considers advisable''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''AUTHORIZED TYPES OF EASEMENTS.—'' after ''(a)'';

(2) in subsection (b), by inserting ''LIMITATION ON SIZE OF EASEMENT.—'' after ''(b)'';

(3) in subsection (c), by inserting ''TERMINATION.—'' after ''(c)'';

(4) in subsection (d), by inserting ''NOTICE TO DEPARTMENT OF THE INTERIOR.—'' after ''(d)''; and

(5) in subsection (e), by inserting "DISPOSITION OF CONSIDERATION.—" after "(e)".

(c) CONFORMING REPEAL.—Section 2669 of such title is repealed.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by striking the item related to section 2669.

SEC. 2823. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS FOR CONSERVATION PURPOSES IN CONNECTION WITH LAND CONVEYANCES.

(a) RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2668 the following new section:

"§ 2668a. Easements: granting restrictive easements in connection with land conveyances

"(a) AUTHORITY TO INCLUDE RESTRICTIVE EASEMENT.—In connection with the conveyance of real property by the Secretary concerned under any provision of law, the Secretary concerned may grant an easement to an entity specified in subsection (b) restricting future uses of the conveyed real property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

"(b) AUTHORIZED RECIPIENTS.—An easement under subsection (a) may be granted only to—

"(1) a State or local government; or

"(2) a qualified organization, as that term is defined in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

"(c) LIMITATIONS ON USE OF EASEMENT AUTHORITY.—An easement under subsection (a) may not be granted unless—

"(1) the proposed recipient of the easement consents to the receipt of the easement;

"(2) the Secretary concerned determines that the easement is in the public interest and the conservation purpose to be promoted by the easement cannot be effectively achieved through the application of State law by the State or a local government without the grant of restrictive easements;

"(3) the jurisdiction that encompasses the property to be subject to the easement authorizes the grant of restrictive easements; and

"(4) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing easements granted under this section.

"(d) CONSIDERATION.—Easements granted under this section shall be without consideration from the recipient.

"(e) ACREAGE LIMITATION.—No easement granted under this section may include more land than is necessary for the easement.

"(f) TERMS AND CONDITIONS.—The grant of an easement under this section shall be subject to such additional terms and conditions as the Secretary concerned considers appropriate to protect the interests 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 2668 the following new item:

"2668a. Easements: granting restrictive easements in connection with land conveyances.".

SEC. 2824. MAXIMUM TERM OF LEASES FOR STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES NEEDED FOR PURPOSES OTHER THAN FAMILY HOUSING.

Section 2675(a) of title 10, United States Code, is amended by striking "five years" and inserting "10 years".

SEC. 2825. CONSOLIDATION OF LAWS RELATING TO TRANSFER OF DEPARTMENT OF DEFENSE REAL PROPERTY WITHIN THE DEPARTMENT OF DEFENSE AND TO OTHER FEDERAL AGENCIES.

(a) INCLUSION OF TRANSFER AUTHORITY BETWEEN ARMED FORCES.—Section 2696 of title 10, United States Code, is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively; and

(2) by inserting before subsection (b), as so redesignated, the following new subsection:

''(a) TRANSFERS BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another. Section 2571(d) of this title shall apply to the transfer of real property under this subsection.''.

(b) INCLUSION OF DEPARTMENT OF JUSTICE PROGRAM TO SCREEN AND CONVEY OF PROPERTY FOR CORRECTIONAL FACILITIES.—The text of section 2693 of such title is amended—

(1) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(2) by redesignating paragraphs (1) and (2) of subsection (b) as subparagraphs (A) and (B), re-

spectively, and in such subparagraph (B), as so redesignated, by striking ''this section'' and inserting ''paragraph (1)'';

(3) by striking ''(a) Except as provided in subsection (b)'' and inserting ''(f) SCREENING AND CONVEYANCE OF PROPERTY FOR CORRECTIONAL FACILITIES PURPOSES.—(1) Except as provided in paragraph (2)'';

(4) by striking ''(b) The provisions of this section'' and inserting ''(2) Paragraph (1)''; and

(5) by transferring the text, as so redesignated and amended, to appear as a new subsection (f) at the end of section 2696 of such title.

(c) CONFORMING AMENDMENTS.—

(1) CONFORMING AMENDMENT TO AUTHORITY ON INTERCHANGE OF PROPERTY AND SERVICES.—Section 2571(a) of such title is amended by striking ''and real estate''.

(2) REPEAL OF SUPERSEDED AUTHORITY ON SCREENING AND TRANSFER FOR CORRECTIONAL PURPOSES.—Section 2693 of such title is repealed.

(3) CONFORMING AMENDMENTS TO CONSOLIDATED AUTHORITY.—Section 2696 of such title is amended—

(A) in subsection (b), as redesignated by subsection (a)(1), by striking ''SCREENING REQUIREMENT.—'' and inserting ''SCREENING REQUIREMENTS FOR ADDITIONAL FEDERAL USE.—'';

(B) in subsection (c)(1), as redesignated by subsection (a)(1), by striking ''subsection (a)'' in the first sentence and inserting ''subsection (b)'';

(C) in subsection (d), by striking ''subsection (b)(1)'' and inserting ''subsection (c)(1)''; and

(D) in subsection (e), by striking ''this section'' and inserting ''subsection (b)''.

(d) CLERICAL AMENDMENTS.—

(1) SECTION 2571.—(A) The heading of section 2571 of such title is amended to read as follows:

''§ 2571. Interchange of supplies and services''.

(B) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

''2571. Interchange of supplies and services.''.

(2) SECTIONS 2693 AND 2696.—(A) The heading of section 2696 of such title is amended to read as follows:

"§ 2696. Real property: transfer between armed forces and screening requirements for other Federal use".

(B) The table of sections at the beginning of chapter 159 of such title is amended—

(i) by striking the item relating to section 2693; and

(ii) by striking the item relating to section 2696 and inserting the following new item:

"2696. Real property: transfer between armed forces and screening requirements for other Federal use.".

SEC. 2826. DEFENSE ACCESS ROAD PROGRAM.

Section 2837 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3522) is amended—

(1) in subsection (a)—

(A) by inserting "and transit systems" after "that roads"; and

(B) by striking "that is" and inserting "that are"; and

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (1); and

(B) by striking paragraph (2) and inserting the following new paragraphs:

"(2) to determine whether the existing surface transportation infrastructure, including roads and transit at each installation identified under paragraph (1) is adequate to support the increased traffic associated with the increase in the number of defense personnel described in that paragraph; and

"(3) to determine whether the defense access road program adequately considers the complete range of surface transportation options, including roads and other means of transit, necessary to support the national defense.".

SEC. 2827. REPORTS ON ARMY OPERATIONAL RANGES.

(a) REPORT ON PINON CANYON MANEUVER SITE.—

(1) REPORT REQUIRED.—Not later than November 30, 2006, the Secretary of the Army shall submit to the congressional defense committees a report containing an analysis of any potential expansion of the Pinon Canyon Maneuver Site at Fort Carson, Colorado.

(2) ELEMENTS OF REPORT.—The report required under paragraph (1) shall include the following:

(A) A description of the current and projected military requirements of the Army for training at the Pinon Canyon Maneuver Site.

(B) An analysis of the reasons for any changes in those requirements, including the extent to which the changes are the result of—

(i) an increase in military personnel using the Pinon Canyon Maneuver Site due to decisions made as part of the 2005 round of defense base closure and realignment under 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);

(ii) the conversion of Army brigades to a modular format;

(iii) the Integrated Global Presence and Basing Strategy;

(iv) high operational tempos; or

(v) surge requirements.

(C) A proposed plan for addressing those requirements, including a description of any proposed expansion of the existing Pinon Canyon Maneuver Site by acquiring privately held land surrounding the site and an analysis of alternative approaches that would not require expansion.

(3) ADDITIONAL ELEMENTS.—If the expansion of the Pinon Canyon Maneuver Site is recommended in the plan required by paragraph (2)(C), the report shall also include the following:

(A) An assessment of the economic impact on local communities of expanding the Pinon Canyon Maneuver Site by acquiring privately held land surrounding the site.

(B) An assessment of the environmental impact of expanding the Pinon Canyon Maneuver Site.

(C) An estimate of the costs associated with the potential expansion, including land acquisition, range improvements, installation of utilities, environmental restoration, and other environmental activities in connection with the acquisition.

(D) An assessment of options for compensating local communities for the loss of property tax revenue as a result of the expansion of Pinon Canyon Maneuver Site.

(E) An assessment of whether the acquisition of additional land at the Pinon Canyon Maneuver Site can be carried out by the Secretary solely through transactions, including

land exchanges and the lease or purchase of easements, with willing sellers of the privately held land.

(b) LIMITATION ON REAL PROPERTY ACQUISITION PENDING REPORT.—The Secretary of the Army may not carry out any acquisition of real property to expand the Pinon Canyon Maneuver Site until at least 30 days after the date on which the Secretary submits the report required under subsection (a).

(c) REPORT ON POTENTIAL EXPANSION OF ARMY OPERATIONAL RANGES.—

(1) REPORT REQUIRED.—Not later than February 1, 2007, the Secretary of the Army shall submit to the congressional defense committees a report containing an assessment of the Army operational ranges used to support range activities.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) The size, description, and mission-essential tasks supported by each Army operational range during fiscal year 2003.

(B) A description of the projected changes in Army operational range requirements, including the size, characteristics, and attributes for

mission-essential activities at each range and the extent to which any changes in requirements are a result of—

(i) decisions made as part of the 2005 round of defense base closure and realignment under 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);

(ii) the conversion of Army brigades to a modular format;

(iii) the Integrated Global Presence and Basing Strategy;

(iv) high operational tempos; or

(v) surge requirements.

(C) The projected deficit or surplus of land at each Army operational range, and a description of the Army's plan to address that projected deficit or surplus of land as well as the upgrade of range attributes at each existing Army operational range.

(D) A description of the Army's prioritization process and investment strategy to address the potential expansion or upgrade of Army operational ranges.

(E) An analysis of alternatives to the expansion of Army operational ranges, including an assessment of the joint use of operational ranges under the jurisdiction, custody, or control of the Secretary of another military department.

(3) DEFINITIONS.—In this subsection:

(A) The term ''Army operational range'' has the meaning given the term ''operational range'' in section 101(e)(3) of title 10, United States Code, except that the term is limited to operational ranges under the jurisdiction, custody, or control of the Secretary of the Army.

(B) The term ''range activities'' has the meaning given that term in section 101(e)(2) of such title.

Subtitle C—Base Closure and Realignment

SEC. 2831. MODIFICATION OF DEPOSIT REQUIREMENTS IN CONNECTION WITH LEASE PROCEEDS RECEIVED AT MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(B)(ii), by striking ''paragraph (4) or (5)'' and inserting ''paragraph (4), (5), or (6)'';

(2) in paragraph (5), by inserting after ''lease under subsection (f)'' the following: ''at a military installation approved for closure or realignment under a base closure law before January 1, 2005,''; and

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

''(6) Money rentals received by the United States from a lease under subsection (f) at a military installation approved for closure or realignment under a base closure law on or after January 1, 2005, shall be deposited into the account established under section 2906A(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).''.

SEC. 2832. REPORT ON AIR FORCE AND AIR NATIONAL GUARD BASES AFFECTED BY 2005 ROUND OF DEFENSE BASE CLOSURE AND REALIGNMENT.

(a) REPORT.—Not later than January 1, 2007, the Secretary of the Air Force shall submit to Congress a report on planning by the Department of the Air Force for

future roles and missions for each Air Force and Air National Guard installation that—

(1) will have the number of aircraft, weapon systems, or functions assigned to the installation reduced or eliminated as a result of decisions made as part of the 2005 round of defense base closure and realignment under 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); or

(2) will serve as a receiving location for the realignment of aircraft, weapons systems, or functions as a result of such decisions.

(b) ELEMENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An assessment of the capabilities, characteristics, and capacity of the facilities, other infrastructure, and personnel at each installation described in subsection (a).

(2) A description of the planning process used by the Department of the Air Force to determine future roles and missions at each installation described in subsection (a), including an analysis of alternatives for installations to support each future role or mission.

(3) A description of the future roles and missions under consideration for each Air Force and Air National Guard installation, including installations described in subsection (a), and an explanation of the criteria and decision-making process to make final decisions about future roles and missions for each installation.

(4) A timeline for decisions on the final determination of future roles and missions for each installation described in subsection (a).

Subtitle D—Land Conveyances

SEC. 2841. CONVEYANCE OF EASEMENT, PINE BLUFF ARSENAL, ARKANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Jefferson County, Arkansas (in this section referred to as the ''County''), all right, title, and interest of the United States in and to an easement that was acquired by the United States in 1942 for the benefit of Pine Bluff Arsenal, Arkansas, and encumbers the real property described in subsection (c) if the Secretary determines that the conveyance and subsequent use of the easement will not adversely impact the mission of Pine Bluff Arsenal. The conveyance shall include all appurtenances to the easement

and any improvements thereon constructed by the United States.

(b) PURPOSE OF CONVEYANCE.—The conveyance authorized by subsection (a) is for the sole purpose of permitting the County to construct, maintain, and operate a railroad over, upon, and across the real property encumbered by the easement.

(c) DESCRIPTION OF PROPERTY ENCUMBERED BY EASEMENT.—The real property encumbered by the easement is situated in Jefferson County, Arkansas, consists of approximately 38.18 acres, and is described as PBR Tract No. 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 38-A and 39 and includes the real property described in a Warranty Deed from C.C. Neal and Pearlee Neal dated August 14, 1942. If the Secretary determines that an additional survey is necessary to better determine the legal description of the real property encumbered by the easement, a survey satisfactory to the Secretary shall be conducted.

(d) FURTHER TRANSFER, ASSIGNMENTS, OR PERMITS.—Subject to subsection (b), the County may make such further transfer or assignments, grant such permits, or make such other arrangements with regard to the easement conveyed under subsection (a) as the County con-

siders beneficial and appropriate for the interests of the County.

(e) PAYMENT OF COSTS OF CONVEYANCES.—

(1) PAYMENT REQUIRED.—The Secretary shall require the County to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out a conveyance under subsection (a), including survey costs, related to the conveyance. If amounts are collected from the County in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the County.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received under paragraph (1) as reimbursement for costs incurred by the Secretary to carry out a conveyance under subsection (a) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) ADDITIONAL TERM AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATION OF LAND TRANSFER AUTHORITY, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

Section 2831(a) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2795) is amended by striking ''consisting of approximately 3 acres'' and inserting ''consisting of approximately 4 acres and containing two buildings, known as building 6 and building 7''.

SEC. 2843. LAND CONVEYANCE, NAVAL AIR STATION, BARBERS POINT, HAWAII.

(a) CONVEYANCE OF PROPERTY.—Not later than September 30, 2008, the Secretary of the Navy shall enter into a binding agreement to convey, by sale, lease, or a combination thereof, to any public or private person or entity outside the Department of Defense certain parcels of real property, including any improvements thereon, consisting of approximately 499 acres located at the former Naval Air Station, Barbers Point, Oahu, Hawaii, that are subject to the Ford Island Master Development Agreement developed pursuant to section 2814(a)(2) of title 10,

United States Code, for the purpose of promoting the beneficial development of the real property.

(b) USE OF EXISTING AUTHORITY.—To implement subsection (a), the Secretary may utilize the special conveyance and lease authorities provided to the Secretary by subsections (b) and (c) of section 2814 of title 10, United States Code, for the purpose of developing or facilitating the development of Ford Island, Hawaii.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCES, OMAHA, NEBRASKA.

(a) CONVEYANCES AUTHORIZED.—

(1) ARMY CONVEYANCE.—The Secretary of the Army may convey to the Metropolitan Community College Area, a public community college located in Omaha, Nebraska (in this section referred to as the ''College'') all right, title, and interest of the United States in and to three parcels of real property under

the control of the Army Reserve, including any improvements thereon, consisting of approximately 5.42 acres on the Fort Omaha campus at the College, for educational purposes.

(2) NAVY CONVEYANCE.—The Secretary of the Navy may convey to the College all right, title, and interest of the United States in and to a parcel of real property under the control of the Navy Reserve and Marine Corps Reserve, including any improvements thereon, consisting of approximately 6.57 acres on the Fort Omaha campus at the College, for educational purposes.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for each conveyance under subsection (a), the College shall provide the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary concerned.

(2) REDUCED TUITION RATES.—The Secretary concerned may accept as in-kind consideration under paragraph (1) reduced tuition rates for military personnel at the College.

(c) PAYMENT OF COSTS OF CONVEYANCES.—

(1) PAYMENT REQUIRED.—The Secretary concerned shall require the College to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out a conveyance under subsection (a), including survey costs, related to the conveyance. If amounts are collected from the College in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the College.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received under paragraph (1) as reimbursement for costs incurred by the Secretary concerned to carry out a conveyance under subsection (a) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed

under subsection (a) shall be determined by surveys satisfactory to the Secretary concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2845. LAND CONVEYANCE, HOPKINTON, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Town of Hopkinton, New Hampshire (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 90 acres located at a site in Hopkinton, New Hampshire, known as the ''Kast Hill'' property for the purpose of permitting the Town to use the existing sand and gravel resources on the property and to ensure perpetual conservation of the property.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for the conveyance under subsection (a), the Town shall, subject to paragraph (2), provide to the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less

than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary.

(2) WAIVER OF PAYMENT OF CONSIDERATION.—The Secretary may waive the requirement for consideration under paragraph (1) if the Secretary determines that the Town will not use the existing sand and gravel resources to generate revenue.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PROHIBITION ON RECONVEYANCE OF LAND.—The Town may not reconvey any of the land acquired from the United States under subsection (a) without the prior approval of the Secretary.

(e) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Town to cover costs to be incurred by

the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Town in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Town.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance of real property under subsection (a) as the Secretary consider appropriate to protect the interests of the United States.

SEC. 2846. LAND CONVEYANCE, NORTH HILLS ARMY RESERVE CENTER, ALLISON PARK, PENNSYLVANIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the North Allegheny School District (in this section referred to as the ''School District'') all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 11.15 acres and containing the North Hills Army Reserve Center in Allison Park, Pennsylvania, for the purpose of permitting the School District to use the property for educational and recreational purposes and for parking facilities related thereto.

(b) CONSIDERATION.—The Secretary may waive any requirement for consideration in connection with the conveyance under subsection (a) if the Secretary determines that, were the conveyance of the property to be made under subchapter III of chapter 5 of title 40, United States Code, for the same purpose specified in subsection (a), the conveyance could be made without consideration.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the School District to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the School District in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the School District.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2847. TRANSFER OF JURISDICTION, FORT JACKSON, SOUTH CAROLINA.

(a) TRANSFER AUTHORIZED.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property, including any improvements

thereon, consisting of approximately 600 acres and comprising a portion of Fort Jackson, South Carolina.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall establish on the real property transferred under subsection (a) a national cemetery under chapter 24 of title 38, United States Code.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by a survey satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the Secretary of Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2848. SENSE OF CONGRESS REGARDING LAND CONVEYANCE INVOLVING ARMY RESERVE CENTER, MARSHALL, TEXAS.

It is the sense of Congress that the Secretary of the Army should consider the feasibility of conveying the Army Reserve Center at 1209 Pinecrest Drive East in Marshall, Texas, to the Marshall-Harrison County Veterans Association for the purpose of assisting the efforts of the Association in erecting a veterans memorial, cre-

ating a park, and establishing a museum recognizing and honoring the sacrifices and accomplishments of veterans of the Armed Forces.

SEC. 2849. MODIFICATIONS TO LAND CONVEYANCE AUTHORITY, ENGINEERING PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONSTRUCTION OF SECURITY BARRIER.—Section 2836 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1314), as amended by section 2846 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3527), is further amended—

(1) in subsection (b)(4), by striking ''$3,880,000'' and inserting ''$4,880,000''; and

(2) in subsection (d)—

(A) in paragraph (1), by inserting after ''Virginia,'' the following: ''and the construction of a security barrier, as applicable,''; and

(B) in paragraph (2), by inserting after ''Building 191'' the following: ''and the construction of a security barrier, as applicable''.

(b) AUTHORITY TO ENTER INTO ALTERNATIVE AGREEMENT FOR DESIGN AND CONSTRUCTION OF FAIR-

FAX COUNTY PARKWAY PORTION.—Such section 2836 is further amended—

(1) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

''(1) except as provided in subsection (f), design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground (in this section referred to as the 'Parkway portion');''; and

(B) in paragraph (2), by inserting after ''C514'' the following: '', RW–214 (in this section referred to as 'Parkway project')'';

(2) by redesignating subsection (f) as subsection (g);

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

''(f) ALTERNATE AGREEMENT FOR CONSTRUCTION OF ROAD.—(1) The Secretary of the Army may, in connection with the conveyance authorized under subsection (a), enter into an agreement with the Commonwealth providing for the design and construction by the Department of the Army or the United States Department of Transportation of the Parkway portion and other portions of the Fairfax County Parkway off the Engineer Proving

Ground that are necessary to complete the Parkway project (in this subsection referred to as the 'alternate agreement') if the Secretary determines that the alternate agreement is in the best interests of the United States to support the permanent relocation of additional military and civilian personnel at Fort Belvoir pursuant to decisions made as part of the 2005 round of defense base closure and realignment under 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).

''(2) If the Secretary of Defense certifies that the Parkway portion is important to the national defense pursuant to section 210 of title 23, United States Code, the Secretary of the Army may enter into an agreement with the Secretary of Transportation to carry out the alternate agreement under the Defense Access Road Program.

''(3) The Commonwealth shall pay to the Secretary of the Army the costs of the design and construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground designed and constructed under the alternate agreement. The Secretary shall apply such payment to the design and construction provided for in the alternate agreement.

''(4) Using the authorities available to the Secretary under chapter 160 of title 10, United States Code, and

1 funds deposited in the Environmental Restoration Ac-
2 count, Army, established by section 2703(a) of such title
3 and appropriated for this purpose, the Secretary may
4 carry out environmental restoration activities on real prop-
5 erty under the jurisdiction of the Secretary in support of
6 the construction of the Parkway portion.

7 ''(5) The alternate agreement shall be subject to the
8 following conditions:

9 ''(A) The Commonwealth shall acquire and re-
10 tain all necessary right, title, and interest in any
11 real property not under the jurisdiction of the Sec-
12 retary that is necessary for construction of the Park-
13 way portion or for construction of any other portions
14 of the Fairfax County Parkway off the Engineer
15 Proving Ground that will be constructed under the
16 alternate agreement, and shall grant to the United
17 States all necessary access to and use of such prop-
18 erty for such construction.

19 ''(B) The Secretary shall receive consideration
20 from the Commonwealth as required in subsections
21 (b)(2), (b)(3), and (b)(4) and shall carry out the ac-
22 ceptance and disposition of funds in accordance with
23 subsection (d).

24 ''(6) The design of the Parkway portion under the
25 alternate agreement shall be subject to the approval of the

Secretary and the Commonwealth in accordance with the Virginia Department of Transportation Approved Plan, dated June 15, 2004, Project #R000–029–249, PE–108, C–514, RW–214. For each phase of the design and construction of the Parkway portion under the alternate agreement, the Secretary may—

"(A) accept funds from the Commonwealth; or

"(B) transfer funds received from the Commonwealth to the United States Department of Transportation.

"(7) Upon completion of the construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground required under the alternate agreement, the Secretary shall carry out the conveyance under subsection (a). As a condition of such conveyance carried out under the alternate agreement, the Secretary shall receive a written commitment, in a form satisfactory to the Secretary, that the Commonwealth agrees to accept all responsibility for the costs of operation and maintenance of the Parkway portion upon conveyance to the Commonwealth of such real property."; and

(4) in subsection (g), as redesignated by paragraph (2), by inserting "or the alternate agreement

authorized under subsection (f)'' after ''conveyance under subsection (a)''.

SEC. 2850. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, NEW RIVER UNIT, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Commonwealth of Virginia on behalf of the Virginia Department of Veterans Services (in this section referred to as the ''Commonwealth'') all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 85 acres at the Radford Army Ammunition Plant, New River Unit, Virginia, for the purpose of permitting the Commonwealth to establish on the property a cemetery operated by the Commonwealth for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Commonwealth to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Commonwealth in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Commonwealth.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal description of the real property to be

conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Energy Security

SEC. 2851. CONSOLIDATION AND ENHANCEMENT OF LAWS TO IMPROVE DEPARTMENT OF DEFENSE ENERGY EFFICIENCY AND CONSERVATION.

(a) CREATION OF NEW CHAPTER.—

(1) REORGANIZATION OF SECTION 2865 OF TITLE 10.—Title 10, United States Code, is amended by inserting after chapter 172 the following new chapter:

"CHAPTER 173—ENERGY SECURITY

"Subchapter
"I. Energy Security Activities 2911
"II. Energy-Related Procurement 2922
"III. General Provisions 2925

"SUBCHAPTER I—ENERGY SECURITY ACTIVITIES

"Sec.
"2911. Energy performance goals and plan for Department of Defense.
"2912. Availability and use of energy cost savings.
"2913. Energy savings contracts and activities.
"2914. Energy conservation construction projects.
"2915. New construction: use of renewable forms of energy and energy efficient products.

"2916. Sale of electricity from alternate energy and cogeneration production facilities.
"2917. Development of geothermal energy on military lands.
"2918. Fuel sources for heating systems; prohibition on converting certain heating facilities.

"§ 2911. Energy performance goals and plan for Department of Defense

"(a) ENERGY PERFORMANCE GOALS.—(1) The Secretary of Defense shall submit to the congressional defense committees the energy performance goals for the Department of Defense regarding transportation systems, support systems, utilities, and infrastructure and facilities.

"(2) The energy performance goals shall be submitted annually not later than the date on which the President submits to Congress the budget for the next fiscal year under section 1105 of title 31 and cover that fiscal year as well as the next five, l0, and 20 years. The Secretary shall identify changes to the energy performance goals since the previous submission.

"(b) ENERGY PERFORMANCE PLAN.—The Secretary of Defense shall develop, and update as necessary, a comprehensive plan to help achieve the energy performance goals for the Department of Defense.

"(c) SPECIAL CONSIDERATIONS.—For the purpose of developing and implementing the energy performance goals and energy performance plan, the Secretary of Defense shall consider at a minimum the following:

"(1) Opportunities to reduce the current rate of consumption of energy.

"(2) Opportunities to reduce the future demand and the requirements for the use of energy.

"(3) Opportunities to implement conservation measures to improve the efficient use of energy.

"(4) Opportunities to pursue alternative energy initiatives, including the use of alternative fuels in military vehicles and equipment.

"(5) Cost effectiveness, cost savings, and net present value of alternatives.

"(6) The value of diversification of types and sources of energy used.

"(7) The value of economies-of-scale associated with fewer energy types used.

"(8) The value of the use of renewable energy sources.

"(9) The potential for an action to serve as an incentive for members of the armed forces and civilian personnel to reduce energy consumption or adopt an improved energy performance measure.

"(d) SELECTION OF ENERGY CONSERVATION MEASURES.—(1) For the purpose of implementing the energy performance plan, the Secretary of Defense shall provide that the selection of energy conservation measures, includ-

ing energy efficient maintenance, shall be limited to those measures that—

"(A) are readily available;

"(B) demonstrate an economic return on the investment;

"(C) are consistent with the energy performance goals and energy performance plan for the Department; and

"(D) are supported by the special considerations specified in subsection (c).

"(2) In this subsection, the term 'energy efficient maintenance' includes—

"(A) the repair of military vehicles, equipment, or facility and infrastructure systems, such as lighting, heating, or cooling equipment or systems, or industrial processes, by replacement with technology that—

"(i) will achieve energy savings over the life-cycle of the equipment or system being repaired; and

"(ii) will meet the same end needs as the equipment or system being repaired; and

"(B) improvements in an operation or maintenance process, such as improved training or improved controls, that result in energy savings.

"§ 2912. Availability and use of energy cost savings

''(a) AVAILABILITY.—An amount of the funds appropriated to the Department of Defense for a fiscal year that is equal to the amount of energy cost savings realized by the Department, including financial benefits resulting from shared energy savings contracts entered into under section 2913 of this title, shall remain available for obligation under subsection (b) until expended, without additional authorization or appropriation.

''(b) USE.—The Secretary of Defense shall provide that the amount that remains available for obligation under subsection (a) and the funds made available under section 2916(b)(2) of this title shall be used as follows:

''(1) One-half of the amount shall be used for the implementation of additional energy conservation measures at buildings, facilities, or installations of the Department of Defense or related to vehicles and equipment of the Department, which are designated, in accordance with regulations prescribed by the Secretary of Defense, by the head of the department, agency, or instrumentality that realized the savings referred to in subsection (a).

''(2) One-half of the amount shall be used at the installation at which the savings were realized, as determined by the commanding officer of such in-

stallation consistent with applicable law and regulations, for—

"(A) improvements to existing military family housing units;

"(B) any unspecified minor construction project that will enhance the quality of life of personnel; or

"(C) any morale, welfare, or recreation facility or service.

"(c) TREATMENT OF CERTAIN FINANCIAL INCENTIVES.—Financial incentives received from gas or electric utilities under section 2913 of this title shall be credited to an appropriation designated by the Secretary of Defense. Amounts so credited shall be merged with the appropriation to which credited and shall be available for the same purposes and the same period as the appropriation with which merged.

"(d) CONGRESSIONAL NOTIFICATION.—The Secretary of Defense shall include in the budget material submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31 a separate statement of the amounts available for obligation under this section in that fiscal year.

"§ 2913. Energy savings contracts and activities

''(a) SHARED ENERGY SAVINGS CONTRACTS.—(1) The Secretary of Defense shall develop a simplified method of contracting for shared energy savings contract services that will accelerate the use of these contracts with respect to military installations and will reduce the administrative effort and cost on the part of the Department of Defense as well as the private sector.

''(2) In carrying out paragraph (1), the Secretary of Defense may—

''(A) request statements of qualifications (as prescribed by the Secretary of Defense), including financial and performance information, from firms engaged in providing shared energy savings contracting;

''(B) designate from the statements received, with an update at least annually, those firms that are presumptively qualified to provide shared energy savings services;

''(C) select at least three firms from the qualifying list to conduct discussions concerning a particular proposed project, including requesting a technical and price proposal from such selected firms for such project; and

''(D) select from such firms the most qualified firm to provide shared energy savings services pur-

suant to a contractual arrangement that the Secretary determines is fair and reasonable, taking into account the estimated value of the services to be rendered and the scope and nature of the project.

''(3) In carrying out paragraph (1), the Secretary may also provide for the direct negotiation, by departments, agencies, and instrumentalities of the Department of Defense, of contracts with shared energy savings contractors that have been selected competitively and approved by any gas or electric utility serving the department, agency, or instrumentality concerned.

''(b) PARTICIPATION IN GAS OR ELECTRIC UTILITY PROGRAMS.—The Secretary of Defense shall permit and encourage each military department, Defense Agency, and other instrumentality of the Department of Defense to participate in programs conducted by any gas or electric utility for the management of energy demand or for energy conservation.

''(c) ACCEPTANCE OF FINANCIAL INCENTIVE, GOODS, OR SERVICES.—The Secretary of Defense may authorize any military installation to accept any financial incentive, goods, or services generally available from a gas or electric utility, to adopt technologies and practices that the Secretary determines are in the interests of the United

States and consistent with the energy performance goals for the Department of Defense.

"(d) AGREEMENTS WITH GAS OR ELECTRIC UTILITIES.—(1) The Secretary of Defense may authorize the Secretary of a military department having jurisdiction over a military installation to enter into agreements with gas or electric utilities to design and implement cost-effective demand and conservation incentive programs (including energy management services, facilities alterations, and the installation and maintenance of energy saving devices and technologies by the utilities) to address the requirements and circumstances of the installation.

"(2) If an agreement under this subsection provides for a utility to advance financing costs for the design or implementation of a program referred to in that paragraph to be repaid by the United States, the cost of such advance may be recovered by the utility under terms no less favorable than those applicable to its most favored customer.

"(3) Subject to the availability of appropriations, repayment of costs advanced under paragraph (2) shall be made from funds available to a military department for the purchase of utility services.

"(4) An agreement under this subsection shall provide that title to any energy-saving device or technology

installed at a military installation pursuant to the agreement vest in the United States. Such title may vest at such time during the term of the agreement, or upon expiration of the agreement, as determined to be in the best interests of the United States.

"§ 2914. Energy conservation construction projects

''(a) PROJECTS AUTHORIZED.—The Secretary of Defense may carry out a military construction project for energy conservation, not previously authorized, using funds appropriated or otherwise made available for that purpose.

''(b) CONGRESSIONAL NOTIFICATION.—When a decision is made to carry out a project under this section, the Secretary of Defense shall notify in writing the appropriate committees of Congress of that decision. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.

''SUBCHAPTER II—ENERGY-RELATED PROCUREMENT

''Sec.
''2922. Liquid fuels and natural gas: contracts for storage, handling, or distribution.
''2922a. Contracts for energy or fuel for military installations.
''2922b. Procurement of energy systems using renewable forms of energy.
''2922c. Procurement of gasohol as motor vehicle fuel.
''2922d. Procurement of fuel derived from coal, oil shale, and tar sands.

''2922e. Acquisition of certain fuel sources: authority to waive contract procedures; acquisition by exchange; sales authority.
''2922f. Preference for energy efficient electric equipment.

1 ''SUBCHAPTER III—GENERAL PROVISIONS

''Sec.
''2925. Annual report.

2 **''§ 2925. Annual report**

3 ''(a) REPORT REQUIRED.—As part of the annual
4 submission of the energy performance goals for the De-
5 partment of Defense under section 2911 of this title, the
6 Secretary of Defense shall submit a report containing the
7 following:

8 ''(1) A description of the progress made to
9 achieve the goals of the Energy Policy Act of 2005
10 (Public Law 109–58) and the energy performance
11 goals for the Department of Defense during the pre-
12 ceding fiscal year.

13 ''(2) A description of the actions taken to im-
14 plement the energy performance plan in effect under
15 section 2911 of this title and carry out this chapter
16 during the preceding fiscal year.

17 ''(3) A description of the energy savings real-
18 ized from such actions.

19 ''(4) An estimate of the types and quantities of
20 energy consumed by the Department of Defense and
21 members of the armed forces and civilian personnel
22 residing or working on military installations during

the preceding fiscal year, including a breakdown of energy consumption by user groups and types of energy, energy costs, and the quantities of renewable energy produced or procured by the Department.

''(5) A description of the types and amount of financial incentives received under section 2913 of this title during the preceding fiscal year and the appropriation account or accounts to which the incentives were credited.

''(b) INITIAL REPORT.—In the first report required under this section, the Secretary of Defense shall include the following:

''(1) Such recommendations for changes to this chapter as the Secretary considers appropriate to improve energy performance.

''(2) A description of how responsibility over energy performance is distributed within the Department of Defense and a discussion on whether such responsibilities should be consolidated within a single entity.

''(3) A discussion of the manner in which the Secretary intends to balance the considerations specified in subsection (c) of section 2911 of this title in developing and implementing the energy performance goals and energy performance plan.

"(4) A discussion of the extent to which non-direct energy costs are considered in making research and development, procurement, and construction decisions.".

(2) CONFORMING REPEAL.—Section 2865 of title 10, United States Code, is repealed.

(b) INCLUSION OF ADDITIONAL ENERGY-RELATED SECTIONS.—

(1) TRANSFER AND REDESIGNATION OF CHAPTER 159 AND 169 PROVISIONS.—Sections 2857, 2867, 2689, and 2690 of title 10, United States Code, are—

(A) transferred to chapter 173 of such title, as added by subsection (a)(1);

(B) inserted after section 2914; and

(C) redesignated as sections 2915, 2916, 2917, and 2918, respectively.

(2) TRANSFER AND REDESIGNATION OF CHAPTER 141 PROVISIONS.—Sections 2388, 2394, 2394a, 2398, 2398a, 2404, and 2410c of such title are—

(A) transferred to chapter 173 of such title, as added by subsection (a)(1);

(B) inserted after the table of sections of subchapter II of such chapter; and

(C) redesignated as sections 2922, 2922a, 2922b, 2922c, 2922d, 2922e, and 2922f, respectively.

(3) CONFORMING AMENDMENTS.—Chapter 173 of such title, as added by subsection (a)(1), is amended—

(A) in section 2915 (former section 2857), as transferred and redesignated by paragraph (1)—

(i) in subsection (a), by striking ''would be practical and economically feasible'' and inserting ''is consistent with the energy performance goals and energy performance plan for the Department of Defense developed under section 2911 of this title and supported by the special considerations specified in subsection (c) of such section''; and

(ii) in subsection (b), by striking ''in those cases in which use of such forms of energy has the potential for reduced energy costs'';

(B) in subsection (b)(2) of section 2916 (former section 2867), as transferred and redesignated by paragraph (1), by striking ''sec-

tion 2865(a) of this title'' and inserting ''section 2911(b) of this title'';

(C) in subsection (a)(1) of section 2922a (former section 2394), as transferred and redesignated by paragraph (2), by striking ''section 2689 of this title'' and inserting ''section 2917 of this title'';

(D) in section 2922b (former section 2394a), as transferred and redesignated by paragraph (2)—

(i) in subsection (a)—

(I) by striking ''possible and will be cost effective, reliable, and otherwise suited'' and inserting ''possible, suited''; and

(II) by striking ''his jurisdiction'' and inserting ''the jurisdiction of the Secretary, consistent with the energy performance goals and energy performance plan for the Department of Defense developed under section 2911 of this title, and supported by the special considerations specified in subsection (c) of such section'';

(ii) in subsection (b)—

(I) by striking ''cost effective and''; and

(II) by striking ''section 2857 of this title'' and inserting ''section 2915 of this title''; and

(iii) by striking subsection (c); and

(E) in subsection (a) of section 2922f (former section 2410c), as transferred and redesignated by paragraph (2)—

(i) by striking ''When cost effective, in'' and inserting ''In''; and

(ii) by striking ''procurement, as the case may be.'' and inserting ''procurement, if providing such a preference is consistent with the energy performance goals and energy performance plan for the Department of Defense developed under section 2911 of this title and supported by the special considerations specified in subsection (c) of such section.''.

(4) APPLICABILITY OF CHAPTER 169 DEFINITIONS.—Section 2801(c) of such title is amended by inserting ''and chapter 173 of this title'' after ''chapter'' in the matter preceding paragraph (1).

(c) CLERICAL AMENDMENTS.—

(1) REFERENCE TO NEW CHAPTER.—The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 172 the following new item:

"173. ENERGY SECURITY.....2911".

(2) CHAPTER 141.—The table of sections at the beginning of chapter 141 of such title is amended by striking the items relating to sections 2388, 2394, 2394a, 2398, 2398a, 2404, and 2410c.

(3) CHAPTER 159.—The table of sections at the beginning of chapter 159 of such title is amended by striking the items relating to sections 2689 and 2690.

(4) CHAPTER 169.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the items relating to sections 2857, 2865, and 2867.

(d) CONFORMING AMENDMENT TO WATER CONSERVATION AUTHORITY.—Subsection (b) of section 2866 of title 10, United States Code, is amended to read as follows:

"(b) USE OF FINANCIAL INCENTIVES AND WATER COST SAVINGS.—(1) Financial incentives received from utilities for management of water demand or water con-

1 servation under subsection (a)(2) shall be credited to an
2 appropriation designated by the Secretary of Defense.
3 Amounts so credited shall be merged with the appropria-
4 tion to which credited and shall be available for the same
5 purposes and the same period as the appropriation with
6 which merged.

7 ''(2) Water cost savings realized under subsection
8 (a)(3) shall be used as follows:

9 ''(A) One-half of the amount shall be used for
10 water conservation activities at such buildings, facili-
11 ties, or installations of the Department of Defense
12 as may be designated (in accordance with regula-
13 tions prescribed by the Secretary of Defense) by the
14 head of the department, agency, or instrumentality
15 that realized the water cost savings.

16 ''(B) One-half of the amount shall be used at
17 the installation at which the savings were realized,
18 as determined by the commanding officer of such in-
19 stallation consistent with applicable law and regula-
20 tions, for—

21 ''(i) improvements to existing military fam-
22 ily housing units;

23 ''(ii) any unspecified minor construction
24 project that will enhance the quality of life of
25 personnel; or

"(iii) any morale, welfare, or recreation facility or service.

"(3) The Secretary of Defense shall include in the budget material submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31 a separate statement of the amounts available for obligation under this subsection in that fiscal year.".

SEC. 2852. DEPARTMENT OF DEFENSE GOAL REGARDING USE OF RENEWABLE ENERGY TO MEET ELECTRICITY NEEDS.

Section 2911 of title 10, United States Code, as added by section 2851 of this Act, is amended by adding at the end the following new subsection:

"(e) GOAL REGARDING USE OF RENEWABLE ENERGY TO MEET ELECTRICITY NEEDS.—It shall be the goal of the Department of Defense—

"(1) to produce or procure not less than 25 percent of the total quantity of electric energy it consumes within its facilities and in its activities during fiscal year 2025 and each fiscal year thereafter from renewable energy sources (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b))); and

"(2) to produce or procure electric energy from renewable energy sources whenever the use of such renewable energy sources is consistent with the energy performance goals and energy performance plan for the Department and supported by the special considerations specified in subsection (c).".

SEC. 2853. CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR DEPARTMENT OF DEFENSE ENERGY SAVINGS PERFORMANCE CONTRACTS.

Section 2913 of title 10, United States Code, as added by section 2851 of this Act, is amended by adding at the end the following new subsection:

"(e) CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR ENERGY SAVINGS PERFORMANCE CONTRACTS.—When a decision is made to award an energy savings performance contract that contains a clause setting forth a cancellation ceiling in excess of $7,000,000, the Secretary of Defense shall submit to the appropriate committees of Congress written notification of the proposed contract and of the proposed cancellation ceiling for the contract. The notification shall include the justification for the proposed cancellation ceiling. The contract may then be awarded only after the end of the 30-day period beginning on the date the notification is received

by such committees or, if earlier, the end of the 15-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.''.

SEC. 2854. USE OF ENERGY EFFICIENCY PRODUCTS IN NEW CONSTRUCTION.

(a) USE OF ENERGY EFFICIENT PRODUCTS.—Section 2915 of title 10, United States Code, as transferred, redesignated, and amended by section 2851(b) of this Act, is amended by adding at the end the following new subsection:

''(e) USE OF ENERGY EFFICIENCY PRODUCTS IN NEW CONSTRUCTION.—(1) The Secretary of Defense shall ensure, to the maximum extent practicable, that energy efficient products meeting the requirements of the Department of Defense are used in new facility construction by or for the Department carried out under chapter 169 of this title if such products are readily available and their use is consistent with the energy performance goals and energy performance plan for the Department developed under section 2911 of this title and supported by the special considerations specified in subsection (c) of such section.

''(2) In determining the energy efficiency of products, the Secretary shall consider products that—

"(A) meet or exceed Energy Star specifications; or

"(B) are listed on the Federal Energy Management Program Product Energy Efficiency Recommendations product list of the Department of Energy.".

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and inserting the following:

"§ 2915. New construction: use of renewable forms of energy and energy efficient products";

(2) in subsection (a), by inserting "USE OF RENEWABLE FORMS OF ENERGY ENCOURAGED.—" after "(a)";

(3) in subsection (b), by inserting "CONSIDERATION DURING DESIGN PHASE OF PROJECTS.—" after "(b)";

(4) in subsection (c), by inserting "DETERMINATION OF COST EFFECTIVENESS.—" after "(c)"; and

(5) in subsection (d), by inserting "EXCEPTION TO SQUARE FEET AND COST PER SQUARE FOOT LIMITATIONS.—" after "(d)".

Subtitle F—Other Matters

SEC. 2861. AVAILABILITY OF RESEARCH AND TECHNICAL ASSISTANCE UNDER DEFENSE ECONOMIC ADJUSTMENT PROGRAM.

Section 2391 of title 10, United States Code, is amended by inserting after subsection (b) the following new subsection:

''(c) RESEARCH AND TECHNICAL ASSISTANCE.—The Secretary of Defense may make grants to, or conclude cooperative agreements or enter into contracts with, another Federal agency, a State or local government, or any private entity to conduct research and provide technical assistance in support of activities under this section or Executive Order 12788 (57 Fed. Reg. 2213), as amended by section 33 of Executive Order 13286 (68 Fed. Reg. 10625) and Executive Order 13378 (70 Fed. Reg. 28413).''.

SEC. 2862. AVAILABILITY OF COMMUNITY PLANNING ASSISTANCE RELATING TO ENCROACHMENT OF CIVILIAN COMMUNITIES ON MILITARY FACILITIES USED FOR TRAINING BY THE ARMED FORCES.

Section 2391(d)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''For purposes of subsection (b)(1)(D), the term

'military installation' includes a military facility owned and operated by any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, or the Virgin Islands, even though the facility is not under the jurisdiction of the Department of Defense, if the Secretary of Defense determines that the military facility is subject to significant use for training by the armed forces.''.

SEC. 2863. PROHIBITIONS AGAINST MAKING CERTAIN MILITARY AIRFIELDS OR FACILITIES AVAILABLE FOR USE BY CIVIL AIRCRAFT.

(a) PROHIBITIONS.—With respect to each military installation specified in subsection (b), the Secretary of Defense and the Secretary of the Navy may not enter into an agreement, or authorize any other person to enter into an agreement, that would—

(1) authorize civil aircraft to regularly use an airfield or any other property at the installation; or

(2) convey any real property at the installation, including any airfield at the installation, for the purpose of permitting the use of the property by civil aircraft.

(b) COVERED INSTALLATIONS.—The prohibitions in subsection (a) apply with respect to the following military installations:

(1) Marine Corps Air Station, Camp Pendleton, California.

(2) Marine Corps Air Station, Miramar, California.

(3) Marine Corps Base, Camp Pendleton, California.

(4) Naval Air Station, North Island, California.

(c) REPEAL OF EXISTING LIMITED PROHIBITION.—Section 2894 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 592) is repealed.

SEC. 2864. MODIFICATION OF CERTAIN TRANSPORTATION PROJECTS.

(a) HIGH PRIORITY PROJECTS.—The table in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1256) is amended—

(1) in the item designated as project 4333 (119 Stat. 1422), by striking ''Plan and construct, land acquisition, Detroit West Riverfront Greenway'' in the project description column and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at

the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''; and

(2) in the item designated as project 4651 (119 Stat. 1434), by striking ''Grading, paving'' and all that follows through ''Airport'' in the project description column and inserting ''Grading, paving, roads, and the transfer of rail-to-truck for the intermodal facility at Rickenbacker Airport, Columbus, Ohio''.

(b) TRANSPORTATION IMPROVEMENT PROJECT.—The table in section 1934(c) of such Act (119 Stat. 1485) is amended in the item designated as project 196 (119 Stat. 1495) by striking ''Detroit Riverfront Conservancy'' and all that follows through ''Detroit'' in the project description column and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

SEC. 2865. AVAILABILITY OF FUNDS FOR SOUTH COUNTY COMMUTER RAIL PROJECT, PROVIDENCE, RHODE ISLAND.

Funds available for the South County Commuter Rail project, Providence, Rhode Island, authorized by paragraphs (34) and (35) of section 3043(d) of the Safe, Ac-

countable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1650) shall be available for the purchase of commuter rail equipment for the South County Commuter Rail project upon the receipt by the Rhode Island Department of Transportation of an approved environmental assessment for the South County Commuter Rail project.

SEC. 2866. FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.

(a) ASSUMPTION OF RESPONSIBILITY FOR BARRIER.—Not later than two years after the date of the enactment of this Act, the Secretary of the Army, acting through the Chief of Engineers, shall assume responsibility for the annual operation and maintenance of the Fox Point Hurricane Barrier in Providence, Rhode Island.

(b) IDENTIFICATION AND CONVEYANCE OF REQUIRED STRUCTURES.—The City of Providence, Rhode Island, in coordination with the Secretary, shall identify any land and structures required for the continued operation and maintenance, repair, replacement, rehabilitation, and structural integrity of the Fox Point Hurricane Barrier. The City shall convey to the Secretary, by quitclaim deed and without consideration, all right, title, and interest of the City in and to the land and structures so identified.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such funds as are necessary for each fiscal year for the operation and maintenance, including repair, replacement, and rehabilitation, of the Fox Point Hurricane Barrier.

SEC. 2867. FEDERAL FUNDING FOR FIXED GUIDEWAY PROJECTS.

The Federal Transit Administration's Dear Colleague letter dated April 29, 2005 (C–05–05), which requires fixed guideway projects to achieve a ''medium'' cost-effectiveness rating for the Federal Transit Administration to recommend such projects for funding, shall not apply to the Northstar Corridor Commuter Rail Project in Minnesota.

SEC. 2868. FEASIBILITY STUDY REGARDING USE OF GENERAL SERVICES ADMINISTRATION PROPERTY FOR FORT BELVOIR, VIRGINIA, REALIGNMENT.

(a) FEASIBILITY STUDY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report evaluating the costs, benefits, feasibility, and suitability of locating support functions for Fort Belvoir and the Engineering Proving Grounds, Virginia, on property currently occupied

by General Services Administration warehouses in Springfield, Virginia.

(b) CONSULTATION.—The Secretary of the Army shall carry out this section in consultation with the Administrator of General Services.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental cleanup.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
Sec. 3114. Utilization of contributions to Second Line of Defense program.
Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.
Sec. 3118. Notice-and-wait requirement applicable to certain third-party financing arrangements.
Sec. 3119. Extension of deadline for transfer of lands to Los Alamos County, New Mexico, and of lands in trust for the Pueblo of San Ildefonso.
Sec. 3120. Limitations on availability of funds for Waste Treatment and Immobilization Plant.
Sec. 3121. Report on Russian Surplus Fissile Materials Disposition Program.

Sec. 3122. Limitation on availability of funds for construction of MOX Fuel Fabrication Facility.
Sec. 3123. Education of future nuclear engineers.
Sec. 3124. Technical correction related to authorization of appropriations for fiscal year 2006.

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,300,811,000, to be allocated as follows:

(1) For weapons activities, $6,417,676,000.

(2) For defense nuclear nonproliferation activities, $1,701,426,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $386,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out the following new plant projects:

(1) For weapons activities:

Project 07–D–140, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive Liquid Waste Treatment Facility upgrade, Los Alamos National Laboratory, Los Alamos, New Mexico, $14,828,000.

Project 07–D–253, Technical Area 1 Heating Systems Modernization, Sandia National Laboratories, Albuquerque, New Mexico, $14,500,000.

(2) For defense nuclear nonproliferation activities:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, Richland, Washington, $4,220,000.

(3) For naval reactors:

Project 07–D–190, project engineering and design, Materials Research Technology Complex, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs necessary for national security in the amount of $5,435,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other

defense activities in carrying out programs necessary for national security in the amount of $717,788,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $358,080,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

(a) PLAN REQUIRED.—Subtitle A of title XLII of the Atomic Energy Defense Act (division D of Public Law 107-314) is amended by inserting after section 4213 (50 U.S.C. 2533) the following new section:

"SEC. 4214. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

''(a) PLAN REQUIRED.—The Secretary of Energy shall develop a plan to transform the nuclear weapons complex so as to achieve a responsive infrastructure by

2030. The plan shall be designed to accomplish the following objectives:

"(1) To maintain the safety, reliability, and security of the United States nuclear weapons stockpile.

"(2) To continue Stockpile Life Extension Programs that the Nuclear Weapons Council considers necessary.

"(3) To prepare to produce replacement warheads under the Reliable Replacement Warhead program at a rate necessary to meet future stockpile requirements, commencing with a first production unit in 2012 and achieving steady-state production using modern manufacturing processes by 2025.

"(4) To eliminate, within the nuclear weapons complex, duplication of production capability except to the extent required to ensure the safety, reliability, and security of the stockpile.

"(5) To maintain the current philosophy within the national security laboratories of peer review of nuclear weapons designs while eliminating duplication of laboratory capabilities except to the extent required to ensure the safety, reliability, and security of the stockpile.

"(6) To maintain the national security mission, and in particular the science-based Stockpile Stewardship Program, as the primary mission of the national security laboratories while optimizing the work-for-others activities of those laboratories to support other national security objectives in fields such as defense, intelligence, and homeland security.

"(7) To consolidate to the maximum extent practicable, and to provide for the ultimate disposition of, special nuclear material throughout the nuclear weapons complex, with the ultimate goal of eliminating Category I and II special nuclear material from the national security laboratories no later than March 1, 2012, so as to further reduce the footprint of the nuclear weapons complex, reduce security costs, and reduce transportation costs for special nuclear material. This objective does not preclude the retention of Category I and II special nuclear materials at a national security laboratory if the transformation plan required by this subsection envisions a pit production capability (including interim pit production) at a national security laboratory.

1 ''(8) To employ a risk-based approach to ensure
2 compliance with Design Basis Threat security re-
3 quirements.
4 ''(9) To expeditiously dismantle inactive nuclear
5 weapons to reduce the size of the stockpile to the
6 lowest level required by the Nuclear Weapons Coun-
7 cil.
8 ''(10) To operate the nuclear weapons complex
9 in a more cost-effective manner.
10 ''(b) REPORT.—Not later than February 1, 2007, the
11 Secretary of Energy shall submit to the congressional de-
12 fense committees a report on the transformation plan re-
13 quired by subsection (a). The report shall address each
14 of the objectives required by subsection (c) and also in-
15 clude each of the following:
16 ''(1) A comprehensive list of the capabilities, fa-
17 cilities, and project staffing that the National Nu-
18 clear Security Administration will need to have in
19 place at the nuclear weapons complex as of 2030 to
20 meet the requirements of the transformation plan.
21 ''(2) A comprehensive list of the capabilities
22 and facilities that the National Nuclear Security Ad-
23 ministration currently has in place at the nuclear
24 weapons complex that will not be needed as of 2030
25 to meet the requirements of the transformation plan.

"(3) A plan for implementing the transformation plan, including a schedule with incremental milestones.

"(c) CONSULTATION.—The Secretary of Energy shall develop the transformation plan required by subsection (a) in consultation with the Secretary of Defense and the Nuclear Weapons Council.

"(d) DEFINITION.—In this section, the term 'national security laboratory' has the meaning given such term in section 3281 of the National Nuclear Security Administration Act (50 U.S.C. 2471).".

(b) INCLUSION IN FUTURE-YEARS NUCLEAR SECURITY PROGRAM.—Section 3253 of the National Nuclear Security Administration Act (50 U.S.C. 2453) is amended in subsection (b) by adding at the end the following new paragraph:

"(5) A statement of proposed budget authority, estimated expenditures, and proposed appropriations necessary to support the programs required to implement the plan to transform the nuclear weapons complex under section 4214 of the Atomic Energy Defense Act, together with a detailed description of how the funds identified for each program element specified pursuant to paragraph (1) in the budget for the Administration for each fiscal year during

that five-fiscal-year period will help ensure that those programs are implemented. The statement shall assume year-to-year funding profiles that account for increases only for projected inflation.''.

SEC. 3112. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136; 50 U.S.C. 2453 note), as amended by section 3113 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2160), is amended—

(1) in subsection (a)(3)(F), by striking ''2011'' and inserting ''2013''; and

(2) in subsection (b), by striking ''2011'' and inserting ''2013''.

SEC. 3113. UTILIZATION OF CONTRIBUTIONS TO GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108—375; 118 Stat. 2166; 50 U.S.C. 2569) is amended—

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

(2) by adding after subsection (e) the following new subsection:

"(f) PARTICIPATION BY OTHER GOVERNMENTS AND ORGANIZATIONS.—

"(1) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international organization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the programs described in paragraph (2).

"(2) PROGRAMS COVERED.—The programs described in this paragraph are the following international programs within the Global Threat Reduction Initiative:

"(A) The International Radiological Threat Reduction program.

"(B) The Emerging Threats and Gap Materials program.

"(C) The Reduced Enrichment for Research and Test Reactors program.

"(D) The Russian Research Reactor Fuel Return program.

"(E) The Global Research Reactor Security program.

"(F) The Kazakhstan Spent Fuel program.

"(3) RETENTION AND USE OF AMOUNTS.—Notwithstanding section 3302 of title 31, United States Code, the Secretary of Energy may retain and use amounts contributed under an agreement under paragraph (1) for purposes of the programs described in paragraph (2). Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available for use without further appropriation and without fiscal year limitation.

"(4) RETURN OF AMOUNTS NOT USED WITHIN 5 YEARS.—If an amount contributed under an agreement under paragraph (1) is not used under this subsection within 5 years after it was contributed, the Secretary of Energy shall return that amount to the person who contributed it.

"(5) NOTICE TO CONGRESSIONAL DEFENSE COMMITTEES.—Not later than 30 days after the receipt of an amount contributed under paragraph (1), the Secretary of Energy shall submit to the congressional defense committees a notice specifying the purpose and value of the contribution and identifying the person who contributed it. The Secretary

may not use the amount until 15 days after the notice is submitted.

"(6) ANNUAL REPORT.—Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and use of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

"(A) a statement of any amounts received under this subsection, including, for each such amount, the value of the contribution and the person who contributed it;

"(B) a statement of any amounts used under this subsection, including, for each such amount, the purposes for which the amount was used; and

"(C) a statement of the amounts retained but not used under this subsection, including, for each such amount, the purposes (if known) for which the Secretary intends to use the amount.

"(7) EXPIRATION.—The authority to accept, retain, and use contributions under this subsection expires on December 31, 2013.".

SEC. 3114. UTILIZATION OF CONTRIBUTIONS TO SECOND LINE OF DEFENSE PROGRAM.

(a) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international organization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the Second Line of Defense program of the National Nuclear Security Administration.

(b) RETENTION AND USE OF AMOUNTS.—Notwithstanding section 3302 of title 31, United States Code, the Secretary of Energy may retain and use amounts contributed under an agreement under subsection (a) for purposes of the Second Line of Defense program. Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available for use without further appropriation and without fiscal year limitation.

(c) RETURN OF AMOUNTS NOT USED WITHIN 5 YEARS.—If an amount contributed under an agreement under subsection (a) is not used under this section within 5 years after it was contributed, the Secretary of Energy shall return that amount to the person who contributed it.

(d) NOTICE TO CONGRESSIONAL DEFENSE COMMITTEES.—Not later than 30 days after the receipt of an amount contributed under subsection (a), the Secretary of Energy shall submit to the congressional defense committees a notice specifying the purpose and value of the contribution and identifying the person who contributed it. The Secretary may not use the amount until 15 days after the notice is submitted.

(e) ANNUAL REPORT.—Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and use of amounts under this section during the preceding fiscal year. Each report for a fiscal year shall set forth—

(1) a statement of any amounts received under this section, including, for each such amount, the value of the contribution and the person who contributed it;

(2) a statement of any amounts used under this section, including, for each such amount, the purposes for which the amount was used; and

(3) a statement of the amounts retained but not used under this section, including, for each such amount, the purposes (if known) for which the Secretary intends to use the amount.

(f) EXPIRATION.—The authority to accept, retain, and use contributions under this section expires on December 31, 2013.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

SEC. 3116. NATIONAL ACADEMY OF SCIENCES STUDY OF QUANTIFICATION OF MARGINS AND UNCERTAINTY METHODOLOGY FOR ASSESSING AND CERTIFYING THE SAFETY AND RELIABILITY OF THE NUCLEAR STOCKPILE.

(a) STUDY REQUIRED.—The Secretary of Energy shall, as soon as practicable and no later than 120 days after the date of the enactment of this Act, enter into an arrangement with the National Research Council of the National Academy of Sciences for the Council to carry out a study of the quantification of margins and uncertainty methodology used by the national security laboratories for assessing and certifying the safety and reliability of the nuclear stockpile.

(b) MATTERS INCLUDED.—The study required by subsection (a) shall evaluate the following:

(1) The use of the quantification of margins and uncertainty methodology by the national security laboratories, including underlying assumptions of weapons performance and the ability of modeling and simulation tools to predict nuclear explosive package characteristics.

(2) The manner in which that methodology is used to conduct the annual assessments of the nuclear weapons stockpile.

(3) How the use of that methodology compares and contrasts between the national security laboratories.

(4) Whether the application of the quantification of margins and uncertainty used for annual assessments and certification of the nuclear weapons stockpile can be applied to the planned Reliable Replacement Warhead program so as to carry out the objective of that program to reduce the likelihood of the resumption of underground testing of nuclear weapons.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date on which the arrangement required by subsection (a) is entered into, the National Research Council shall submit to the Secretary of Energy and

the congressional committees specified in paragraph (2) a report on the study that addresses the matters listed in subsection (b) and any other matters considered by the National Research Council to be relevant to the use of the quantification of margins and uncertainty methodology in assessing the current or future nuclear weapons stockpile.

(2) SPECIFIED COMMITTEES.—The congressional committees referred to in paragraph (1) are the following:

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

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

(d) PROVISION OF INFORMATION.—The Secretary of Energy shall, in a timely manner, make available to the National Research Council all information that the National Research Council considers necessary to carry out its responsibilities under this section.

(e) FUNDING.—Of the amounts made available to the Department of Energy pursuant to the authorization of appropriations in section 3101, $2,000,000 shall be available for carrying out the study required by this section.

SEC. 3117. CONSOLIDATION OF COUNTERINTELLIGENCE PROGRAMS OF DEPARTMENT OF ENERGY AND NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) TRANSFER OF FUNCTIONS.—

(1) IN GENERAL.—The functions, personnel, funds, assets, and other resources of the Office of Defense Nuclear Counterintelligence of the National Nuclear Security Administration are transferred to the Secretary of Energy, to be administered (except to any extent otherwise directed by the Secretary) by the Director of the Office of Counterintelligence of the Department of Energy.

(2) SUNSET.—Effective September 30, 2010—

(A) the functions, personnel, funds, assets, and other resources transferred by paragraph (1) are transferred to the Administrator for Nuclear Security;

(B) subsection (e) of section 3220 of the National Nuclear Security Administration Act (50 U.S.C. 2410), as added by this section, is repealed; and

(C) section 3233 of the National Nuclear Security Administration Act (50 U.S.C. 2423) is amended—

(i) in each of subsections (a) and (b), by striking ''The Secretary of Energy shall'' and inserting ''The Administrator shall''; and

(ii) in subsection (b), by striking ''Office of Counterintelligence of the Department of Energy'' and inserting ''Administration''.

(b) NNSA COUNTERINTELLIGENCE OFFICE ABOLISHED.—

(1) IN GENERAL.—Section 3232 of the National Nuclear Security Administration Act (50 U.S.C. 2422) is amended—

(A) by amending the heading to read as follows:

''SEC. 3232. OFFICE OF DEFENSE NUCLEAR SECURITY.''.

(B) by striking subsection (a) and inserting the following new subsection (a):

''(a) ESTABLISHMENT.—There is within the Administration an Office of Defense Nuclear Security, headed by a Chief appointed by the Secretary of Energy. The Administrator shall recommend to the Secretary suitable candidates for such position.'';

(C) by striking subsection (b); and

(D) by redesignating subsection (c) as subsection (b).

(2) CONFORMING AMENDMENT.—The table of sections at the beginning of the National Nuclear Security Administration Act is amended by striking the item relating to section 3232 and inserting the following new item:

''Sec. 3232. Office of Defense Nuclear Security.''.

(c) COUNTERINTELLIGENCE PROGRAMS AT NNSA FACILITIES.—Section 3233 of the National Nuclear Security Administration Act (50 U.S.C. 2423) is amended—

(1) in each of subsections (a) and (b), by striking ''The Administrator shall'' and inserting ''The Secretary of Energy shall''; and

(2) in subsection (b), by striking ''Office of Defense Nuclear Counterintelligence'' and inserting ''Office of Counterintelligence of the Department of Energy''.

(d) STATUS OF NNSA INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Section 3220 of the National Nuclear Security Administration Act (50 U.S.C. 2410) is amended by adding at the end the following new subsection:

''(e) STATUS OF INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Notwithstanding the restrictions of subsections (a) and (b), each officer or em-

ployee of the Administration, or of a contractor of the Administration, who is carrying out activities related to intelligence or counterintelligence shall, in carrying out those activities, be subject to the authority, direction, and control of the Secretary of Energy or the Secretary's delegate.''.

(e) NNSA INTELLIGENCE AND COUNTERINTELLIGENCE LIAISON.—Section 3218 of the National Nuclear Security Administration Act (50 U.S.C. 2408) is amended in subsection (b)—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) Liaison with the Department of Energy's Office of Intelligence and Counterintelligence.''.

(f) SERVICE FROM WHICH DOE INTELLIGENCE DIRECTOR AND COUNTERINTELLIGENCE DIRECTOR APPOINTED.—Section 215(b)(1) (42 U.S.C. 7144b(b)(1)) and section 216(b)(1) (42 U.S.C. 7144c(b)(1)) of the Department of Energy Organization Act are each amended by striking ''which shall be a position in the Senior Executive Service'' and inserting ''who shall be an employee in the Senior Executive Service, the Senior Intelligence Service, the Senior National Intelligence Service, or any other

1 Service that the Secretary, in coordination with the Direc-
2 tor of National Intelligence, considers appropriate''.
3 (g) INTELLIGENCE EXECUTIVE COMMITTEE; BUDG-
4 ET FOR INTELLIGENCE AND COUNTERINTELLIGENCE.—
5 Section 214 of the Department of Energy Organization
6 Act (42 U.S.C. 7144a) is amended—
7 (1) by inserting ''(a)'' before ''The Secretary
8 shall be responsible''; and
9 (2) by adding at the end the following:
10 ''(b)(1) There is within the Department an Intel-
11 ligence Executive Committee. The Committee shall consist
12 of the Deputy Secretary of Energy, who shall chair the
13 Committee, and each Under Secretary of Energy.
14 ''(2) The Committee shall be staffed by the Di-
15 rector of the Office of Intelligence and the Director
16 of the Office of Counterintelligence.
17 ''(3) The Secretary shall use the Committee to
18 assist in developing and promulgating the counter-
19 intelligence and intelligence policies, requirements,
20 and priorities of the Department.
21 ''(c) In the budget justification materials submitted
22 to Congress in support of each budget submitted by the
23 President to Congress under title 31, United States Code,
24 the amounts requested for the Department for intelligence
25 functions and the amounts requested for the Department

for counterintelligence functions shall each be specified in appropriately classified individual, dedicated program elements. Within the amounts requested for counterintelligence functions, the amounts requested for the National Nuclear Security Administration shall be specified separately from the amounts requested for other elements of the Department.''.

(h) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Inspector General of the Department of Energy shall submit to Congress a report on the implementation of this section and of the amendments required by this section. The report shall include the Inspector General's evaluation of that implementation.

SEC. 3118. NOTICE-AND-WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD-PARTY FINANCING ARRANGEMENTS.

Subtitle A of title XLVIII of the Atomic Energy Defense Act (50 U.S.C. 2781 et seq.) is amended by adding at the end the following new section:

''SEC. 4804. NOTICE-AND-WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD-PARTY FINANCING ARRANGEMENTS.

''(a) NOTICE-AND-WAIT REQUIREMENT.—The Secretary of Energy may not enter into an arrangement described in subsection (b) until 30 days after the date on

which the Secretary notifies the congressional defense committees in writing of the proposed arrangement.

"(b) COVERED ARRANGEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an arrangement referred to in subsection (a) is any alternative financing arrangement, third-party financing arrangement, public-private partnership, privatization arrangement, private capital arrangement, or other financing arrangement that—

"(A) is entered into in connection with a project conducted using funds authorized to be appropriated to the Department of Energy to carry out programs necessary for national security; and

"(B) involves a contractor or Federal agency obtaining and charging to the Department of Energy as an allowable cost under a contract the use of office space, facilities, or other real property assets with a value of at least $5,000,000.

"(2) EXCEPTION.—An arrangement referred to in subsection (a) does not include an arrangement that—

"(A) involves the Department of Energy or a contractor acquiring or entering into a capital

lease for office space, facilities, or other real property assets; or

"(B) is entered into in connection with a capital improvement project undertaken as part of an energy savings performance contract under section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287).".

SEC. 3119. EXTENSION OF DEADLINE FOR TRANSFER OF LANDS TO LOS ALAMOS COUNTY, NEW MEXICO, AND OF LANDS IN TRUST FOR THE PUEBLO OF SAN ILDEFONSO.

Section 632 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105-119; 111 Stat. 2523; 42 U.S.C. 2391 note) is amended—

(1) in subsection (d)(2), by striking "10 years after the date of enactment of this Act" and inserting "November 26, 2012"; and

(2) in subsection (g)(3)(B), by striking "the end of the 10-year period beginning on the date of enactment of this Act" and inserting "November 26, 2012".

SEC. 3120. LIMITATIONS ON AVAILABILITY OF FUNDS FOR WASTE TREATMENT AND IMMOBILIZATION PLANT.

(a) LIMITATION RELATING TO EARNED VALUE MANAGEMENT SYSTEM.—

(1) IN GENERAL.—Of the amount appropriated or otherwise available for defense environmental cleanup activities and available for the Waste Treatment and Immobilization Plant, not more than 90 percent of that amount may be obligated or expended.

(2) TERMINATION OF LIMITATION.—Paragraph (1) does not apply after the date on which the Secretary of Energy certifies to the congressional defense committees that the Defense Contract Management Agency has recommended for acceptance the earned value management system used to track and report costs of the Waste Treatment and Immobilization Plant.

(b) LIMITATION RELATING TO SEISMIC CRITERIA.—

(1) IN GENERAL.—Of the amount appropriated or otherwise available for defense environmental cleanup activities and available for the Waste Treatment and Immobilization Plant, none of that amount may be obligated or expended for construction, or for the procurement of critical equipment af-

fected by seismic criteria, relating to the Pretreatment Facility and the High-Level Waste Facility.

(2) EXCEPTION.—Paragraph (1) does not apply to the obligation or expenditure of funds for construction that is necessary for maintenance or for activities related to maintenance.

(3) TERMINATION OF LIMITATION.—Paragraph (1) does not apply after the date on which the Secretary of Energy certifies to the congressional defense committees that the final seismic and ground motion criteria have been approved by the Secretary and that the contracting officer of the Waste Treatment and Immobilization Plant Project has formally directed that the final criteria be used for the final design of the Pretreatment Facility and the High-Level Waste Facility.

SEC. 3121. REPORT ON RUSSIAN SURPLUS FISSILE MATERIALS DISPOSITION PROGRAM.

Not later than March 1, 2007, the Secretary of Energy shall submit to the congressional defense committees a report on the Russian Surplus Fissile Materials Disposition Program (in this section referred to as the ''Program''). The report shall include—

(1) a description of the disposition method the Government of Russia has agreed to use under the Program;

(2) a description of the assistance the United States Government plans to provide under the Program;

(3) an estimate of the total cost and schedule of such assistance; and

(4) an explanation of how parallelism is to be defined for purposes of the Program, including projected goals for the disposition of Russian weapons-grade plutonium under the 2000 Plutonium Disposition and Management Agreement, and whether such parallelism can be achieved if the United States mixed-oxide (MOX) plutonium disposition program continues on the current planned schedule without further delays.

SEC. 3122. LIMITATION ON AVAILABILITY OF FUNDS FOR CONSTRUCTION OF MOX FUEL FABRICATION FACILITY.

Of the amount appropriated under section 3101(a)(2) or otherwise available for defense nuclear nonproliferation activities for fiscal year 2007, none of that amount may be obligated for construction project 99-D-143, the Mixed-Oxide (MOX) Fuel Fabrication Facility, until 30 days

after the date on which the Secretary of Energy provides to the congressional defense committees—

(1) an independent cost estimate for the United States Surplus Fissile Materials Disposition Program and facilities;

(2) a written certification that the Department of Energy intends to use the MOX Fuel Fabrication Facility for United States plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition Program; and

(3) a corrective action plan for addressing the issues raised by the Inspector General of the Department of Energy in the December 2005 report titled ''The status of the Mixed Oxide Fuel Fabrication Facility''.

SEC. 3123. EDUCATION OF FUTURE NUCLEAR ENGINEERS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Department of Defense and the Department of Energy depend on the specialized expertise of nuclear engineers who support the development and sustainment of technologies including naval reactors, strategic weapons, and nuclear power plants.

(2) Experts estimate that over 25 percent of the approximately 58,000 workers in the nuclear power industry in the United States will be eligible to retire within 5 years, representing both a huge loss of institutional memory and a potential national security crisis.

(3) This shortfall of workers is exacerbated by reductions to the University Reactor Infrastructure and Education Assistance program, which trains civilian nuclear scientists and engineers. The defense and civilian nuclear industries are interdependent on a limited number of educational institutions to produce their workforce. A reduction in nuclear scientists and engineers trained in the civilian sector may result in a further loss of qualified personnel for defense-related research and engineering.

(4) The Department of Defense's successful Science, Math and Research for Transformation (SMART) scholarship-for-service program serves as a good model for a targeted scholarship or fellowship program designed to educate future scientists at the postsecondary and postgraduate levels.

(b) REPORT ON EDUCATION OF FUTURE NUCLEAR ENGINEERS.—

(1) STUDY.—The Secretary of Energy shall study the feasibility and merit of establishing a targeted scholarship or fellowship program to educate future nuclear engineers at the postsecondary and postgraduate levels.

(2) REPORT REQUIRED.—The President shall submit to the congressional defense committees, at the same time that the budget for fiscal year 2008 is submitted under section 1105(a) of title 31, United States Code, a report on the study conducted by the Secretary of Energy under paragraph (1).

SEC. 3124. TECHNICAL CORRECTION RELATED TO AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2006.

Effective as of January 6, 2006, and as if included therein as enacted, section 3101(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3537) is amended by striking ''$9,196,456'' and inserting ''$9,196,456,000''.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2007, the National Defense Stockpile Manager may obligate up to $52,132,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may

make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

(a) FISCAL YEAR 1999 DISPOSAL AUTHORITY.—Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 98d note), as amended by section 3302 of the Ronald W. Reagan National Defense Authorization Act for Year 2005 (Public Law 108–375; 118 Stat. 2193) and section 3302 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3545), is amended—

(1) by striking ''and'' at the end of paragraph (5); and

(2) by striking the period at the end of paragraph (6) and inserting ''; and''; and

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

"(7) $1,016,000,000 by the end of fiscal year 2014.".

(b) FISCAL YEAR 1998 DISPOSAL AUTHORITY.—Section 3305(a)(5) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 50 U.S.C. 98d note), as amended by section 3305 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1390), is amended by striking "2006" and inserting "2008".

(c) FISCAL YEAR 1997 DISPOSAL AUTHORITY.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 50 U.S.C. 98d note), as amended by section 3402(f) of the National Defense Authorization Act for Year 2000 (Public Law 106–65; 113 Stat. 973) and section 3304(c) of the National Defense Authorization Act for 2002 (Public Law 107–107; 115 Stat. 1390), is amended—

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

"(2) $720,000,000 during the 12-fiscal year period ending September 30, 2008."; and

(2) in subsection (b)(2), by striking "the 10-fiscal year period" and inserting "the period".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $18,810,000 for fiscal year 2007 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Authorization of appropriations for fiscal year 2007.
Sec. 3502. Amendments relating to the Maritime Security Fleet program.
Sec. 3503. Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 3504. Vessel transfer authority.
Sec. 3505. United States Merchant Marine Academy graduates: service requirements.
Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.
Sec. 3507. Temporary authority to transfer obsolete combatant vessels to Navy for disposal.
Sec. 3508. Qualifying Reserve duty for receipt of student incentive payments.
Sec. 3509. Large passenger ship crew requirements.
Sec. 3510. Miscellaneous Maritime Administration provisions.

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2007.

Funds are hereby authorized to be appropriated for fiscal year 2007, to be available without fiscal year limita-

tion if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $116,442,000.

(2) For paying reimbursement under section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note), $19,500,000.

(3) For assistance to small shipyards and maritime communities under section 3506 of the National Defense Authorization Act for Fiscal Year 2006 (46 U.S.C. App. 1249), $15,000,000.

(4) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92–402, $25,740,000.

(5) For administrative expenses related to the implementation of the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), administrative expenses related implementation of the reimbursement program under section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note), and administrative expenses related to the implementation of the small shipyards and maritime communities as-

sistance program under section 3506 of the National Defense Authorization Act for Fiscal Year 2006 (46 U.S.C. App. 1249), $3,317,000.

SEC. 3502. AMENDMENTS RELATING TO THE MARITIME SECURITY FLEET PROGRAM.

(a) LIMITATION ON TRANSFER OF OPERATING AGREEMENTS.—Section 53105(e) of title 46, United States Code, is amended—

(1) by inserting "(1) IN GENERAL.—" before the first sentence;

(2) by moving paragraph (1) (as designated by the amendment made by paragraph (1) of this subsection) so as to appear immediately below the heading for such subsection, and 2 ems to the right; and

(3) by adding at the end the following:

"(2) LIMITATION.—The Secretary of Defense may not approve under paragraph (1) transfer of an operating agreement to a person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), unless the Secretary of Defense determines that there is no person who is a citizen under such section and is interested in obtaining the operating agreement for a vessel that is otherwise eligible to be included in the Fleet

under section 53102(b) and meets the requirements of the Department of Defense.''.

(b) MARITIME SECURITY FLEET PROGRAM TANK VESSELS.—

(1) IN GENERAL.—Section 53103(c)(4) of title 46, United States Code, is amended—

(A) in subparagraph (A)(i) by striking ''(i)'' and inserting ''(i)(I)'';

(B) in subparagraph (A) by redesignating clause (ii) as subclause (II) of clause (i);

(C) in subparagraph (A)(i)(II), as so redesignated, by striking ''53102(b).'' and inserting ''53102(b); or'';

(D) by inserting after subparagraph (A)(i)(II), as so redesignated, the following:

''(ii)(I) not later than 9 months after the first date amounts are available to carry out this chapter, the operator of the existing tank vessel enters into an agreement to charter one or more tank vessels to be built in the United States and operated as a documented vessel or documented vessels;

''(II) the combined tonnage of the vessels required to be chartered under subclause (I) is equal to or greater than the tonnage of the ex-

1 isting tank vessel subject to an operating agree-
2 ment;
3 ''(III) the operator enters into an agree-
4 ment with the Secretary that is substantially
5 the same as an Emergency Preparedness Agree-
6 ment under section 53107 of this title, under
7 which the operator shall make available com-
8 mercial transportation resources as provided in
9 that section;
10 ''(IV) if the person that is the owner or op-
11 erator of the existing tank vessel owns or oper-
12 ates more than one existing tank vessel subject
13 to an operating agreement, the combined ton-
14 nage of those vessels required to be chartered
15 under subclause (I) by that person is equal to
16 or greater than the combined tonnage of all
17 such existing tank vessels owned or operated by
18 such person that are subject to operating agree-
19 ments.'';
20 (E) in subparagraph (B) by inserting
21 ''with respect to which a binding contract is en-
22 tered into under subparagraph (A)(i)'' after
23 ''existing tank vessel''; and
24 (F) by adding at the end the following:

"(C) For purpose of subparagraph (A)(ii), tonnage shall be measured under section 14502 of this title, or an alternate tonnage measured under section 14302 of this title as prescribed by the Secretary under section 14104 of this title.

"(D) No payment under this chapter may be made for an existing tank vessel with respect to which an agreement is entered into under subparagraph (A)(ii) for any period occurring—

"(i) after the date that is 5 years after the first date that amounts became available to carry out this chapter, if the vessel or vessels required to be chartered under subparagraph (A)(ii) have not been delivered; or

"(ii) after delivery of the vessel or vessels required to be chartered under such subparagraph, if any of such vessels is not chartered by the operator of the existing tank vessel.".

(2) ASSISTANCE AUTHORITY.—Section 3543(a) of the National Defense Authorization Act for Fiscal Year 2004 (46 U.S.C. 53101 note) is amended by striking "shall, to the extent of the availability of appropriations," and inserting "may".

(c) PRIORITY IN ALLOCATION OF AMOUNTS AVAILABLE FOR ANNUAL PAYMENTS.—Section 53106 of title

46, United States Code, is amended by adding at the end the following:

"(f) PRIORITY IN ALLOCATION OF AVAILABLE AMOUNTS.—If the amount available for a fiscal year for making payments under operating agreements under this chapter is not sufficient to pay the full amount authorized under each agreement pursuant to this section for such fiscal year, the amount available shall be allocated among such agreements in a manner that gives priority to payments for vessels that are subject to agreements under section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note).".

SEC. 3503. APPLICABILITY TO CERTAIN MARITIME ADMINISTRATION VESSELS OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

Section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744) is amended by inserting after subsection (c) the following:

"(d) APPLICABILITY OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE IN FOREIGN SHIPYARDS.—

"(1) APPLICATION OF LIMITATION.—The provisions of section 7310 of title 10, United States Code, shall apply to vessels specified in subsection (b), and to the Secretary of Transportation with re-

spect to those vessels, in the same manner as those provisions apply to vessels specified in subsection (b) of such section, and to the Secretary of the Navy, respectively.

"(2) COVERED VESSELS.—Vessels specified in this paragraph are vessels maintained by the Secretary of Transportation in support of the Department of Defense, including any vessel assigned by the Secretary of Transportation to the Ready Reserve Force that is owned by the United States.".

SEC. 3504. VESSEL TRANSFER AUTHORITY.

The Secretary of Transportation may transfer or otherwise make available without reimbursement to any other department a vessel under the jurisdiction of the Department of Transportation, upon request by the Secretary of the department that receives the vessel.

SEC. 3505. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: SERVICE REQUIREMENTS.

(a) ALTERNATE SERVICE.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended by adding at the end the following:

"(6)(A) An individual who for the 5-year period following graduation from the Academy, serves as a commissioned officer on active duty in an armed force of the United States or as a commissioned officer of the National

Oceanic and Atmospheric Administration or the Public Health Service shall be excused from the requirements of subparagraphs (C), (D), and (E) of paragraph (1).

"(B) The Secretary may modify or waive any of the terms and conditions set forth in paragraph (1) through the imposition of alternative service requirements.".

(b) APPLICATION.—Paragraph (6) of section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)), as added by this section, applies only to an individual who enrolls as a cadet at the United States Merchant Marine Academy, and signs an agreement under paragraph (1) of that section, after the date of the enactment of this Act.

SEC. 3506. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: SERVICE OBLIGATION PERFORMANCE REPORTING REQUIREMENT.

(a) IN GENERAL.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is further amended by adding at the end the following:

"(7)(A) Subject to any otherwise applicable restrictions on disclosure in section 552a of title 5, United States Code, the Secretary of Defense, the Secretary of the department in which the Coast Guard is operating, the Administrator of the National Oceanic and Atmospheric Ad-

ministration, and the Surgeon General of the Public Health Service—

"(i) shall report the status of obligated service of an individual graduate of the Academy upon request of the Secretary; and

"(ii) may, in their discretion, notify the Secretary of any failure of the graduate to perform the graduate's duties, either on active duty or in the Ready Reserve component of their respective service, or as a commissioned officer of the National Oceanic and Atmospheric Administration or the Public Health Service, respectively.

"(B) A report or notice under subparagraph (A) shall identify any graduate determined to have failed to comply with service obligation requirements and provide all required information as to why such graduate failed to comply.

"(C) Upon receipt of such a report or notice, such graduate may be considered to be in default of the graduate's service obligations by the Secretary, and subject to all remedies the Secretary may have with respect to such a default.".

(b) APPLICATION.—The amendment made by this section does not apply with respect to an agreement entered into under section 1303(e) of the Merchant Marine

Act, 1936 (46 U.S.C. 1295b(e)) before the date of the enactment of this Act.

SEC. 3507. TEMPORARY AUTHORITY TO TRANSFER OBSOLETE COMBATANT VESSELS TO NAVY FOR DISPOSAL.

The Secretary of Transportation shall, subject to the availability of appropriations and consistent with section 1535 of title 31, United States Code, popularly known as the Economy Act, transfer to the Secretary of the Navy during fiscal year 2007 for disposal by the Navy, no fewer than 3 combatant vessels in the nonretention fleet of the Maritime Administration that are acceptable to the Secretary of the Navy.

SEC. 3508. QUALIFYING RESERVE DUTY FOR RECEIPT OF STUDENT INCENTIVE PAYMENTS.

Section 1304(g)(2) of title XIII of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)(2)) is amended to read as follows:

''(2) Each agreement entered into under paragraph (1) shall require the individual to accept enlisted reserve status in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve) or the United States Coast Guard Reserve before receiving any student incentive payments under this subsection.''.

SEC. 3509. LARGE PASSENGER SHIP CREW REQUIREMENTS.

Section 8103 of title 46, United States Code, is amended by adding at the end the following:

"(k) CREW REQUIREMENTS FOR LARGE PASSENGER VESSELS.—

"(1) CITIZENSHIP AND NATIONALITY.—Each unlicensed seaman on a large passenger vessel shall be—

"(A) a citizen of the United States;

"(B) an alien lawfully admitted to the United States for permanent residence;

"(C) an alien allowed to be employed in the United States under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including an alien crewman described in section 101(a)(15)(D)(i) of that Act (8 U.S.C. 1101(a)(15)(D)(i)), who meets the requirements of paragraph (3)(A) of this subsection; or

"(D) a foreign national who is enrolled in the United States Merchant Marine Academy.

"(2) PERCENTAGE LIMITATION FOR ALIEN SEAMEN.—Not more than 25 percent of the unlicensed seamen on a vessel described in paragraph (1) of this subsection may be aliens referred to in subparagraph (B) or (C) of that paragraph.

"(3) SPECIAL RULES FOR CERTAIN UNLICENSED SEAMEN.—

"(A) QUALIFICATIONS.—An unlicensed seaman described in paragraph (1)(C) of this subsection—

"(i) shall have been employed, for a period of not less than 1 year, on a passenger vessel under the same common ownership or control as the vessel described in paragraph (1) of this subsection, as certified by the owner or managing operator of such vessel to the Secretary;

"(ii) shall have no record of material disciplinary actions during such employment, as verified in writing by the owner or managing operator of such vessel to the Secretary;

"(iii) shall have successfully completed a United States Government security check of the relevant domestic and international databases, as appropriate, or any other national security-related information or database;

"(iv) shall have successfully undergone an employer background check—

1 "(I) for which the owner or man-
2 aging operator provides a signed re-
3 port to the Secretary that describes
4 the background checks undertaken
5 that are reasonably and legally avail-
6 able to the owner or managing oper-
7 ator including personnel file informa-
8 tion obtained from such seaman and
9 from databases available to the public
10 with respect to the seaman;
11 "(II) that consisted of a search
12 of all information reasonably available
13 to the owner or managing operator in
14 the seaman's country of citizenship
15 and any other country in which the
16 seaman receives employment referrals,
17 or resides;
18 "(III) that is kept on the vessel
19 and available for inspection by the
20 Secretary; and
21 "(IV) the information derived
22 from which is made available to the
23 Secretary upon request; and
24 "(v) may not be a citizen or tem-
25 porary or permanent resident of a country

designated by the United States as a sponsor of terrorism or any other country that the Secretary, in consultation with the Secretary of State and the heads of other appropriate United States agencies, determines to be a security threat to the United States.

''(B) RESTRICTIONS.—An unlicensed seaman described in paragraph (1)(C) of this subsection—

''(i) may be employed only in the steward's department of the vessel; and

''(ii) may not perform watchstanding, automated engine room duty watch, or vessel navigation functions.

''(C) STATUS, DOCUMENTATION, AND EMPLOYMENT.—An unlicensed seaman described in subparagraph (C) or (D) of paragraph (1) of this subsection—

''(i) is deemed to meet the nationality requirements necessary to qualify for a merchant mariners document notwithstanding the requirements of part 12 of title 46, Code of Federal Regulations;

"(ii) is deemed to meet the proof-of-identity requirements necessary to qualify for a merchant mariners document, as prescribed under regulations promulgated by the Secretary, if the seaman possesses—

"(I) an unexpired passport issued by the government of the country of which the seaman is a citizen or subject; and

"(II) an unexpired visa issued to the seaman, as described in paragraph (1)(C);

"(iii) shall, if eligible, be issued a merchant mariners document with an appropriate annotation reflecting the restrictions of subparagraph (B) of this paragraph; and

"(iv) may be employed for a period of service on board not to exceed 36 months in the aggregate as a nonimmigrant crewman described in section 101(a)(15)(D)(i) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)(i)) on vessels engaged in domestic voyages notwithstanding the departure requirements and time limi-

tations of such section and the regulations and rules promulgated thereunder.

''(4) MERCHANT MARINER'S DOCUMENT REQUIREMENTS NOT AFFECTED.—This subsection shall not be construed to affect any requirement under Federal law that an individual must hold a merchant mariner's document.

''(5) DEFINITIONS.—In this subsection:

''(A) STEWARD'S DEPARTMENT.—The term 'steward's department' means the department that includes entertainment personnel and all service personnel, including wait staff, housekeeping staff, and galley workers, as defined in the vessel security plan approved by the Secretary pursuant to section 70103(c) of this title.

''(B) LARGE PASSENGER VESSEL.—The term 'large passenger vessel' means a vessel of more than 70,000 gross tons, as measured under section 14302 of this title, with capacity for at least 2,000 passengers and documented with a coastwise endorsement under chapter 121 of this title.''.

SEC. 3510. MISCELLANEOUS MARITIME ADMINISTRATION PROVISIONS.

(a) TECHNICAL CORRECTION REGARDING WAR RISK INSURANCE FOR MERCHANT MARINE VESSELS.—

(1) IN GENERAL.—Section 1208(a) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1288(a)) is amended—

(A) by striking ''Upon the request of the Secretary of Transportation, the Secretary of the Treasury may invest or reinvest all or any part of the fund in securities of the United States or in securities guaranteed as to principal and interest by the United States.''; and

(B) by inserting after ''to the credit of such fund.'' the following: ''Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund through the Fiscal Service of the Department of the Treasury.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective as if enacted by section 3502 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (118 Stat. 2195).

(b) RIGHT TO USE MARITIME ADMINISTRATION DECORATION.—Section 8 of the Merchant Marine Decorations and Medals Act (46 U.S.C. App. 2007) is amended by inserting ''or the Secretary of Transportation,'' after ''Act,''.

(c) INTERMODAL CENTERS.—

(1) IN GENERAL.—Notwithstanding section 5309(m)(6)(B) of title 49, United States Code, half of the amounts appropriated or made available under subsections (b) and (c) of section 5338 of title 49, United States Code, for capital projects under section 5309(m)(6)(B) of that title for fiscal years 2006 through 2009 shall be made available and used, in accordance with section 9008(a) of Public Law 109–59, for an intermodal or marine facility comprising a component of the Hawaii Port Infrastructure Expansion Program.

(2) SUPPLEMENTARY FUNDING.—Any amount made available under paragraph (1) shall be in addition to any amounts authorized to be appropriated under subsections (b) and (c) of section 9008 of Public Law 109–59.

(d) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 3509 of the National Defense Authorization Act for Fiscal Year

2006 (119 Stat. 3557) is amended by striking ''Maritime Education and Training Act of 1980'' and inserting ''Merchant Marine Act, 1936''.

(2) EFFECTIVE DATE.—This subsection shall be effective immediately after section 3509 of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3557) takes effect.

H.R. 5122

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Armed Services, for consideration of the House bill and the Senate amendment, and modifications committed to conference:	
Mr. Hunter	
Mr. Weldon of Pennsylvania	
Mr. Hefley	
Mr. Saxton	
Mr. McHugh	
Mr. Everett	
Mr. Bartlett of Maryland	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mr. Thornberry	
Mr. Hostettler	
~~Mr. Jones of North Carolina~~	
Mr. Ryun of Kansas	
Mr. Gibbons	
Mr. Hayes	
Mr. Calvert	
Mr. Simmons	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mrs. Drake	
Mr. Davis of Kentucky	
Mr. Skelton	
Mr. Spratt	
Mr. Ortiz	
Mr. Taylor of Mississippi	
Mr. Abercrombie	
~~Mr. Meehan~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mr. Reyes	
Mr. Snyder	
Mr. Smith of Washington	
Ms. Loretta Sanchez of California	
Mrs. Tauscher	
Mr. Brady of Pennsylvania	
Mr. Andrews	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X:	
Mr. Hoekstra	
Mr. LaHood	
Ms. Harman	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Education and the Workforce, for consideration of secs. 571 and 572 of the House bill, and secs. 571, 572, 1081, and 1104 of the Senate amendment, and modifications committed to conference:	
Howard P. McKeon Mr. McKeon	
John Kline Mr. Kline	
~~Mr. George Miller of California~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Energy and Commerce, for consideration of secs. 314, 601, 602, 710, 3115, 3117, and 3201 of the House bill, and secs. 332–335, 352, 601, 722, 2842, 3115, and 3201 of the Senate amendment, and modifications committed to conference:	
Joe Barton Mr. Barton of Texas	
Paul E. Gillmor Mr. Gillmor	
~~Mr. Dingell~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Government Reform, for consideration of secs. 343, 721, 811, 823, 824, 1103, 1104, and 3115 of the House bill, and secs. 371, 619, 806, 823, 922, 1007, 1043, 1054, 1088, 1089, 1101, and 3115 of the Senate amendment, and modifications committed to conference:	
Tom Davis Mr. Tom Davis of Virginia	
C H Shays Mr. Shays	
~~Mr. Waxman~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Homeland Security, for consideration of section 1026 of the House bill, and section 1044 of the Senate amendment, and modifications committed to conference:	
Mr. King of New York	
Mr. Reichert	
Mr. Thompson of Mississippi	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on International Relations, for consideration of secs. 1021–1023, 1201–1204, 1206, title XIII, secs. 3113 and 3114 of the House bill, and secs. 1014, 1021–1023, 1054, 1092, 1201–1208, 1210, 1214, title XIII, secs. 3112 and 3113 of the Senate amendment, and modifications committed to conference:	
Henry Hyde Mr. Hyde	
Jim Leach Mr. Leach	
Tom Lantos Mr. Lantos	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on the Judiciary, for consideration of section 1021 of the House bill, and secs. 666, 1044, 1086, 1089, 1091, and 1094 of the Senate amendment, and modifications committed to conference:	
~~Mr. Sensenbrenner~~	
~~Mr. Coble~~	
~~Mr. Conyers~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Resources, for consideration of secs. 601, 602, and 1036 of the House bill, and section 601 of the Senate amendment, and modifications committed to conference:	
Richard Pombo Mr. Pombo	
Greg Walden Mr. Walden of Oregon	
~~Mr. Grijalva~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Science, for consideration of secs. 312 and 911 of the House bill, and secs. 333, 874, and 1082 of the Senate amendment, and modifications committed to conference:	
Mr. Boehlert	
Mr. Sodrel	
~~Mr. Gordon~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Small Business, for consideration of secs. 874 and 1093 of the Senate amendment, and modifications committed to conference:	
Mr. Manzullo	
Mrs. Kelly	
~~Ms. Velázquez~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Transportation and Infrastructure, for consideration of secs. 312, 551, 601, 602, and 2845 of the House bill, and secs. 333, 584, 601, 1042, 1095, 2842, 2851–2853, and 2855 of the Senate amendment, and modifications committed to conference:	
Don Young Mr. Young of Alaska	
Phil LoBiondo Mr. LoBiondo	
Jim Oberstar Mr. Oberstar except sections 1095, 2851, 2852, 2853 of the Senate amendment	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Veterans' Affairs, for consideration of secs. 666, 682, 683, 687, 721, and 923 of the Senate amendment, and modifications committed to conference:	
Mr. Buyer	
Mr. Boozman	
Ms. Herseth	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Warner
	Mr. McCain
	Mr. Inhofe
	Mr. Roberts
	Mr. Sessions
	Ms. Collins
	Mr. Ensign
	Mr. Talent

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Chambliss
	Mr. Graham of South Carolina
	Mrs. Dole
	Mr. Cornyn
	Mr. Thune
	Mr. Levin
	Mr. Kennedy
	Mr. Byrd

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Lieberman
	Mr. Reed
	Mr. Akaka
	Mr. Nelson of Florida
	Mr. Nelson of Nebraska
	Mr. Dayton
	Mr. Bayh
	Mrs. Clinton

DIVISION A-DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Procurement overview

The budget request included $82,901.0 million in Procurement for the Department of Defense.
The House bill would authorize $84,592.4 million.
The Senate amendment would authorize $85,722.8 million.
The conferees agree to authorize $84,153.6 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Budget Items

Aircraft Procurement, Army overview

The budget request included $3,566.5 million in Aircraft Procurement, Army for the Department of Defense.
The House bill would authorize $3,714.8 million.
The Senate amendment would authorize $3,457.3 million.
The conferees agree to authorize $3,451.4 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Missile Procurement, Army overview

The budget request included $1,350.9 million in Missile Procurement, Army for the Department of Defense.
The House bill would authorize $1,490.9 million.
The Senate amendment would authorize $1,428.9 million.
The conferees agree to authorize $1,328.9 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement of Weapons and Tracked Combat Vehicles, Army overview

The budget request included $2,301.9 million in Procurement of Weapons and Tracked Combat Vehicles, Army for the Department of Defense.
The House bill would authorize $2,335.0 million.
The Senate amendment would authorize $2,849.7 million.
The conferees agree to authorize $2,278.6 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement of Ammunition, Army overview

The budget request included $1,903.1 million in Procurement of Ammunition, Army for the Department of Defense.

The House bill would authorize $1,691.5 million.

The Senate amendment would authorize $2,036.8 million.

The conferees agree to authorize $1,984.3 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Other Procurement, Army overview

The budget request included $7,718.6 million in Other Procurement, Army for the Department of Defense.

The House bill would authorize $6,974.1 million.

The Senate amendment would authorize $7,729.6 million.

The conferees agree to authorize $7,687.5 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Aircraft Procurement, Navy overview

The budget request included $10,868.8 million in Aircraft Procurement, Navy for the Department of Defense.

The House bill would authorize $10,760.7 million.

The Senate amendment would authorize $10,704.2 million.

The conferees agree to authorize $10,734.1 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Weapons Procurement, Navy overview

The budget request included $2,555.0 million in Weapons Procurement, Navy for the Department of Defense.

The House bill would authorize $2,517.0 million.

The Senate amendment would authorize $2,587.0 million.

The conferees agree to authorize $2,549.0 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement of Ammunition, Navy and Marine Corps overview

The budget request included $789.9 million in Procurement of Ammunition, Navy and Marine Corps for the Department of Defense.

The House bill would authorize $758.8 million.

The Senate amendment would authorize $809.9 million.

The conferees agree to authorize $797.9 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Shipbuilding and Conversion, Navy overview

The budget request included $10,578.6 million in Shipbuilding and Conversion, Navy for the Department of Defense.
The House bill would authorize $11,183.2 million.
The Senate amendment would authorize $12,058.6 million.
The conferees agree to authorize $11,021.6 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Other Procurement, Navy overview

The budget request included $4,967.9 million in Other Procurement, Navy for the Department of Defense.
The House bill would authorize $5,042.8 million.
The Senate amendment would authorize $5,045.5 million.
The conferees agree to authorize $4,995.0 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement, Marine Corps overview

The budget request included $1,273.5 million in Procurement, Marine Corps for the Department of Defense.
The House bill would authorize $1,223.8 million.
The Senate amendment would authorize $1,300.2 million.
The conferees agree to authorize $1,253.8 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Aircraft Procurement, Air Force overview

The budget request included $11,479.8 million in Aircraft Procurement, Air Force for the Department of Defense.
The House bill would authorize $13,042.6 million.
The Senate amendment would authorize $12,004.1 million.
The conferees agree to authorize of $12,179.2 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement of Ammunition, Air Force overview

The budget request included $1,072.7 million for Procurement of Ammunition, Air Force for the Department of Defense.
The House bill would authorize $1,076.7 million.
The Senate amendment would authorize $1,076.7 million.
The conferees agree to authorize $1,072.7 million.
Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Missile Procurement, Air Force overview

The budget request included $4,204.1 million in Missile Procurement, Air Force for the Department of Defense.

The House bill would authorize $4,171.5 million.

The Senate amendment would authorize $4,219.1 million.

The conferees agree to authorize $4,171.9 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Other Procurement, Air Force overview

The budget request included $15,408.1 million in Other Procurement, Air Force for the Department of Defense.

The House bill would authorize $15,434.6 million.

The Senate amendment would authorize $15,434.6 million.

The conferees agree to authorize $15,443.3 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Procurement, Defense-wide overview

The budget request included $2,861.5 million in Procurement, Defense-wide for the Department of Defense.

The House bill would authorize $2,856.5 million.

The Senate amendment would authorize $2,980.5 million.

The conferees agree to authorize $2,886.4 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

National Guard and Reserve Equipment

The budget request included no funding in the National Guard and Reserve Equipment account for the Department of Defense.

The House bill would authorize $318.0 million.

The Senate amendment contained no similar funding.

The Senate recedes.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Light Cargo Aircraft

The budget request included $109.2 million in Aircraft Procurement, Army (APA) for the procurement of three Future Cargo Aircraft (FCA) and $15.8 million in Aircraft Procurement, Air Force (APAF) for the Light Cargo Aircraft (LCA).

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $109.2 million.

The conferees agree to authorize a decrease of $109.2

million in APA, and an increase by the same amount in APAF.

The conferees note that the Army initiated the FCA program to support an Army organic, time-sensitive cargo mission. The Air Force is also interested in procuring a similar type of aircraft and has been in the process of establishing a program office for a new intra-theater LCA. Since submission of the budget request, the Army and Air Force have signed a Memorandum of Understanding (MOU) regarding merging the two programs into a new program called the Joint Cargo Aircraft (JCA).

As part of implementing that MOU, the Air Force is conducting F-series (functional analysis) studies and an independent analysis of alternatives to define the broader requirement for the aircraft. The Air Force's LCA would provide intra-theater lift mission support for the U.S. Transportation Command (USTRANSCOM), which is the distribution process owner for the Department of Defense. The conferees note that intra-theater lift using fixed wing aircraft is performed most efficiently when it is coordinated by USTRANSCOM.

The conferees also note that the Joint Chiefs of Staff Intra-theater Lift Capabilities Study Phase 1 and the Air Mobility Command's Mobility Roadmap are currently being developed. The conferees further agree that, until these documents are complete, the right mix and number of intra-theater aircraft will not be determined. Therefore, it would be premature to procure aircraft until the Department completes these efforts and presents them to the congressional defense committees.

Items of Special Interest

Battleship transfer

The House report accompanying H.R. 5122 (H. Rept. 109-452) of the National Defense Authorization Act for Fiscal Year 2007 contained an item of special interest to clarify instructions to the Navy regarding the transfer of the battleships USS *Wisconsin* and USS *Iowa*, included in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163). The conferees understand that: (1) the Navy will require that the USS *Wisconsin* and USS *Iowa* be preserved in their present condition through continued use of cathodic protection, dehumidification, and other methods as needed; (2) any alterations to the battleships while in the custody of entities within the Commonwealth of Virginia and State of California, respectively, could be reverted; and (3) spare parts and unique equipment, such as 16-inch gun barrels and projectiles, if donated, will include a provision in the donation agreement that they can be recalled if the battleships are returned to the Navy in the event of a national emergency. The conferees agree that these measures would meet the intent of the

instructions contained in the House report.

Study on replacement of the T-38 training aircraft

The Senate report accompanying S. 2766 (S. Rept. 109-254) of the National Defense Authorization Act for Fiscal Year 2007 directed the Secretary of the Air Force to conduct a study that would determine the suitability of T-45 and Korean built KT-50 training aircraft to replace the T-38 training aircraft.

The conferees direct the Secretary to conduct a study that would determine the suitability of the T-45, and any other appropriate aircraft, to replace the T-38, and to submit a report on the results of this study to the congressional defense committees by March 15, 2007.

Legislative Provisions Adopted

Subtitle A–Authorization of Appropriations

Authorization of appropriations (secs. 101-104)

The House bill contained provisions (secs. 101-104) that would authorize the recommended fiscal year 2007 funding levels for Procurement Army, Navy, Marine Corps, Air Force, and Defense-wide activities.

The Senate amendment contained similar provisions (secs. 101-104).

The conference agreement includes these provisions.

Subtitle B–Army Programs

Sense of Congress on future multiyear procurement authority for the Family of Medium Tactical Vehicles (sec. 111)

The House bill contained a provision (sec. 111) that would authorize the Secretary of the Army to enter into a 3-year multiyear procurement contract, beginning with fiscal year 2008, for procurement of the Family of Medium Tactical Vehicles (FMTV).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress on the use of a multiyear procurement contract to extend FMTV procurement beyond the current 5-year multiyear contract. The amendment would also recommend that the Army incorporate product improvements from lessons learned from Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) and from product improvement programs in the area of force protection, survivability, reliability, network communications situational awareness, and safety.

The conferees recognize that the current 5-year multiyear procurement for FMTV A1R vehicles ends with fiscal year 2007 funding and calendar year 2008 deliveries. The conferees understand that 28,000 trucks have been produced to date, which falls short of the Army requirement for 85,000 trucks. The Army's Tactical Wheeled Vehicle (TWV) Modernization Strategy Report to Congress stated that "As a risk mitigator, use of contract options will be sought to permit extension of current production models to avoid any breaks in vehicle supply." The conferees note that the Army has saved approximately 6-10 percent on the costs of a 3-year multiyear contract versus single year procurement under three successive multiyear contracts. The conferees are concerned that single year contract awards would be costly because of the outstanding requirement and costly given the current savings provided by the current multiyear contract.

Furthermore, the conferees also note that a multiyear contract would potentially assure favorable, cost-effective prices for a more advanced FMTV configuration that would incorporate lessons learned from OEF and OIF, as well as ensure stability in the industrial base.

The conferees expect the Department of the Army to comply with all documentation and certifications requirements of section 2306(b) of title 10, United States Code.

Multiyear procurement authority for MH-60R helicopter and mission equipment (sec. 112)

The House bill contained a provision (sec. 112) that would authorize the Secretary of the Army, acting as the executive agent for the Department of the Navy, to enter into a 5-year, multiyear procurement contract for 144 MH–60R helicopters and associated mission equipment beginning with the fiscal year 2007 program year. Further, the provision would require that the multiyear procurement contract authority be executed in accordance with section 2306b of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary of the Army, acting as the executive agent for the Department of the Navy, to enter into a multiyear contract, beginning with fiscal year 2007, for the procurement of MH-60R helicopters. The amendment would also authorize the Secretary of the Navy to enter into a multiyear contract for the procurement of associated mission equipment for MH-60R helicopters.

The conferees expect the Secretary of the Army and the Secretary of the Navy to submit certifications required by section 2306b before approving multiyear contracts for MH-60R helicopters and associated mission equipment. The conferees also understand that the Department of the Army and the Department of the Navy intend to procure at least 144 MH-60R helicopters and associated mission equipment.

Funding profile for modular force initiative of the Army (sec. 113)

The House bill contained a provision (sec. 113) that would require the Secretary of the Army to include the M1A2 Abrams SEP tank and Bradley A3 fighting vehicles within the Army's modularity funding profile beginning with the 2008 budget submission, in accordance with the March 2006 Army report to Congress entitled "The Army Modular Initiative."

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Bridge to Future Networks program (sec. 114)

The House bill contained a provision (sec. 114) that would limit to not more than 70 percent, the amounts authorized to be appropriated for the bridge to Future Networks program, until the Secretary of the Army submits a report to the congressional defense committees on an analysis of the integration of the Joint Network Node (JNN) and the Warfighter Information Network-Tactical (WIN–T).

The Senate amendment contained a similar provision (sec. 111) that would withhold 50 percent of the funds authorized to be appropriated for the procurement of the JNN until the Secretary provides a report to the congressional defense committees on the Army's strategy for the convergence of the JNN, WIN-T, and the Mounted Battle Command On-the-Move communications programs.

The Senate recedes with a clarifying amendment.

Comptroller General report on the contract for the Future Combat Systems program (sec. 115)

The Senate amendment contained a provision (sec. 112) that would require the Comptroller General to submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the FCS program.

The House bill contained no similar provision.

The House recedes.

Priority for allocation of replacement equipment to operational units based on combat mission deployment schedule (sec. 116)

The Senate amendment contained a provision (sec. 114) that would establish a priority for the distribution of new and combat serviceable equipment for active and reserve component forces to units scheduled for mission deployment, employment, or both regardless of component. Priority for the distribution of new and combat serviceable equipment would then be given to Army

National Guard units in States that have experienced a major disaster, as determined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5206), and may require replacement equipment to respond to future emergencies or disasters.

The House bill contained no similar provision.

The House recedes with an amendment that would expand the authority, as provided for in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), by directing the Secretary of Defense to ensure that priority for the distribution of equipment using the amounts authorized to be appropriated for the procurement of replacement equipment for the distribution of new and combat serviceable equipment, with associated support and test equipment, for active and reserve component forces be given to operational units based on combat mission deployment schedule regardless of component.

The conferees recognize that National Guard units operating in States that have experienced a major disaster, as determined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5206), may require replacement equipment to respond to future natural and man-made disasters. The conferees direct the Secretary of Defense to conduct a study on the priority distribution strategy for replacing National Guard equipment and to submit a report on the results of the study to the congressional defense committees no later than April 1, 2007. The conferees expect the Department to allocate equipment based on the priorities determined by this analysis.

Subtitle C–Navy Programs

CVN-21 class aircraft carrier procurement (sec. 121)

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary of the Navy to incrementally fund procurement of CVN-21 class aircraft carriers over four year periods, commencing with CVN-78 procurement in fiscal year 2008. The provision would also authorize the Secretary to enter into a contract during fiscal year 2007 for advance procurement with respect to the CVN-21 class aircraft carriers designated CVN-79 and CVN-80.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Secretary to incrementally fund procurement of a CVN-21 class aircraft carrier designated CVN-78, CVN-79, and CVN-80, as applicable, over four year periods, commencing with the fiscal year of the contract for construction of the applicable aircraft carrier.

Adherence to Navy cost estimates for CVN-21 class of aircraft

carriers (sec. 122)

The House bill contained a provision (sec. 122) that would limit the total amount to be obligated or expended from funds appropriated or otherwise made available in Shipbuilding and Conversion, Navy, or for any other procurement account, for the detail design, non-recurring engineering and construction of the lead ship of the CVN-21 class aircraft carrier program to $10.5 billion. The provision would also limit the total amount to be obligated or expended for the construction of the follow-on ships of the CVN-21 class aircraft carrier program to $8.1 billion. The provision would allow the Secretary of the Navy to adjust the limitation amounts for: (1) economic inflation; (2) changes in Federal, State, or local laws enacted after September 30, 2006; (3) outfitting and post-delivery costs; and (4) insertion of new technology. The insertion of new technology would be limited to those technologies that could be used to either lower life cycle costs or meet an emerging threat. The provision would also require the Secretary to report any adjustment to the cost limitation with the submission of the annual budget request.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would also allow the Secretary to make adjustments for amounts of increases or decreases to cost attributable to: (1) non-recurring design and engineering pursuant to achieving compliance with the cost limitation; and (2) correction of deficiencies that affect safety of ship, safety of personnel, or otherwise preclude safe operations and crew certifications.

The amendment would not provide the Secretary authority to adjust the limitation amounts for cost increases attributable to congressional actions that impact on the shipbuilding program of record. However, the conferees understand that such action could have significant impact on program cost, and therefore direct that the Secretary include, within the annual written notice to the congressional defense committees regarding changes to the cost limitations, an assessment of any negative impact of congressional action on program costs.

The conferees understand that the CVN-21 class budget represents the Navy’s risk-balanced assessment of the cost for completing design and construction of the future class of nuclear powered aircraft carriers. The conferees recognize that many uncertainties remain with regard to completion of CVN-21 design and construction, including innumerable, inestimable events which will impact cost during the next 15 years of performance on the program. Accordingly, the amendment would allow adjustment to the cost limitation for non-recurring design and engineering in order to enable the Navy to reduce this risk in the execution of the design effort.

The conferees expect that the Navy will ultimately manage program execution within the bounds of the budget estimate.

Accordingly, the conferees understand that compliance with this provision will require procurement cost trade-offs to be accomplished, which could reduce the capabilities, system performance, safety, crew quality of life, future growth margin, or other important factors in the design and construction of the CVN-21 class. The conferees believe that most of these trade-offs will be within the purview of the program office and requirements office. However, the Secretary shall notify the Committees on Armed Services of the Senate and the House of Representatives not less than 30 days prior to implementing any cost-driven reduction which would unacceptably impact safety, crew quality of life, or otherwise preclude the program from meeting the requirements of the CVN-21 Operational Requirements Document. The Secretary's notification shall identify the specific characteristic proposed to be reduced and the cost avoidance provided by such reduction.

Modification of limitation on total cost of procurement of CVN-77 aircraft carrier (sec. 123)

The Senate amendment contained a provision (sec. 123) that would increase the limitation on the total cost of procurement for the CVN-77 aircraft carrier to $6.057 billion.

The House bill contained no similar provision.

The House recedes.

Construction of first two vessels under the DDG-1000 Next-Generation Destroyer program (sec. 124)

The Senate amendment contained a provision (sec. 122) that would authorize the Secretary of the Navy to enter into a contract to fund the detail design and construction of the first two DDG-1000 class destroyers in Shipbuilding and Conversion, Navy (SCN), with funding split over fiscal years 2007 and 2008.

The House bill contained a similar provision (sec. 127).

The House recedes with a technical amendment.

The conferees understand that the Secretary has requested split funding authority for the two lead ships of the DDG-1000 class as a one-time program exception to the full funding policy in order to support the competitive procurement of the follow-on ships of the program. The conferees agree that there is sufficient benefit to authorizing this one-time exception with the expectation that the Secretary will structure the DDG-1000 program so that each ship, after the first two ships, is procured using the method of full funding in a single year.

Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program (sec. 125)

The House bill contained a provision (sec. 123) that would

limit the total amount to be obligated or expended from funds appropriated or otherwise made available in Shipbuilding and Conversion, Navy, or for any other procurement account, for the detail design, non-recurring engineering and construction of the lead ship of the LHA Replacement amphibious assault ship, LHA-6, to $2.81 billion. The provision would allow the Secretary of the Navy to adjust the limitation amounts for: (1) economic inflation; (2) changes in Federal, State, or local laws enacted after September 30, 2006; (3) outfitting and post-delivery costs; and (4) insertion of new technology. The insertion of new technology would be limited to those technologies that could be used to either lower life-cycle costs or meet an emerging threat. The provision would require the Secretary to report any adjustment to the cost limitation with the submission of the annual budget request.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would also allow the Secretary to make adjustments for amounts of increases or decreases to cost attributable to: (1) non-recurring design and engineering pursuant to achieving compliance with the cost limitation; (2) correction of deficiencies that affect safety of ship, safety of personnel, or otherwise preclude safe operations and crew certifications; and (3) the effect of Hurricane Katrina in August 2005 or other force majeure contract modifications.

The amendment would not provide the Secretary authority to adjust the limitation amounts for cost increases attributable to congressional actions that impact on the shipbuilding program of record. However, the conferees understand that such action could have significant impact on program cost, and therefore direct that the Secretary include, within the annual written notice to the congressional defense committees regarding changes to the cost limitations, an assessment of any negative impact of congressional action on program costs.

The conferees understand that the LHA-6 budget represents the Navy’s risk-balanced assessment of the cost for completing design and construction of the future LHA Replacement ship. The conferees recognize that many uncertainties remain with regard to completion of LHA-6 design and construction, including innumerable, inestimable events which will impact cost during the next 6 years of performance on the program. Accordingly, the amendment would allow adjustment to the cost limitation for non-recurring design and engineering in order to enable the Navy to reduce this risk in the execution of the design effort.

The conferees expect that the Navy will ultimately manage program execution within the bounds of the budget estimate. The conferees understand that compliance with this provision will require procurement cost trade-offs to be accomplished, which could reduce the capabilities, system performance, safety, crew quality of life, future growth margin, or other important factors in the design and construction of the LHA Replacement ship. The

conferees believe that most of these trade-offs will be within the purview of the program office and requirements office. However, the Secretary shall notify the Committees on Armed Services of the Senate and the House of Representatives not less than 30 days prior to implementing any cost-driven reduction which would unacceptably impact safety, crew quality of life, or otherwise preclude the program from meeting the requirements of the LHA Replacement program Capability Development Document. The Secretary's notification shall identify the specific characteristic proposed to be reduced and the cost avoidance provided by such reduction.

Cost limitation for San Antonio (LPD-17) class amphibious ship program (sec. 126)

The House bill contained a provision (sec. 124) that would limit the total amount to be obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for eight *San Antonio* class amphibious ships (LPD-18, LPD-19, LPD-20, LPD-21, LPD-22, LPD-23, LPD-24, and LPD-25) to the cost estimates submitted for those ships with the fiscal year 2007 budget request. The provision would allow the Secretary of the Navy to adjust the limitation amounts for economic inflation; changes in Federal, State, or local laws enacted after September 30, 2006; outfitting and post-delivery costs; and the amounts of insertion of new technology. The insertion of new technology would be limited to those technologies that could be used to either lower life cycle costs or meet an emerging threat. The provision would require the Secretary to report any adjustment to the cost limitation with the submission of the annual budget request.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would raise the amounts of the limitation for the LPD-22, LPD-23, LPD-24, and LPD-25 *San Antonio* class amphibious ships to the contract ceiling prices for those four ships. The amendment would also allow the Secretary to make adjustments for contract cost adjustments directly attributed to the effect of Hurricane Katrina or other force majeure contract modifications, and for amounts of closeout costs associated with completion of the LPD-17 class program.

Multiyear procurement authority for V-22 tiltrotor aircraft program (sec. 127)

The House bill contained a provision (sec. 125) that would authorize the Secretary of the Navy, acting as the executive agent for the Secretary of the Air Force and the Commander, U.S. Special Operations Command (USSOCOM), to enter into a multiyear contract, beginning with the fiscal year 2008 program year, for the procurement of 211 V-22 tiltrotor aircraft, of which not more

than 185 would be in the MV-22 configuration and not more than 26 would be in the CV-22 configuration.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow the Secretary of the Navy, acting as the executive agent for the Secretary of the Air Force and the Commander, USSOCOM, to enter into a multiyear contract, beginning with the fiscal year 2008 program year, for the procurement of V-22 tiltrotor aircraft.

The conferees expect that the Secretary of the Navy will procure V-22 tiltrotor aircraft at the quantity that was requested in the budget.

Alternative technologies for future surface combatants (sec. 128)

The House bill contained a provision (sec. 128) that would express the sense of Congress that the Navy should make greater use of alternative technologies, including nuclear power, as a means of vessel propulsion for its future fleet of surface combatants.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would expand the definition of alternative technologies for propulsion of future major surface combatants to include integrated power systems and fuel cells. The amendment would also require that the Secretary of the Navy include integrated power systems, fuel cells, and nuclear power as propulsion alternatives to be evaluated within the analysis of alternatives for future major surface combatant ships.

Sense of Congress regarding the size of the attack submarine force (sec. 129)

The House bill contained a provision (sec. 121) that would amend section 5062 of title 10, United States Code, to require the Secretary of Defense to maintain a minimum force structure of 48 operational attack submarines.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Secretary of the Navy should take all reasonable effort to accelerate the construction of *Virginia* class submarines to maintain the attack submarine force structure at not less than 48 submarines and (if the number of attack submarines should fall below 48), to minimize the period the attack submarine force structure remains below 48 vessels.

The conferees are aware that the earliest possible date to accelerate *Virginia* class construction to 2 boats per year is 2010, which would require advance procurement funding commencing in 2008. Therefore, the conferees direct the Secretary to submit a report to the congressional defense committees with the fiscal year 2008 budget request that would identify the necessary

planning and programming required to increase *Virginia* class construction to 2 boats per year commencing in fiscal year 2010. The report shall consider program cost, shipyard workload impacts, budget implications, and other significant factors that would weigh in the decision process regarding acceleration of attack submarine construction. The report shall also identify the operational impact associated with delaying the increase in attack submarine construction until 2012 in accordance with the program of record.

Quality control in procurement of ship critical safety items and related services (sec. 130)

The Senate amendment contained a provision (sec. 809) that would require the Secretary of Defense to prescribe in regulation a quality control policy for the procurement of ship critical safety items and the procurement of modifications, repair, and overhaul of such items.

The House bill contained a similar provision (sec. 126).

The House recedes.

The conferees agree to extend the date for the submission of the Comptroller General's report to the congressional defense committees required by the Senate report accompanying S. 2766 (S. Rept. 109-254) of the John Warner National Defense Authorization Act for Fiscal Year 2007 until February 1, 2008.

The conferees expect the Comptroller General to brief the congressional defense committees on the initial findings of the report by April 1, 2007.

Subtitle D-Air Force Programs

Bomber force structure (sec. 131)

The House bill contained a provision (sec. 131) that would prohibit the Air Force from retiring any B-52 aircraft, except for the one B-52 aircraft no longer in use by the National Aeronautics and Space Administration for testing. The provision would require the Air Force to maintain a minimum of 44 B-52H combat coded aircraft until the year 2018 or until a long-range strike replacement aircraft with equal or greater capability than the B-52H model has attained initial operational capability.

The Senate amendment contained similar provisions (secs. 144-145). Section 144 would allow the Secretary of the Air Force to retire up to 18 B-52H bomber aircraft in fiscal year 2007. Section 145 would prevent the obligation or expenditure of funds for the retirement or dismantling of any of the 93 B-52H bomber aircraft in service in the Air Force as of June 1, 2006, until the Secretary submits to the Committees on Armed Services of the Senate and the House of Representatives a report on the amount

and type of bomber force structure required to carry out the National Security Strategy of the United States.

The Senate recedes with an amendment that would authorize the Secretary to retire up to 18 B-52H bomber aircraft, but maintain not less than 44 combat coded B-52H bomber aircraft, beginning 45 days after the Secretary submits to the Committees on Armed Services of the Senate and the House of Representatives a report prepared by the Institute for Defense Analyses on the amount and type of bomber force structure required to carry out the National Security Strategy of the United States. The amendment would also prohibit retirement of more than 18 B-52s until a long-range strike replacement aircraft with equal or greater capability has attained initial operational capability status or until January 1, 2018, whichever occurs first.

The conferees direct the Secretary to include in the report:

(1) the plans to modernize the Air Force bomber fleets;

(2) the amount and type of bomber force required in executing two overlapping “swift defeat” campaigns involving both conventional and strategic nuclear missions;

(3) a justification of the cost and projected savings associated with any reductions to the B-52H bomber aircraft fleet;

(4) the life expectancy of each bomber aircraft to remain in the bomber force structure; and

(5) the capabilities of the bomber force structure that would be replaced, augmented, or superceded by any new bomber aircraft.

The conferees expect the Secretary to maintain all retired B-52H bomber aircraft, retired in fiscal year 2007 or later, in a condition known as “Type-1000 storage” at the Aircraft Maintenance and Regeneration Center.

Strategic airlift force structure (sec. 132)

The House bill contained a provision (sec. 132) that would require the Air Force to maintain a minimum strategic airlift force of 299 aircraft beginning in fiscal year 2009, and would repeal section 132 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would eliminate the repeal of any portion of section 132.

Limitation on retirement of U-2 aircraft (sec. 133)

The House bill contained a provision (sec. 133) that would preclude the Department of Defense from retiring U-2 aircraft in fiscal year 2007. The provision would permit retirement after fiscal year 2007 only if the Secretary of Defense were able to certify to Congress that the U-2's intelligence, surveillance,

and reconnaissance (ISR) capabilities no longer contribute to mitigating any gaps in ISR capabilities identified in the 2006 Quadrennial Defense Review report.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Multiyear procurement authority for F-22A Raptor fighter aircraft (sec. 134)

The House bill contained a provision (sec. 134) that would authorize the Secretary of the Air Force, beginning in program year 2007, to enter into a 3-year multiyear contract for procurement of up to 60 F-22A Raptor fighter aircraft. The provision would allow the multiyear contract to be entered into only after the Secretary of Defense certifies that the conditions specified in subsection (a) of section 2306b of title 10, United States Code, have been met, subject to a 30-day congressional notice-and-wait period.

The Senate amendment contained similar provisions (secs. 146-147) that would prohibit the use of incremental funding for the procurement of F-22A fighter aircraft, authorize the Secretary of the Air Force to enter into a multiyear contract for the procurement of up to 60 F-22A fighter aircraft and up to 120 F119 engines, including not more than 13 spare F119 engines, beginning with the fiscal year 2007 program year.

The Senate recedes with an amendment that would:

(1) prohibit the use of incremental funding for the procurement of F-22A fighter aircraft;

(2) require the Secretary of Defense to certify to the congressional defense committees that the multiyear contract is in compliance with each of the conditions specified in subsection (a) of section 2306b, as well as the certification required in subsection (i)(1)(A) of section 2306b;

(3) require the Secretary, in certifying that the cost savings are substantial, to duly consider the historical cost savings that led to a decision to proceed with a multiyear procurement contract under section 2306b of title 10, United States Code, in the case of previous aviation-related multiyear contracts authorized by law dating back to fiscal year 1982; and

(4) require the Secretary of Defense to provide a new F-22A cost analysis, prepared by a federally-funded research and development center other than the Institute for Defense Analyses, to the congressional defense committees.

The conferees expect that the Secretary of Defense’s certification of projected multiyear procurement savings will include a consideration of savings, relative to historical experience, that are attributable to economic order quantity investments, number of units procured, length of the multiyear

contracts, and cost reduction initiatives.

Limitation on retirement of KC-135E aircraft during fiscal year 2007 (sec. 135)

The House bill contained a provision (sec. 135) that would prohibit the Air Force from retiring more than 29 KC-135E aircraft during fiscal year 2007. Beginning in fiscal year 2007, the provision would also require the Secretary to maintain all retired KC-135Es, after September 30, 2006, in a condition that would allow recall of that aircraft for future service in the Air Force Reserve, Guard, or regular forces aerial refueling force structure.

The Senate amendment contained a provision (sec. 143) that would authorize the Secretary to retire up to and including 29 Air Force KC-135E aircraft.

The Senate recedes.

The conferees expect the Secretary to maintain all KC-135E aircraft, retired in fiscal year 2007 or later, in a condition known as “Type-1000 storage” at the Aircraft Maintenance and Regeneration Center.

Limitation on retirement of F-117A aircraft during fiscal year 2007 (sec. 136)

The House bill contained a provision (sec. 136) that would limit the number of F-117A aircraft to be retired by the Secretary of the Air Force in fiscal year 2007 to 10 aircraft. The provision would also require the Secretary to maintain each F-117A aircraft, retired after September 30, 2006, in a condition that would allow recall of that aircraft for future service.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees expect the Secretary to maintain all F-117A aircraft, retired in fiscal year 2007 or later, in a condition known as “Type-1000 storage” at the Aircraft Maintenance and Regeneration Center.

Limitation on retirement of C-130E tactical airlift aircraft (sec. 137)

The Senate amendment contained a provision (sec. 142) that would prohibit the Secretary of the Air Force from retiring any C-130E/H tactical airlift aircraft in fiscal year 2007.

The House bill contained no similar provision.

The House recedes with an amendment that would allow the Secretary to retire up to 51 C-130E tactical airlift aircraft.

The conferees expect the Secretary to maintain all C-130E aircraft, retired in fiscal year 2007 or later, in a condition known as “Type-1000 storage” at the Aircraft Maintenance and

Regeneration Center.

Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006 (sec. 138)

The Senate amendment contained a provision (sec. 141) that would require any Joint Primary Aircraft Training System aircraft procured after fiscal year 2006 to be procured through a contract under part 15 of the Federal Acquisition Regulations (FAR), relating to acquisition of items by negotiated contract, rather than through a contract under part 12 of the FAR, relating to acquisition of commercial items.

The House bill contained no similar provision.

The House recedes.

Minuteman III intercontinental ballistic missiles modernization (sec. 139)

The Senate amendment contained a provision (sec. 149) that would restrict the Department of Defense from terminating any Minuteman III Intercontinental Ballistic Missile (ICBM) modernization program or withdraw any Minuteman III ICBM from the active force until 30 days after the Secretary of Defense submits to the congressional defense committees a report. The provision would also make available $5.0 million of the amounts available for research, development, test, and evaluation, Air Force, for Remote Visual Assessment for security of the silos housing ICBMs.

The House bill contained no similar provision.

The House recedes with an amendment that would place the findings in the statement of managers, and that would reflect the conference outcome of the amounts available for Remote Visual Assessment in the tables of this report in research, development, test, and evaluation, Air Force.

The conferees make the following findings: (1) In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), the conferees state that the policy of the United States "is to deploy a force of 500 ICBMs." The conferees further note "that unanticipated strategic developments may compel the United States to make changes to this force structure in the future;" (2) The Quadrennial Defense Review (QDR) Report of 2006 finds that maintaining a robust nuclear deterrent "remains a keystone of United States national power." However, notwithstanding that finding and without providing any specific justification for the recommendation, the QDR recommends reducing the number of deployed Minuteman III ICBMs from 500 to 450 beginning in fiscal year 2007. The QDR also fails to identify what unanticipated strategic developments compelled the United States to reduce the ICBM force structure; and (3) General James Cartwright, Commander, U.S. Strategic Command, testified before the Committee

on Armed Services of the Senate that the reduction in deployment of Minuteman III ICBMs is required so that the 50 missiles withdrawn from the deployed force could be used for test assets and spares to extend the life of the Minuteman III ICBMs well into the future. If spares are not modernized, the Air Force may not have sufficient replacement missiles to sustain the force size.

Subtitle E-Joint and Multi-Service Matters

Clarification of limitation on initiation of new unmanned aerial vehicle systems (sec. 141)

The conferees agree to include a provision that would amend section 142 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-162) to explicitly state that the section applies to the procurement of new unmanned aerial vehicle (UAV) systems, and to provide clarifying language for those systems for which an exception is made, including: any UAV system or any component thereof, as described in section 142, if as of January 6, 2006, the UAV system or any component thereof to be procured was otherwise currently under contract or had previously been procured by the Department of Defense, or funds had been appropriated but not yet obligated for the UAV system or any component thereof. The conferees also agree to authorize the Undersecretary of Defense for Acquisition, Technology, and Logistics (AT&L) to delegate this authority within the Office of AT&L.

Legislative Provisions Not Adopted

Reports on Army modularity initiative

The Senate amendment contained a provision (sec. 113) that would require the Secretary of the Army to submit a report to the congressional defense committees, not later than March 15, 2007, on specific costs, funding, and equipment distribution of the Army's modularity initiative. The provision would also require that the Comptroller General conduct an annual review of the modularity initiative and the progress that the Army is making in the equipping of the active and reserve components.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the reporting requirements of this provision are incorporated elsewhere in this report.

Funding for the Call for Fire Trainer/Joint Fires and Effects Trainer System

The House bill contained a provision (sec. 115) that would authorize $4.0 million for the procurement of the Call for Fire Trainer/Joint Fires and Effects Trainer System for the Army.

The Senate amendment contained no similar provision.

The House recedes.

The conference outcome is reflected in the tables of this report in Other Procurement, Army, line number 169.

Air Force program

The House bill contained a provision (sec. 137) that would authorize an increase of $6.0 million in section 103 for Other Procurement, Air Force for Science Engineering Lab Data Integration at Ogden Air Logistics Center, Utah. This would be offset by an equal decrease in PE 62301E for Information and Communications Technology.

The Senate amendment contained no similar provision.

The House recedes.

The conference outcome is reflected in the tables of this report.

Multi-spectral imaging capabilities

The Senate amendment contained a provision (sec. 148) that would: (1) express the sense of the Senate that the Air Force should investigate ways to retain the multi-spectral imaging capabilities of the Senior Year Electro-optical Reconnaissance System (SYERS-2)that would otherwise be lost with the retirement of the U-2 aircraft; and (2) require that the Secretary of the Air Force provide a plan for migrating these multi-spectral capabilities to the Global Hawk unmanned aerial vehicle.

The House bill contained no similar provision.

The Senate recedes.

The conferees expect the Secretary to develop a plan for migrating the multi-spectral imaging capability provided by the SYERS-2 capabilities from the U-2 to the Global Hawk, and provide the results of that plan to the congressional defense committees with the submission of the fiscal year 2008 budget request.

TITLE II–RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Budget Items

Research, Development, Test, and Evaluation overview

The budget request included $73,156.0 million in Research, Development, Test, and Evaluation for the Department of Defense.

The House bill would authorize $74,054.6 million.

The Senate amendment would authorize $74,268.1 million.

The conferees agree to authorize $73,608.0 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Research, Development, Test, and Evaluation, Army overview

The budget request included $10,855.6 million in Research, Development, Test, and Evaluation, Army for the Department of Defense.

The House bill would authorize $10,925.2 million.

The Senate amendment would authorize $11,167.0 million.

The conferees agree to authorize $10,876.6 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Research, Development, Test, and Evaluation, Navy overview

The budget request included $16,912.2 million in Research, Development, Test, and Evaluation, Navy for the Department of Defense.

The House bill would authorize $17,377.8 million.

The Senate amendment would authorize $17,459.8 million.

The conferees agree to authorize $17,383.9 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Sea Fighter (X-Craft)

The House bill would authorize $25.7 million in PE 63123N for modifications to Sea Fighter to improve the ship’s survivability, command and control, armament, and other ship systems to make Sea Fighter an operationally deployable asset.

The Senate amendment contained no similar funding.

The conferees agree to authorize $23.0 million in PE 63123N for Sea Fighter modifications.

Of the amount authorized, the conferees direct the Secretary of the Navy to utilize the additional funding to: (1) improve aviation capabilities; (2) improve damage control and firefighting capabilities; (3) improve the quality of and increase the capacity of berthing and messing facilities for 12 additional crew; (4) provide command and control upgrades; (5) add weapons (offensive and defensive); and (6) make topside changes to reduce radiation hazards. The conferees expect the Secretary to utilize Sea Fighter in support of Navy operations and to develop and validate operational concepts for littoral warfare.

The conferees are aware that on September 6, 2006, Sea Fighter sustained significant damage while operating off of the

Pacific coast. The conferees expect the Secretary to make all repairs necessary to restore Sea Fighter to previous capability and make available for operational use.

Research, Development, Test, and Evaluation, Air Force overview

The budget request included $24,396.8 million in Research Development, Test, and Evaluation, Air Force for the Department of Defense.

The House bill would authorize $24,810.0 million.

The Senate amendment would authorize $23,970.9 million.

The conferees agree to authorize $24,236.0 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Transformational satellite communications

The budget request included $867.0 million in PE 63845F for transformational satellite communications (TSAT).

The House bill would authorize a decrease of $80.0 million in PE 63845F for TSAT.

The Senate amendment would authorize a decrease of $70.0 million in PE 63845F for TSAT.

The conferees agree to authorize $767.0 million in PE 63845F for TSAT, a decrease of $100.0 million due to unexecutable growth in the program budget.

While fully supportive of the restructured TSAT program, the conferees note that the budget request for fiscal year 2007 represents a 100 percent increase over fiscal year 2006 appropriated amount of $429.0 million. The Government Accountability Office questions whether the contractors associated with the space segment of the TSAT program will be able to increase development activities to the requested fiscal year 2007 budget level, hence the recommended reduction.

The conferees direct the Secretary of the Air Force to submit a report to the congressional defense committees by February 15, 2007, explaining what actions the Air Force has taken to address the remaining concerns raised by the TSAT Program Review Group and the Government Accountability Office, including: 1) the need to significantly refine requirements so that program content can be matched to budget constraints, and how the Department plans to control requirements to prevent problems associated with “requirements creep”; 2) the need to adequately staff the TSAT program office with experienced space acquisition professionals; 3) the status of refining key performance parameters so they provide specificity and validation metrics; and 4) the implications for other programs, such as Space Radar and Future Combat System, of a less capable initial block of TSAT satellites.

Space Radar

The budget request included $266.4 million in PE 63858F for Space Radar (SR) program.

The House bill would authorize a decrease of $30.0 million in PE 63858F.

The Senate amendment would authorize a decrease of $66.4 million in PE 63858F.

The conferees agree to authorize $200.0 million in PE 63858F, a decrease of $66.4 million, and recommend that the remaining funds be directed toward technology development, system engineering, and concept definition that assumes a single SR system that will meet joint requirements and employ a joint concept of operations with the intelligence community. The conferees are aware that the SR program is being restructured, and may benefit from an incremental, block approach similar to that chosen for the Transformational Satellite (TSAT) program. The conferees would welcome such an approach, however, until further definition of the program is provided, the conferees do not believe it is prudent to move beyond technology development, systems engineering, and concept definition activities. Further definition would include an agreed upon joint requirements document.

Conferees direct the Secretary of Defense and the Director of National Intelligence (DNI) to submit a joint report to the congressional defense and intelligence committees by March 1, 2007, containing the following elements: (1) a description of the respective roles and responsibilities of the intelligence community and the Department of Defense with respect to the development of the SR, including an updated Memorandum of Agreement between the Secretary and the DNI; (2) the process by which the intelligence community and the Department coordinate joint development efforts and requirements definition; (3) the plans for achieving a cost-share agreement between the intelligence community and the Department for the development and acquisition of a SR capability; and (4) a commitment from the Secretary and the DNI that SR will be a single system responsive to the requirements of each organization.

The conferees also direct the Secretary, in consultation with the DNI, to submit a report to the congressional defense committees by January 1, 2007, addressing the following: (1) the scope of the space radar architecture, including the system’s interactions with other intelligence, surveillance, and reconnaissance platforms providing similar capability, as well as interactions with TSAT or alternative systems for processing and transmitting space radar data to other military applications; (2) the concept of operations, including how space radar data could be used to support defense and intelligence missions, and models for tasking, processing, exploitation, and dissemination to end users; (3) the acquisition approach that could be pursued by the

SR program, including the identification of key technologies and their expected maturity at the time of program initiation; and (4) the schedule for meeting a realistic launch date, potential risks to that schedule, and potential risks of not meeting that launch date.

Combatant commanders' integrated command and control system

The budget request included $50.9 million in PE 35906F for the combatant commanders' integrated command and control system (CCIC2S).

The House bill would authorize no funds in PE 35906F.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $16.3 million in PE 35906F for the CCIC2S program, a decrease of $34.6 million.

The conferees believe that the capability to warn against air, missile, and space attacks is critical to our national security and homeland defense, and support the necessary modernization and integration of the command and control systems at Cheyenne Mountain, Colorado for mission execution by North American Aerospace Defense Command, U.S. Northern Command, and U.S. Strategic Command.

In a July 2006 report on the CCIC2S program, the Government Accountability Office (GAO) found that poor past performance, inadequate management and oversight, and changing requirements resulted in significant cost overruns and an undefined delivery schedule. The report further noted that most mission critical capabilities will not be delivered in fiscal year 2006, as initially planned. While the missile warning mission is partially complete, no work has been completed on the space mission and estimated completion dates have not been determined. GAO recommended that eight actions be taken to improve management and oversight of the project.

The conferees believe that many of these recommendations are being addressed, but remain concerned about the Department's prioritization of and commitment to the CCIC2S program, as evidenced by its continued reductions in program funding. The conferees further believe that continued investments in a development program without a defined schedule and final cost risks further cost overruns and schedule delays. It is therefore prudent to reassess program requirements, cost, and schedule; and determine program affordability within the context of the Department's priorities, other acquisition programs, and long-range investment plans, prior to continuing with further development.

The conferees direct the Secretary of Defense to maintain essential operation and maintenance activities, and limit developmental activities to the completion of the missile warning system. In addition, the conferees direct the Secretary of Defense to submit a report by March 1, 2007, to the congressional

defense committees that addresses all eight of the GAO recommended actions including an affordability assessment, an economic analysis, and an independent life cycle cost estimate.

The conferees would like to be clear that the reduction to the amount requested for the CCIC2S program should not be construed as a lack of support for the program, but rather a reflection of continuing concerns related to the CCIC2S acquisition approach. The conferees expect that future budget requests reflect an executable program with a defined schedule and commitment of adequate resources.

Research, Development, Test, and Evaluation, Defense-wide overview

The budget request included $20,809.9 million in Research, Development, Test, and Evaluation, Defense-wide for the Department of Defense.

The House bill would authorize $20,760.0 million.

The Senate amendment would authorize $21,488.9 million.

The conferees agree to authorize $20,930.0 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

National Defense Education Program

The budget request included $19.5 million in PE 61120D8Z for the National Defense Education Program (NDEP).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $5.0 million in PE 61120D8Z.

The conferees agree to authorize $19.5 million in PE 61120D8Z, specifically for Science, Mathematics, and Research for Transformation scholarships and for other authorized NDEP activities; but authorize no funding for institutional scholarships, fellowships, and traineeships. The conferees recommend that the Department provide information on the need for this activity along with a request for legislative authority to conduct it.

Printed circuit board supply chain

The budget request included $23.4 million in PE 63712S for generic logistics research and development technology demonstrations.

The House bill would authorize an increase of $10.0 million in PE 63712S for the emerging critical interconnection technology program to address reliable printed circuit board manufacturing in the United States.

The Senate amendment would authorize an increase of $4.0 million in PE 63712S for the emerging critical interconnection

technology program.

The conferees agree to authorize an increase of $4.3 million in PE 63712S for the emerging critical interconnection technology program.

The conferees direct the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of the recommendations of the National Research Council (NRC) Committee on Manufacturing Trends in Printed Circuit Board Technology. This report should be submitted not later than 9 months after the date of the enactment of this Act. The report should, at a minimum, provide an analysis of each finding and a detailed description of the response by the Department of Defense to each recommendation of the NRC Committee, including a schedule with specific milestones and required funding for completing the implementation of the recommendation or the reasons for a decision not to implement the recommendation.

Joint modeling, simulation, and experimentation

The budget request included $115.7 million in PE 63828D8Z for joint experimentation, modeling, and simulation technologies.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million in PE 63828D8Z to further develop joint, interagency, and coalition modeling, simulation, and experimentation.

The conferees agree to authorize the budget request and an increase of $8.0 million in PE 63828D8Z in order to fund joint effects-based modeling and simulation that effectively incorporates political, economic, infrastructure, information, societal, and diplomatic factors, as well as coalition warfare, at the tactical level of operations.

As mentioned in the Senate report accompanying S. 2766 (S. Rept. 109-254) of the National Defense Authorization Act for Fiscal Year 2007, the 2006 Quadrennial Defense Review (QDR) Report noted that the Department of Defense must shift its emphasis from Department-centric approaches toward interagency solutions that incorporate all elements of national power. Cooperation across the Federal Government is essential and can be facilitated efficiently by enhanced modeling, simulation, and experimentation. Of the amount authorized, the conferees recommend that $4.0 million be utilized to carry out an East Coast Asymmetric Warfare Initiative (AWI). The East Coast AWI is designed to enhance our nation’s coordination and response capabilities to a Weapon of Mass Destruction (WMD) event through a complex, scenario-based exercise utilizing the experience and unique capabilities of the Navy’s Center for Asymmetric Warfare and involving the Commonwealth of Virginia and the State of Maine. This multi-agency exercise involving the Department of Defense, the Department of Homeland Security, other Federal

agencies, State and local government entities, as well as the private sector will greatly enhance U.S. response capability to a WMD event and provide a template for future exercises designed to further strengthen our nation's ability to respond to a WMD event.

Ballistic Missile Defense

Ground-based Midcourse Ballistic Missile Defense

The budget request included $2.9 billion in PE 63882C for the Ballistic Missile Defense midcourse defense segment to cover continued development, ground and flight testing, fielding, and support for the Ground-based Midcourse Defense (GMD) system.

The House bill would authorize a decrease of $35.8 million in PE 63882C, which includes the elimination of all funding, $55.8 million, for the third GMD site in Europe.

The Senate amendment would authorize an increase of $245.0 million in PE 63882C.

The conferees agree to authorize $3.1 billion in PE 63882C, an increase of $225.0 million for the BMD midcourse defense segment. The increase is directed as follows: $60.0 million for efforts to accelerate the ability of the GMD system to conduct concurrent test and operations; $140.0 million for enhanced testing and to increase the pace of GMD flight testing; and $25.0 million for advanced procurement of an additional six flight test missiles. The Missile Defense Agency (MDA) is expected to budget for the completion of these tasks over fiscal years 2008 to 2011.

The conferees also agree to provide $32.8 million for the third GMD site in Europe, a decrease of $23.0 million, and note that a ground-based interceptor site in Europe could provide future protection for the United States and Europe against longer-range ballistic missiles launched from the Middle East. The conferees also direct the Secretary of Defense to report to the congressional defense committees within 30 days of the completion of planned intercept tests FTG-04 and FTG-05. The report should include an assessment of whether the test objectives for these intercept tests have been met. In the event that these test objectives are not met, the Secretary should provide in this report a determination as to whether the remaining block 2008 funds should be reallocated for additional testing of the block 2004/2006 configuration.

Aegis Ballistic Missile Defense

The budget request included $1.0 billion in PE 63892C for the sea-based Aegis Ballistic Missile Defense system.

The House bill would authorize an increase of $40.0 million in PE 63892C.

The Senate amendment would authorize an increase of $100.0 million in PE 63892C.

The conferees agree to authorize $1.1 billion in PE 63892C, an increase of $100.0 million. The increase is directed as follows: $10.0 million for continued S-band advanced radar algorithm work; $20.0 million for Aegis BMD signal processor, 2-color seeker development, and acceleration of the open architecture program; and $70.0 million to support the procurement of 24 additional SM-3 block 1B missiles over fiscal years 2008 to 2011. MDA is expected to budget for the completion of these tasks over fiscal years 2008 to 2011.

The conferees are aware that the MDA and the Department of the Navy are exploring the feasibility of modifying 100 SM-2 Block IV missiles to obtain a near-term sea-based terminal ballistic missile defense capability starting in fiscal year 2007 with conversion of all missiles completed by the end of fiscal year 2009. According to briefings by the MDA and Department of the Navy, such a capability could afford protection for ships and other critical assets against short-range ballistic missiles in the Scud A/B class. This proposed development would cost approximately $130.0 million over fiscal years 2007 to 2009, with the Navy share estimated at approximately $20.0 million in fiscal year 2007. The conferees, while supportive of efforts to provide near-term missile defense capability, require further information before authorizing this development effort to proceed. Therefore, the conferees encourage the Department of Defense to submit to Congress a reprogramming request in fiscal year 2007 to pursue a sea-based terminal missile defense capability, should such a step be consistent with Department requirements and resource constraints. If submitted, the reprogramming request should be accompanied by documentation that: (1) explains the need for such a capability; (2) indicates Department of the Navy endorsement of this program; and (3) includes a Navy-MDA cost-share agreement through completion of the effort.

Arrow Ballistic Missile Defense System

The budget request included $1.0 billion in PE 63881C for Ballistic Missile Defense Terminal Defense Segment, of which $13.0 million was for Arrow missile production and $56.2 million was for the Arrow System Improvement Program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $8.0 million for the Arrow System Improvement Program and an increase of $52.0 million for Arrow co-production in PE 63881C.

The conferees agree to authorize a total of $63.0 million in PE 63881C for Arrow co-production, an increase of $50.0 million.

Kinetic Energy Interceptor

The budget request included $405.5 million in PE 63886C for Ballistic Missile Defense System Interceptors for continued development of the Kinetic Energy Interceptor.

The House bill would authorize a decrease of $100.0 million in PE 63886C.

The Senate amendment would authorize a decrease of $200.0 million in PE 63886C.

The conferees agree to authorize $245.5 in PE 63886C, a decrease of $160.0 million. The conferees further recommend that no additional funds be reprogrammed into this program element over the course of fiscal year 2007.

Space Tracking and Surveillance System

The budget request included $390.6 million in PE 63893C for the Space Tracking and Surveillance System.

The House bill and Senate admendment would authorize the budget request.

The conferees agree to authorize $223.6 million in PE 63893C, a decrease of $67.0 million.

Products

The budget request included $506.8 million in PE 63889C for Ballistic Missile Defense (BMD) Products.

The House bill and would authorize the budget request.

The Senate amendment would authorize a decrease of $40.0 million in PE 63889C.

The conferees agree to authorize $478.8 million in PE 63889C, a decrease of $28.0 million.

Systems Core

The budget request included $473.1 million in PE 63890C for Ballistic Missile Defense Systems Core.

The House bill would authorize a decrease of $10.0 million in PE 63890C.

The Senate amendment would authorize a decrease of $40.0 million in PE 63890C.

The conferees agree to authorize $348.1 million in PE 63890C, a decrease of $25.0 million.

Special Programs

The budget request included $374.5 million in PE 63891C for Special Programs - MDA.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $20.0 million in PE 63891C.

The conferees agree to authorize $348.1 million in PE 63891C, a decrease of $26.4 million.

Multiple Kill Vehicle

The budget request included $165.0 million in PE 63894C for Multiple Kill Vehicle.

The House bill would authorize a decrease of $65.0 million in PE 63894C.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $125.0 million in PE 63894C, a decrease of $40.0 million, and note the importance of this program as a future spiral improvement for the ground-based interceptor.

Operationally responsive space capabilities

The budget request included $20.4 million in PE 65799D8Z for the Office of Force Transformation (OFT) in the Office of the Secretary of Defense, but included no funding for operationally responsive space capabilities.

The House bill would authorize the budget request in PE 65799D8Z, and would authorize an increase of $20.0 million in PE 64857F for operationally responsive space capabilities.

The Senate amendment would authorize an increase of $25.0 million in PE 65799D8Z for development of operationally responsive space capabilities.

The conferees agree to authorize $48.9 million in PE 65799D8Z, an increase of $23.5 million for operationally responsive space capabilities. Of this amount, $20.0 million is for payloads, satellite busses, integration, command and control, and joint warfighter experimentation; and $3.5 million is to support adapting existing airborne reconnaissance sensor capabilities for use in responsive space missions.

The conferees expect future operationally responsive space budget requests would be in support of the Operationally Responsive Space Program Office, to the extent applicable, pursuant to guidance in the Operationally Responsive Space provision (sec 913) of this Act.

Operational Test and Evaluation, Defense overview

The budget request included $181.5 million in Operational Test and Evaluation, Defense for the Department of Defense.

The House bill would authorize $181.5 million.

The Senate amendment would authorize $181.5 million.

The conferees agree to authorize $181.5 million.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Item of Special Interest

Proposed realignment of Air Force test and evaluation facilities

The conferees are concerned about a proposed realignment of Air Force test and evaluation facilities and personnel that could have significant impacts beginning in fiscal year 2007 and continuing into the out years. The conferees believe that additional information and analysis of the impacts of the proposed action is required before any implementation of the plan proceeds. The conferees direct the Secretary of the Air Force, jointly with the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)), and the Director of the Test Resource Management Center (TRMC) to submit separate reports to the congressional defense committees analyzing the proposed actions.

The impact report prepared by the Air Force and USD (AT&L) should include an analysis of the following for proposed personnel relocations and for the facilities proposed closure or realignment: (1) missions served; (2) Department of Defense acquisition programs affected, including an analysis of impacts on risk, cost, and schedule; (3) costs to the Air Force and to the Department, including costs to close or realign test and evaluation capabilities and reconstitute or acquire required capabilities, including personnel, contract termination, military construction, housing costs, installation operations and maintenance, and other costs; (4) a detailed analysis and disclosure of the estimated net cost or savings to the Department derived from the actions and payback period of such actions; (5) developmental and operational test programs impacted; (6) the extent to which the recommendations of the 2005 Defense Base Closure and Realignment Commission support or contradict the findings of this analysis; (7) impacts on the test and evaluation workforce and on the ability to recruit and retain skilled personnel at affected facilities; and (8) alternatives considered. The impact report should also include a joint statement by the Secretary of the Air Force and the USD (AT&L) on changes, if any, to the proposed course of action as a result of the conclusions of the analysis, subsequent actions required as a result of the analysis, and an explanation of the criteria used to determine the level of acceptable risk to the Department in proceeding with the proposed action.

The TRMC report should include an assessment of how the proposed closures or realignments of Air Force research, development, test, and evaluation activities may impact the strategic plan for Department of Defense test and evaluation resources, as required by section 196 of title 10, United States Code. The assessment should focus on whether the Air Force test and evaluation facilities, resources, and budgets will meet the

test and evaluation requirements and satisfy performance measures included in the strategic plan.

The conferees direct the Secretary of the Air Force to undertake no action to realign or close any test and evaluation activities, other than those specifically included in the final decisions of the 2005 Defense Base Realignment and Closure round, until 60 days after the two required reports are received by the congressional defense committees.

Legislative Provisions Adopted

Subtitle A–Authorization of Appropriations

Authorization of appropriations (sec. 201)

The House bill contained a provision (sec. 201) that would authorize the recommended fiscal year 2007 funding levels for the Research, Development, Test, and Evaluation accounts for the Army, Navy, Marine Corps, Air Force, Defense-wide activities, and the Director of Operational Test and Evaluation.

The Senate amendment contained a similar provision (sec. 201).

The conference agreement includes this provision.

Amount for defense science and technology (sec. 202)

The House bill contained a provision (sec. 202) that would authorize $11.7 billion for Department of Defense science and technology programs in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 202) that would authorize $11.5 billion.

The conferees agree to authorize $11.7 billion for Department of Defense science and technology programs in fiscal year 2007.

Subtitle B–Program Requirements, Restrictions, and Limitations

Acquisition of, and independent cost analyses for, the Joint Strike Fighter propulsion system (sec. 211)

The Senate amendment contained a provision (sec. 254) that would direct the Secretary of Defense to provide for the development of the propulsion system for the Joint Strike Fighter (JSF) through either: (1) the continuing development and sustainment of two interchangeable propulsion systems by two separate contractors throughout the life cycle of the aircraft, or (2) a one-time firm-fixed-price contract for a selected

propulsion system for the life cycle of the aircraft following the initial service release of the aircraft propulsion system in fiscal year 2008.

The House bill contained no similar provision.

The House recedes with an amendment that would:

(1) require the Secretary to provide for the continuing development and sustainment of two interchangeable propulsion systems by two separate contractors throughout the life cycle of the aircraft;

(2) prohibit the Secretary from carrying out any modification to the development and sustainment of two interchangeable engines until:

(a) the Secretary notifies the congressional defense committees of any modification to the acquisition program for the JSF propulsion systems,

(b) three independent, comprehensive, and detailed cost analyses have been submitted, and

(c) funds are appropriated for that purpose pursuant to an authorization of appropriations; (3) require independent cost analyses be completed by the Secretary, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense, the Comptroller General, and a federally-funded research and development center, which would be selected by the Secretary, and be submitted to the congressional defense committees not later than March 15, 2007; and

(4) include a one-time firm-fixed-price contract as part of the independent cost analyses.

Expansion and extension of authority to award prizes for advanced technology achievements (sec. 212)

The Senate amendment contained a provision (sec. 252) that would extend the authority to award prizes for advanced technology achievements to September 30, 2011. The provision would also elevate the authority to the Director, Defense Research and Engineering (DDRE) and expand the authority to include the military departments.

The House bill contained a similar provision (sec. 212) that would extend the authority to September 30, 2010, but would not elevate or expand the authority.

The House recedes with an amendment that would extend the authority to September 30, 2010, and would suspend the authority for failure to provide the report as required in subsection (e) of section 2374a of title 10, United States Code.

The conferees recognize the efforts of the Defense Advanced Research Projects Agency (DARPA) to utilize the prize authority to spur innovation and to engage nontraditional organizations in defense research. The amendment would continue to allow use of the prize authority by DARPA and other components under DDRE.

The conferees have been informed that DARPA has independently decided to withdraw its support of the X PRIZE Foundation's 2006 space technology competitions, but plans to continue work on the advancement of unmanned ground vehicle technology through the Urban Challenge competition. The conferees note that both activities may hold promise for the development of technologies to support defense missions, and therefore encourage the DDRE to evaluate potential benefits of such activities and the use, if appropriate, of the authority provided by this section. The conferees believe that such evaluations could be conducted in a manner that ensures seamless planning and execution for existing programs.

Defense Acquisition Challenge Program extension, enhancement, and modification to address critical cost growth threshold breaches in major defense acquisition programs (sec. 213)

The House bill contained a provision (sec. 213) that would permanently extend the Defense Acquisition Challenge Program (DACP), and protect the identity of those submitting challenge proposals during the proposal evaluation process. The House bill also contained a provision (sec. 805) that would: (1) modify section 2359b of title 10, United States Code, to establish requirements for a DACP proposal solicitation in the event of a critical cost growth threshold breach for a major defense acquisition program, and (2) modify section 2433 of title 10, United States Code, to require that, in the event of a critical cost growth threshold breach, the Secretary of Defense perform certain additional assessments, certifications, and reporting.

The Senate amendment contained a provision (sec. 802) that would extend the DACP through 2012 and would provide the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) with the authority to establish procedures to ensure that the program is focused on small and medium-sized businesses, and nontraditional defense contractors.

The Senate recedes with an amendment that would consolidate the three provisions into a single provision. The amendment would: (1) modify section 2433 to require the Secretary to perform certain assessments; (2) require USD (AT&L), in coordination with service acquisition executives, to evaluate current challenge proposal transition initiatives and identify additional incentives or authorities; (3) establish procedures to give priority to proposals from nontraditional defense contractors; (4) extend the DACP until September 30, 2012; and (5) clarify amendments to section 2359b regarding requirements for challenge proposal solicitations for acquisition programs that experience critical cost growth threshold breaches, funding guidelines for such challenge proposals, the procedures for disposition of proposals that receive favorable preliminary

reviews but unfavorable full evaluations, and measures to ensure confidentiality of challenge proposal submissions.

Future Combat Systems milestone review (sec. 214)

The House bill contained a provision (sec. 214) that would require the Secretary of Defense to conduct a Future Combat Systems (FCS) milestone review, following the preliminary design review, by September 30, 2008, and to submit a report on the results of the FCS milestone review not later than February 13, 2009.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change the submission date of the required report to 120 days after completion of the preliminary design review of FCS. Although the amendment withholds the obligation of FCS procurement funds beginning in fiscal year 2009 until the Secretary submits the required report, the amendment allows the Department of the Army to obligate funds for the non-line-of-sight cannon and for the costs attributable to insertion of new technology into the current force, if the insertion is approved by the Under Secretary of Defense for Acquisition, Technology, and Logistics. The conferees strongly endorse a program strategy that will enable early spin out of FCS technologies into the current force, a top priority of the Chief of Staff of the Army.

Dedicated amounts for implementing or evaluating Navy shipbuilding technology proposals under Defense Acquisition Challenge Program (sec. 215)

The House bill contained a provision (sec. 216) that would require the Secretary of Defense to provide an additional $4.0 million for the Defense Acquisition Challenge Program to evaluate or implement challenge proposals specifically for the DD(X) next-generation destroyer and the CVN-21 next-generation aircraft carrier programs.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize up to $4.0 million to evaluate or implement challenge proposals that relate to technology directly contributing to combat systems and open architecture design for Navy ship platforms.

Independent estimate of costs of the Future Combat Systems (sec. 216)

The Senate amendment contained a provision (sec. 211) that would withhold $500.0 million from the amount of funds authorized to be appropriated for the development of the Future Combat Systems (FCS) until the Secretary of Defense submits a report of

an independent cost estimate for FCS conducted by a federally-funded research and development center.

The House bill contained no similar provision.

The House recedes with an amendment that would remove the withhold of $500.0 million and change the submission date of the required report to April 1, 2007.

The conferees are disappointed with the response by the Department of Defense to reports required in section 211 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) and section 213 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163). The conferees expect the Department to share the details of the independent cost estimate prepared by the Department's Cost Analysis Improvement Group (CAIG) with the organization selected to conduct the independent cost estimate.

The conferees understand that the Army disagrees with the analysis by CAIG of the Army's FCS cost estimate. It would be useful for the organization selected to perform the independent cost estimate to review and comment on the discrepancies between the cost estimates of the Army and the CAIG.

Funding of defense science and technology programs (sec. 217)

The Senate amendment contained a provision (sec. 212) that would extend the funding objective for science and technology programs, established in section 212 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 107-107), to fiscal year 2012, and would require submission of two reports if the Department of Defense fails to meet the outlined funding objective in any single fiscal year budget request.

The House bill contained no similar provision.

The House recedes with an amendment that would make technical changes and would consolidate submission of the required information along with budget requests.

Hypersonics development (sec. 218)

The Senate amendment contained a provision (sec. 213) that would direct the Secretary of Defense to establish a joint technology office (JTO) to coordinate and integrate hypersonics research, development, and demonstration programs and budgets.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify certain responsibilities of the JTO and ensure consideration of test and evaluation resources and facilities in hypersonics programs and plans.

The conferees expect the Department of Defense to fully utilize existing management and coordination functions in fulfilling the requirements of this section and to consider virtual structures and organizations, as appropriate, to minimize

any administrative burdens associated with a new JTO while maximizing program outcomes.

Report on program for replacement of nuclear warheads on certain Trident sea-launched ballistic missiles with conventional warheads (sec. 219)

The Senate amendment contained a provision (sec. 214) that would prohibit $95.0 million of the funds authorized to be appropriated for the Conventional Trident Modification (CTM) program from being obligated or expended until the Secretary of Defense, in consultation with the Secretary of State, submits a report to the congressional defense committees.

The House bill contained no similar provision, but would authorize $30.0 million in Research, Development, Test, and Evaluation.

The House recedes with an amendment that would strike the limitation on funding while maintaining the reporting requirement. The conference outcome with respect to funding for the CTM program is reflected in the tables of this report under Research, Development, Test, and Evaluation, Navy; Weapons Procurement, Navy; and Other Procurement, Navy.

The conferees continue to believe it is important for the Department of Defense to explore a wide range of capabilities for responding rapidly to emerging threats to the United States and its strategic interests. The conferees encourage the Department to expedite consideration of mid-term options for prompt global strike, and to propose to the congressional defense committees as soon as possible those activities that may be required during fiscal year 2007 to make progress toward developing those concepts the Congress and the Department deem appropriate, including reprogramming actions.

Subtitle C–Missile Defense Programs

Fielding of ballistic missile defense capabilities (sec. 221)

The House bill contained a provision (sec. 221) that would allow funds authorized to be appropriated for fiscal years 2007 and 2008 for research, development, test, and evaluation for the Missile Defense Agency to be used for the development and fielding of ballistic missile defense capabilities.

The Senate amendment contained a similar provision.

The Senate recedes.

Limitation on use of funds for space-based interceptor (sec. 222)

The House bill contained a provision (sec. 222) that would prevent the Department of Defense from obligating funds for the

testing or deployment of a space-based interceptor program until 90 days after submitting a report to Congress describing the program and its national security implications.

The Senate amendment contained no similar provision.

The Senate recedes.

Policy of the United States on priorities in the development, testing, and fielding of missile defense capabilities (sec. 223)

The Senate amendment contained a provision (sec. 232) that would make it the policy of the United States to accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the Ground-based Midcourse Defense (GMD) system, the Aegis Ballistic Missile Defense (BMD) system, additional Patriot PAC-3 units, the Terminal High Altitude Area Defense (THAAD) system, and sensors based on land, sea, and in space that support these interceptor systems.

The House bill contained no similar provision.

The House recedes with an amendment that would update the findings to take into account the North Korean ballistic missile test launches of July 2006.

On July 4, 2006, the United States detected the launch of six ballistic missiles from North Korea, followed by an additional launch on July 5, 2006. These missiles varied in range from the short-range Scud to the medium-range No-Dong and included the firing of a Taepo-Dong 2 missile, which intelligence agencies believe could eventually reach United States territory. The conferees believe these North Korean launches, as well as activities related to the development and testing of Iranian ballistic missiles, reinforce congressional direction provided to the Department of Defense over the past 2 years to focus its efforts on those initial missile defense systems that are now providing, or starting to provide, a measure of protection for the United States and its deployed forces.

The Department’s excessive focus on and investment in the development of long-term technologies has made it difficult for the Missile Defense Agency to successfully develop, test, and field --in sufficient numbers -- the initial missile defense capabilities necessary to address the current threat. For example, the Department has reduced planned deliveries of the highly successful sea-based Standard-Missile 3 from 120 to 96 over the future years defense program and is programming to procure only 48 THAAD missiles. Also, the Department is not funding enough PAC-3 missiles to meet the needs of combatant commanders in areas where forward deployed U.S. forces are currently within range of short- and medium-range ballistic missiles. The budget request for the GMD system also leads conferees to believe that inadequate resources have been applied

toward ensuring the GMD system is fully tested and is able to stand alert even while testing is underway.

The conferees believe that the emphasis of our missile defense efforts should be on the current generation of missile defense capabilities – even if this comes at the expense of longer-term development efforts. Based on congressional testimonies by combatant commanders, who inform Congress that they require more missile defense inventory to keep pace with the threat, and mindful of recent developments in North Korea and Iran, the conferees believe that priority should be given to developing, testing, fielding, and improving effective near-term missile defense capabilities, including GMD, Aegis BMD, Patriot PAC-3, and THAAD. The conferees expect the Department to reflect this policy in their fiscal year 2008 budget submission.

One-year extension of Comptroller General assessments of ballistic missile defense programs (sec. 224)

The Senate amendment contained a provision (sec. 233) that would extend until fiscal year 2008 the requirement for the Comptroller General to provide an assessment of the extent to which the Missile Defense Agency achieved the goals established for that fiscal year for each ballistic missile defense program of the Department of Defense.

The House bill contained no similar provision.

The House recedes.

Submittal of plans for test and evaluation of the operational capability of the Ballistic Missile Defense System (sec. 225)

The Senate amendment contained a provision (sec. 234) that would require each plan approved by the Director of Operational Test and Evaluation to test and evaluate the operational capability of the ballistic missile defense system, as required by section 234(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 10 U.S.C. 2431 note), to be submitted to the congressional defense committees within 30 days of such approval.

The House bill contained no similar provision.

The House recedes.

Annual reports on transition of ballistic missile defense programs to the military departments (sec. 226)

The Senate amendment contained a provision (sec. 235) that would require the Under Secretary of Defense for Acquisition, Technology, and Logistics to submit a report to the congressional defense committees, not later than March 1, 2007, and annually thereafter through 2013, on the plans of the Department of

Defense for the transition of missile defense programs from the Missile Defense Agency to the military departments.

The House bill contained no similar provision.

The House recedes with an amendment that would include the requirement to report on any agreement on the operational test criteria that must be achieved before the transition of a missile defense program to the military departments.

Subtitle D–Other Matters

Policies and practices on test and evaluation to address emerging acquisition approaches (sec. 231)

The House bill contained a provision (sec. 231) that would require a review of test and evaluation policies and practices, and modify reporting requirements of the Director of Operational Test and Evaluation (DOTE) under section 2399(b)(2) of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 253) that would require the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) and the DOTE to review and revise policies and practices on test and evaluation in light of emerging approaches to acquisition. The provision would also amend section 2399(b) of title 10, United States Code, to address deficient testing information on rapid acquisition programs purchased prior to a decision to proceed to low rate initial production

The House recedes with an amendment that would include elements of both provisions, and add a new section to clarify the responsibilities of the DOTE with respect to force protection equipment. The amendment would: (1) update reporting requirements of the DOTE to allow for submission of relevant information on operational capabilities of tested items; (2) require submission of testing information to Congress on major defense acquisition programs that do not move beyond low rate initial production, but that proceed to operational use or make use of procurement funds; (3) require a review, and revision if necessary, of policies and practices on test and evaluation; and (4) update the responsibilities of the DOTE under section 139 of title 10, United States Code, to include advice and consultation to the Secretary of Defense, USD (AT&L), and Secretaries of the military departments on operational test and evaluation and survivability testing of force protection equipment.

The conferees do not intend this section to modify existing authorities of the DOTE with respect to major defense acquisition programs, as defined in section 139(a)(2)(B) of title 10, United States Code, or operational test and evaluation in general. The conferees direct the Secretaries of the military departments to

ensure that the DOTE is made aware of force protection equipment programs.

Extension of requirement for Global Research Watch Program (sec. 232)

The Senate amendment contained a provision (sec. 251) that would extend the requirement for the Global Research Watch program.

The House bill contained no similar provision.

The House recedes.

Sense of Congress on technology sharing of Joint Strike Fighter technology (sec. 233)

The Senate amendment contained a provision (sec. 256) that would express the sense of the Senate that the Secretary of Defense should allow Joint Strike Fighter technology to be shared between the governments of the United States and the United Kingdom.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Report on vehicle-based active protection systems for certain battlefield threats (sec. 234)

The Senate amendment contained a provision (sec. 358) that would require the Secretary of Defense to contract with an appropriate entity independent of the United States Government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protective systems.

The House bill contained no similar provision.

The House recedes.

The conferees expect the Secretary of Defense to provide to the entity selected to perform the independent assessment the documentation and findings of all related studies of active protection systems conducted by the Department of Defense within the last 3 years or deemed relevant by the Secretary.

Legislative Provisions Not Adopted

Amount for development and validation of warfighter rapid awareness processing technology

The Senate amendment contained a provision (sec. 203) that would authorize $4.0 million for Marine Corps development and validation of a rapid awareness processing technology.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Navy PE 62131M.

Alternate engine for Joint Strike Fighter

The House bill contained a provision (sec. 211) that would authorize $408.0 million for the continued development of an alternate engine for the Joint Strike Fighter.

The Senate amendment contained no similar provision.

The House recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Navy, line 133; and in Research, Development, Test, and Evaluation, Air Force, line 92.

Arrow ballistic missile defense

The Senate amendment contained a provision (sec. 215) that would make available $65.0 million for coproduction of the Arrow ballistic missile defense system, and $63.7 million for the Arrow System Improvement Program.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Defense-wide, PE 63881C, Ballistic Missile Defense Terminal Defense Segment.

Independent cost analyses for Joint Strike Fighter engine program

The House bill contained a provision (sec. 215) that would direct the Comptroller General and the Secretary of Defense, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense, to independently perform comprehensive and detailed cost analyses of the Joint Strike Fighter (JSF) engine program.

The Senate amendment contained a similar provision (sec. 255) that would direct the Comptroller General, the Secretary of Defense, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense, and a federally-funded research and development center, which would be selected by the Secretary of Defense, to independently perform comprehensive and detailed cost analyses of the JSF engine program.

The conference agreement does not include either provision.

Elsewhere in this report, the conferees agree to include the requirement for three independent cost analyses on the acquisition of, and independent cost analyses for, the JSF propulsion systems.

High energy laser low aspect target tracking

The Senate amendment contained a provision (sec. 216) that would authorize $5.0 million to support instrumentation and test and evaluation activities of the high energy laser systems test facility.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Army PE 65605A.

Advanced Aluminum Aerostructures Initiative

The Senate amendment contained a provision (sec. 217) that would authorize $2.0 million for the Advanced Aluminum Aerostructures Initiative.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Air Force PE 63211F.

Legged mobility robotic research

The Senate amendment contained a provision (sec. 218) that would authorize $1.0 million for legged mobility robotic research.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Army PE 62601A.

Wideband digital airborne electronic sensing array

The Senate amendment contained a provision (sec. 219) that would authorize $3.0 million for Air Force research on the wideband digital airborne electronic sensing array.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Air Force PE 62204F.

Science and technology

The Senate amendment contained a provision (sec. 220) that would authorize $45.0 million for competitively awarded basic research programs.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Army PE 61103A, Navy PE 61103N, Air Force PE 61103F, Defense-wide PE 61101E, and Defense-wide PE 61120D8Z.

High Altitude Airship program

The House bill contained a provision (sec. 223) that would make $5.0 million available for the High Altitude Airship program from amounts provided in section 201 for Research, Development, Test, and Evaluation, Air force.

The Senate amendment contained no similar provision.

The House recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation.

Testing and operations for missile defense

The Senate amendment contained a provision (sec. 236) that would make available an additional $45.0 million for the Ballistic Missile Defense Midcourse Defense Segment (PE 63882C) to accelerate the ability to conduct concurrent test and missile defense operations and to increase the pace of realistic flight testing of the ground-based midcourse defense system.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Research, Development, Test, and Evaluation, Defense-wide, PE 63882C.

Report on biometrics programs of the Department of Defense

The Senate amendment contained a provision (sec. 257) that would require the Secretary of Defense to submit a report on the management and adequacy of biometrics programs.

The House bill contained no similar provision.

The Senate recedes.

The conferees note the importance of an integrated biometrics program to meet Department of Defense needs in the areas of network security and access, facility security, intelligence and detainee operations, force protection, and homeland and border security.

The conferees direct the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a report in both classified and unclassified form on the biometrics programs of the Department. The report should be submitted no later than January 31, 2007, and should address the following:

(1) an assessment of the adequacy of the current executive agent management structure for meeting the needs of the biometrics programs throughout the Department and recommendations, if any, for improvements to the management structure;

(2) current and anticipated future requirements for the biometrics programs to meet needs throughout the Department;

(3) a description and assessment of adequacy of programs currently fielded to meet operational requirements, including those in Iraq and Afghanistan;

(4) an assessment of programmatic or capability gaps in meeting future requirements; and

(5) actions being taken within the Department to coordinate and integrate biometrics programs among the departments and agencies of the executive branch, including development, requirements generation, resource allocation, and operational use.

For the purposes of the required report, the conferees consider the term "biometrics" to mean an identity management program or system that utilizes distinct personal attributes, including DNA, facial features, irises, retinas, signatures, or voices, to identify individuals.

TITLE III–OPERATION AND MAINTENANCE

Operation and Maintenance overview

The budget request included $130,089.0 million in Operation and Maintenance, $23,445.6 million in Other Programs, and $2,436.4 million in Working Capital Fund Accounts for the Department of Defense.

The House bill would authorize $129,770.1 million in Operation and Maintenance, $23,647.0 million in Other Programs, and $2,503.2 million in Working Capital Fund Accounts.

The Senate amendment would authorize $129,531.8 million in Operation and Maintenance, $23,351.8 million in Other Programs, and $2,436.4 million in Working Capital Fund Accounts.

The conferees agree to authorize $129,018.1 million in Operation and Maintenance, $23,847.1 million in Other Programs, and $2,436.4 million in Working Capital Fund Accounts.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Items of Special Interest

C-17 maintenance, sustainment, and modernization

The conferees are concerned that the current Air Force plan to perform the long term, non-core maintenance, sustainment, and modernization of the C-17 largely through contractor logistics support may not be providing the warfighter with the most cost-effective solution. The recent Department of Defense Inspector General report entitled "Procurement Procedures Used for C-17 Globemaster III Sustainment Partnership Total System Support" concluded that the Air Force did not use appropriate methodology for making the acquisition decision to procure contractor total system support for the C-17 aircraft, and that the Air Force failed to justify this decision with a business case analysis. The conferees believe that a business case analysis that examines the costs and benefits of multiple maintenance, sustainment, and modernization options (e.g. public/private partnerships) for the C-17 aircraft could lead to a new maintenance, sustainment, and modernization strategy for the C-17, which would provide substantial savings in total life cycle cost.

The conferees direct the Comptroller General to perform a review of the Air Force's current plans for a C-17 sustainment business case analysis to include: (1) the scope of the business case analysis, and (2) the appropriateness of the options under consideration. The Comptroller General shall submit a report to the congressional defense committees on the results of the review no later than June 1, 2007.

Disposal of land at Norwalk Defense Fuel Supply Point, Norwalk, California

The conferees note that the Secretary of the Air Force, in consultation with the General Services Administration, has entered into an agreement with the city of Norwalk, California to withhold any activity to convey by public sale the property at the Norwalk Defense Fuel Supply Point in Norwalk, California until no earlier than November 21, 2006, in order to allow the city to prepare an offer for the fair market transfer of the property to the city.

The conferees expect that the Secretary of the Air Force will provide to the city the relevant and material information held by the Air Force related to the known environmental conditions and planned environmental remediation of the site to assist in the preparation of the city’s proposal.

Public sale of damaged equipment

The conferees are concerned that the public may not be fully aware of the availability for purchase of damaged and unsalvageable equipment used in Operation Iraqi Freedom and Operation Enduring Freedom. The conferees encourage the military services and the Defense Logistics Agency (DLA) to establish a public awareness campaign that will allow the services and DLA to

more aggressively pursue the sale of such equipment that is appropriate for disposal to the public through the disposal process managed by the Defense Reutilization and Marketing Service.

Legislative Provisions Adopted

Subtitle A–Authorization of Appropriations

Authorization of appropriations (secs. 301-303)

The House bill contained provisions (secs. 301-303) that would authorize fiscal year 2007 funding levels for all operation and maintenance accounts, working capital funds, and other Department of Defense programs, including the Defense Inspector General, the Chemical Demilitarization Program, and the Defense Health Program.

The Senate amendment contained similar provisions (secs. 301-303).

The conference agreement includes these provisions.

Subtitle B-Environmental Provisions

Revision of requirement for unexploded ordnance program manager (sec. 311)

The House bill contained a provision (sec. 311) that would require the Secretary of Defense to designate the unexploded ordnance program manager position required under section 2701(k) of title 10, United States Code, and add research to the list of policy and budget issues that are within the responsibility of the program manger. The provision would also require that the position of program manager be filled by an employee in a position that is equivalent to pay grade O-6 or above, or a member of the armed forces who is serving in the grade of O-6 or above. The program manager would be required to report to the Deputy Under Secretary of Defense for Installations and Environment.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Funding of cooperative agreements under environmental restoration program (sec. 312)

The House bill contained a provision (sec. 314) that would amend section 2701(d)(2) of title 10, United States Code, to allow cooperative agreements entered into for environmental restoration at defense facilities to extend beyond the present 2-

year limitation when the agreements are funded out of either the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005.

The Senate amendment contained a similar provision (sec. 334).

The Senate recedes.

Response plan for remediation of unexploded ordnance, discarded military munitions, and munitions constituents (sec. 313)

The Senate amendment contained a provision (sec. 331) that would require the Secretary of Defense to set remediation goals for the cleanup of unexploded ordnance, discarded military munitions, and munitions constituents. Those goals would be to complete, by not later than September 30, 2007, preliminary assessments at all active installations and formerly used defense sites (other than operational ranges); to complete, by not later than September 30, 2010, site inspections at all active installations and formerly used defense sites (other than operational ranges); to achieve, by not later than September 30, 2009, a remedy in place or response complete at all military installations closed or realigned as part of a round of Defense Base Closure and Realignment prior to the 2005 round; and to achieve, by a date certain established by the Secretary of Defense, a remedy in place or response complete at all active installations and formerly used defense sites (other than operational ranges) and all military installations realigned or closed under the 2005 Defense Base Closure and Realignment round.

The provision would also require the Secretary to submit to the congressional defense committees a comprehensive plan for addressing the remediation of unexploded ordnance by March 1, 2007. The Secretary would be required to update this plan not later than March 15 of 2008, 2009, and 2010. The provision would allow the goals established for unexploded ordnance cleanup to be adjusted to respond to unforeseen circumstances as part of the annual update of the plan.

The provision would also require the Secretary to submit a report to the congressional defense committees, not later than March 1, 2007, on the status of efforts of the Department of Defense to achieve agreement with relevant regulatory agencies on appropriate reuse standards or principles related to the remediation of unexploded ordnance, discarded military munitions, and munitions constituents.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Research on effects of ocean disposal of munitions (sec. 314)

The House bill contained a provision (sec. 312) that would require the Secretary of Defense to identify, research, monitor,

and provide navigational and safety information on conventional and chemical military munitions disposal sites in the coastal waters of the United States.

The Senate amendment contained a similar provision (sec. 333). The provision would require the Secretary of Defense to review historical records to determine the number, size, and probable locations of disposal sites, and the types of military munitions disposed of at the sites. The Secretary would be required to release periodically to the public and submit annually to Congress the information obtained in this review, including a final report in the annual report to Congress on environmental restoration activities of the Department of Defense for fiscal year 2009. The Secretary would also be required to conduct research on the effects on the ocean environment and those who use it of military munitions disposed of in coastal waters. The provision would further require that if the historical review or the research conducted indicates that contamination is being released at a particular site, or that the site poses a significant public health or safety risk, the Secretary would be required to institute appropriate monitoring mechanisms and report to Congress on any additional measures that may be necessary.

The House recedes with a clarifying amendment.

Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington (sec. 315)

The House bill contained a provision (sec. 313) that would authorize the Secretary of Defense to transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site, 10-6J special account, to reimburse the Environmental Protection Agency for costs incurred in overseeing a remedial investigation and feasibility study performed by the Department of the Army.

The Senate amendment contained a similar provision (sec. 335).

The House recedes with a technical amendment.

Transfer of Government-furnished uranium stored at Sequoyah Fuels Corporation, Gore, Oklahoma (sec. 316)

The Senate amendment contained a provision (sec. 3301) that would require the Secretary of the Army to transport to an authorized disposal facility for appropriate disposal all of the Government-furnished uranium in the chemical and physical form in which it is stored at the Sequoyah Fuels Corporation site in Gore, Oklahoma, by not later than March 31, 2007.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Extension of authority to grant exemptions to certain requirements (sec. 317)

The Senate amendment contained a provision (sec. 332) that would authorize the Administrator of the Environmental Protection Agency to grant an exemption for up to 3 years to the Secretary of Defense and the Secretaries of the military departments to transport polychlorinated biphenyls generated by, or under the control of, the Department of Defense into the United States for purposes of their disposal, treatment, or storage.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Administrator of the Environmental Protection Agency to extend an exemption that has not yet expired for a period not to exceed 60 days for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the United States of polychlorinated biphenyls generated by, or under the control of, the Department for the purposes of their disposal, treatment, or storage, if those polychlorinated biphenyls are already in transit.

National Academy of Sciences study on human exposure to contaminated drinking water at Camp Lejeune, North Carolina (sec. 318)

The Senate amendment contained a provision (sec. 352) that would require the Secretary of the Navy to enter into an agreement with the National Academy of Sciences to conduct a comprehensive review and evaluation of the available scientific and medical evidence regarding associations between pre-natal, child, and adult exposure to drinking water contaminated with trichloroethylene and tetrachloroethylene at Camp Lejeune, North Carolina, as well as exposures to levels of trichloroethylene and tetrachloroethylene similar to those experienced at Camp Lejeune, and birth defects or diseases and any other adverse health effects. The provision would also require that, upon completion of the current epidemiological study by the Agency for Toxic Substances Disease Registry, the Commandant of the Marine Corps take appropriate actions, including use of national media, to notify former Camp Lejeune residents and employees who may have been exposed to contaminated drinking water at Camp Lejeune of the results of the study.

The House bill contained no similar provision.

The House recedes.

Subtitle C-Program Requirements, Restrictions, and Limitations

Limitation on financial management improvement and audit initiatives within the Department of Defense (sec. 321)

The Senate amendment contained a provision (sec. 313) that would prohibit the Secretary of Defense from obligating any funds for activities related to the Department of Defense financial management improvement effort until the Secretary submits to the congressional defense committees a written determination that each activity proposed to be funded is consistent with the financial management improvement plan of the Department and likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

The House bill contained no similar provision.

The House recedes.

Funds for exhibits for the national museums of the Armed Forces (sec. 322)

The Senate amendment contained a provision (sec. 312) that would make $3.0 million of the amounts appropriated to each of the armed force operation and maintenance accounts available to each Secretary of a military department for education and training purposes to acquire, install, and maintain exhibits at each facility designated by the Secretary concerned as the national museum for each armed force.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Prioritization of funds for equipment readiness and strategic capability (sec. 323)

The House bill contained a provision (sec. 346) that would require the Secretary of the Army to fully fund the reset of equipment used in the global war on terrorism, the fulfillment of equipment requirements for units transforming to modularity, and the reconstitution of prepositioned stocks. The provision would also require the Secretary to submit to the congressional defense committees an annual report containing information on these funding priorities. The provision would limit to $2.85 billion the funds to be appropriated annually for the Future Combat Systems (FCS) until these funding priorities have been met.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to ensure that financial resources are provided to enable the Secretary of each military department to meet its requirements for repair, recapitalization, and replacement of equipment used in the global war on terrorism. The amendment would also require the Secretary of Defense to

ensure financial resources are provided to the Secretary of the Army to meet the Army's requirements for transforming to a modular force and reconstituting the equipment and materiel in Army prepositioned stocks. The amendment would further require the Secretary of Defense to submit, as part of the normal budget justification materials, detailed information regarding the repair, recapitalization, or replacement of equipment used in the global war on terror, the Army's transformation to a modular force, and the reconstitution of equipment and materiel in Army prepositioned stocks. The amendment would require an annual report to the congressional defense committees from the Secretary of the Army on the Army's progress in meeting the above requirements, and a report from the Comptroller General to the congressional defense committees containing an assessment of the Army's progress in meeting the above requirements.

Limitation on deployment of Marine Corps Total Force System to Navy (sec. 324)

The conferees agree to include a provision that would prohibit the expenditure of any funds for the development or modernization of Navy and Marine Corps manpower, personnel, and pay information technology systems for the application of the Marine Corps Total Force Systems (MCTFS) or any derivative system to the Navy until several conditions have been met. The provision would require the Secretary of the Navy to prepare an analysis of alternatives, comparing MCTFS to the Defense Integrated Military Human Resources System; a business case analysis; and an analysis of compatibility of MCTFS with the enterprise architecture of the Department of Defense. The provision would require the Government Accountability Office to conduct a review of the Navy reports within 90 days of receipt of the reports and provide a written assessment to the congressional defense committees and to the Chairman of the Defense Business Systems Management Committee (DBSMC). The provision would require that, no sooner than 120 days after receiving the Navy's reports, the Chairman of the DBSMC determine in writing to the congressional defense committees whether it is in the best interests of the Department to apply MCTFS to the Navy.

Subtitle D-Workplace and Depot Issues

Permanent exclusion of certain contract expenditures from percentage limitation on the performance of depot-level maintenance (sec. 331)

The House bill contained a provision (sec. 321) that would extend for 5 years the authority to exclude amounts expended for the performance of depot-level maintenance workload by nonfederal

government personnel at a Center of Industrial and Technical Excellence from the percentage limitation in section 2466(a) of title 10, United States Code, if the personnel performing the work are provided pursuant to a public-private partnership.

The Senate amendment contained a similar provision (sec. 362) that would extend the exclusion indefinitely.

The House recedes with an amendment that would move the reporting requirement contained in section 2474(f) of title 10, United States Code, to section 2466(e) of title 10, United States Code. The amendment would also add an element to that report and remove the requirement for a Comptroller General review of that report.

Minimum capital investment for certain depots (sec. 332)

The House bill contained a provision (sec. 322) that would require the Secretary of the Air Force to invest a minimum of 6 percent of the total revenue of the Air Force depots in the capital investment budget to improve or sustain depot maintenance facilities, equipment, or processes.

The Senate amendment contained a similar provision (sec. 361). The provision would require a public depot that utilizes a working capital fund to invest, at a minimum, 6 percent of the actual total revenues from the previous year for capital investment within that depot.

The Senate recedes with an amendment that would require all military departments to invest, at a minimum, 6 percent of average total revenues over the previous 3 years in their public depots for infrastructure, equipment, and process improvements. The Departments of the Army and Navy would only be required to invest at a minimum 4 percent in fiscal year 2007 and 5 percent in fiscal year 2008, before rising to 6 percent per fiscal year thereafter. The amendment would provide for a waiver authority for the Secretary of Defense if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees.

For the purposes of this provision, investment shall include those funds spent on the construction, addition, recapitalization, improvement, restoration, or modernization of depot infrastructure, equipment, and process improvements in direct support of depot operations. Other facility investments (i.e. installation and military community support facilities, utility infrastructure, and investment in facilities supporting other missions and functions of the installation) made at the same location as the depot facilities, but not in direct support of depot maintenance operations, shall not count toward the minimum investment requirement.

The amendment would also require the military departments to report to the congressional defense committees on the level and

type of investment, and a long-term depot maintenance facilities strategy.

Extension of temporary authority for contractor performance of security guard functions (sec. 333)

The House bill contained a provision (sec. 323) that would extend the temporary authority to contract for increased performance of security guard functions. The authority would expire at the end of fiscal year 2008. This section would require a report on implementation of the recommendations of a Government Accountability Office report on contractor security guards.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change the expiration date of the authority to contract for security guard functions until the end of fiscal year 2009. The amendment would also require that the total number of personnel employed under such contracts in fiscal year 2007 be no more than the total employed on October 1, 2006. The total number of personnel employed would be further limited in fiscal year 2008 to 90 percent of the number employed on October 1, 2006, and 80 percent of that number in fiscal year 2009.

Subtitle E-Reports

Report on Navy Fleet Response Plan (sec. 341)

The House bill contained a provision (sec. 332) that would require the Secretary of the Navy to submit a report on the Navy Fleet Response Plan. The provision would also require the Comptroller General to submit a review of the Secretary’s report. The provision would postpone the expansion of the Fleet Response Plan beyond the carrier strike groups until October 1, 2007.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change some of the required elements of the two reports, change the date the Comptroller General’s report is due, and change the limitation date on expansion of the Fleet Response Plan beyond carrier strike groups.

Report on Navy surface ship rotational crew programs (sec. 342)

The House bill contained a provision (sec. 333) that would require the Secretary of the Navy to submit a report on ship rotational crew experiments. The provision would also require the Comptroller General to submit an assessment of the Secretary of Navy's report and require the Director of the Congressional Budget Office to submit a report on the long-term benefits and

costs of surface ship crew rotational programs. The provision would postpone the implementation of any new surface ship rotational crew experiment or program until October 1, 2009.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow the ongoing crew rotation program for mine countermeasure ships and allow the Navy to employ two crews per ship for the first four Littoral Combat Ships.

Report on Army live-fire ranges in Hawaii (sec. 343)

The House bill contained a provision (sec. 334) that would require the Secretary of the Army to submit a report to Congress on the adequacy of live-fire training facilities in the state of Hawaii.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations (sec. 344)

The House bill contained a provision (sec. 335) that would require the Comptroller General to submit a report on joint standards and protocols for access control systems at Department of Defense installations.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General report on readiness of Army and Marine Corps ground forces (sec. 345)

The Senate amendment contained a provision (sec. 351) that would require the Comptroller General to submit a report, not later than March 1, 2007, to the congressional defense committees on the readiness of Army and Marine Corps ground forces.

The House bill contained no similar provision.

The House recedes with an amendment that would change the deadline of the report to June 1, 2007, and require the report to be submitted to the Committees on Armed Services of the Senate and the House of Representatives.

Report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado (sec. 346)

The Senate amendment contained a provision (sec. 360) that would require the Secretary of the Air Force to submit to the

congressional defense committees a report, not later than February 15, 2007, on Air Force flight safety requirements at Pueblo Memorial Airport, Colorado.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to include in the report a description of the funding of fire-fighting and crash rescue support through the execution of a services contract for the Initial Flight Screening program.

Annual report on Personnel Security Investigations for Industry and National Industrial Security Program (sec. 347)

The House bill contained provisions (secs. 336 and 1041) that would address personnel security investigations. Section 336 would require the Secretary of Defense to provide a report to Congress on the status of industry personnel security clearances granted between October 1, 1999, and September 30, 2006. The provision would require that the initial report be followed by semi-annual updates, including a certification by the Secretary concerning improvements to the personnel security clearance investigation process. Section 1041 would prohibit the Department of Defense from allowing a security clearance that is pending renewal to expire unless the Secretary certifies to Congress that the Defense Security Service is fully funded, continuing to accept requests from industry, and has taken steps to eliminate its backlog of requests.

The Senate amendment contained no similar provisions.

The Senate recedes with an amendment that would require the Secretary to provide an annual report on the status of industry security clearances with the submission of the President's annual budget request. The amendment would also require a report by the Comptroller General on the status and cost of industry security clearance investigations conducted between October 1, 1999, and September 30, 2006, as well as the Department's progress in achieving improvements to the personnel security investigations program.

Five-year extension of annual report on training range sustainment plan and training range inventory (sec. 348)

The Senate amendment contained a provision (sec. 353) that would express the sense of Congress that the Department of Defense should establish a policy to identify military aerial training areas, determine aerial training airspace requirements to meet future training needs, and undertake necessary actions to preserve and, if necessary, expand those areas of airspace needed for training requirements. The provision would also require the Secretary of Defense to submit a report to the congressional defense committees setting forth a plan to meet the Department's airspace needs through 2025.

The House bill contained no similar provision.

The House recedes with an amendment that would extend for 5 years the annual report on the Department's training range sustainment plan and training range inventory required by section 366 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314). The amendment would also extend the period for the Comptroller General's review of the report from 60 days to 90 days.

The conferees note that the Comptroller General's most recent assessment of the Secretary's annual report stated that, once again, the report did not include an assessment of current and future training range requirements or an evaluation of the adequacy of resources to meet current and future training requirements, even though specifically required to do so by current law.

The conferees also note, with great concern, that this assessment also indicates that some of the requirements of section 366 have not been met because Department officials consider them overly burdensome or impractical. If the Department believes that it cannot comply with some requirements of the law, or that the requirement is overly burdensome, the conferees expect the Department to ask Congress to modify the appropriate portion of the law, not to ignore the requirements of the law.

The conferees are aware of the increasing pressure on our training ranges. Urban development around many installations in some cases has resulted in restrictions on nighttime training. The growth of commercial and general aviation has put increasing pressure on current aviation training ranges and limits the possibility of expansion of those training areas in the future. Increasing capability and range of both ground and aviation systems increases the likelihood that range requirements may increase in the future.

Therefore, the conferees extend the annual reporting requirement for an additional 5 years and expect that all future reports will fully comply with the requirements specified in section 366.

Reports on withdrawal or diversion of equipment from reserve units for support of reserve units being mobilized and other units (sec. 349)

The Senate amendment contained a provision (sec. 355) that would require the Secretaries of the military departments to submit a report to the Secretary of Defense not later than 90 days after the withdrawal or diversion of equipment from a unit of the reserve component to a unit of the active or reserve component to meet mission requirements. The report would contain a plan to replace or recapitalize withdrawn or diverted equipment and a signed Memorandum of Understanding between the reserve

component unit from which equipment was withdrawn or diverted and the active or reserve component unit that received the withdrawn or diverted equipment that specifies how the equipment will be tracked and the expected replacement date of the withdrawn or diverted equipment.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit quarterly reports to the congressional defense committees on the withdrawal or diversion of equipment from a unit of the reserve component to a unit of the active or reserve component.

Subtitle F-Other Matters

Department of Defense strategic policy on prepositioning of materiel and equipment (sec. 351)

The House bill contained a provision (sec. 341) that would require the Secretary of Defense to establish a comprehensive approach to Department of Defense prepositioning programs. The provision would also limit the diversion of materiel and equipment from prepositioned stocks.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would add the requirements of combatant commands as a factor to be considered when creating the policy on prepositioning programs, and would also add the provision of humanitarian assistance as an authorized purpose for diversion of materiel and equipment from prepositioned stocks.

It is the conferees' intent that any prepositioning policy created in accordance with this provision shall contain guidance regarding how quickly prepositioned equipment sets must be reconstituted when they have been used for contingency or humanitarian operations.

Authority to make Department of Defense horses available for adoption (sec. 352)

The House bill contained a provision (sec. 342) that would amend section 2583 of title 10, United States Code, to include horses owned by the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes.

Sale and use of proceeds of recyclable munitions materials (sec. 353)

The House bill contained a provision (sec. 343) that would authorize the Secretary of the Army to establish a program to

sell recyclable materials resulting from the demilitarization of conventional military munitions. The proceeds from the sales would be available to the Army for reclamation, recycling, and reuse of conventional military munitions.

The Senate amendment contained a similar provision (sec. 371).

The Senate recedes with a technical amendment.

Recovery and transfer to Corporation for the Promotion of Rifle Practice and Firearms Safety of certain firearms, ammunition, and parts granted to foreign countries (sec. 354)

The Senate amendment contained a provision (sec. 379) that would allow the Secretary of the Army to recover rifles, ammunition, repair parts, and other supplies from a country who had received those items under the Foreign Assistance Act of 1961 (22 U.S.C. 2314), when those items are excess to the needs of that country. The recovered rifles, ammunition, repair parts, and other supplies would be available for transfer to the Corporation for the Promotion of Rifle Practice and Firearms Safety.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Extension of Department of Defense telecommunications benefit program (sec. 355)

The Senate amendment contained a provision (sec. 373) that would extend the authorization for the Department of Defense telecommunications benefit from September 30, 2006, to 60 days after the date on which the Secretary of Defense has declared that a contingency operation has ended. The provision would also authorize the Secretary to extend the telecommunications benefit to members who remain hospitalized as a result of wounds or injuries incurred while serving in support of a contingency operation.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Extension of availability of funds for commemoration of success of the Armed Forces in Operation Enduring Freedom and Operation Iraqi Freedom (sec. 356)

The Senate amendment contained a provision (sec. 374) that would amend section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to extend the authority for commemoration of success of the armed forces in Operation Enduring Freedom and Operation Iraqi Freedom through fiscal year 2007.

The House bill contained no similar provision.

The House recedes.

Capital security cost sharing (sec. 357)

The House bill contained a provision (sec. 344) that would require the Secretary of Defense to provide to the congressional defense committees an annual accounting of Department of Defense overseas staffing levels, and to reconcile that accounting with the cost-sharing fees levied by the Secretary of State, in accordance with section 629(e)(1) of the Consolidated Appropriations Act, 2005 (Public Law 108-447).

The Senate amendment contained no similar provision.

The Senate recedes.

Utilization of fuel cells as back-up power systems in Department of Defense operations (sec. 358)

The Senate amendment contained a provision (sec. 377) that would require the Secretary of Defense to consider the use of fuel cells as replacements for current back-up power systems.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to also consider the use of fuel cells in individual equipment items.

Improving Department of Defense support for civil authorities (sec. 359)

The Senate amendment contained a provision (sec. 378) that would authorize the Secretary of Defense to preposition prepackaged or preidentified basic response assets such as medical supplies, food, water, and communications equipment in order to improve the ability of the Department of Defense to rapidly respond to requests for support from civilian authorities, and would require that the Department be reimbursed for the cost of such activities.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of Defense to consult with the Secretary of Homeland Security in the development of concept plans to support civilian authorities.

Energy efficiency in weapons platforms (sec. 360)

The Senate amendment contained a provision (sec. 375) that would establish a policy for the Department of Defense to improve the fuel efficiency of weapons platforms, consistent with mission requirements. The provision would also require a report from the Secretary of Defense regarding the progress in implementing that policy.

The House bill contained no similar provision.

The House recedes.

Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support (sec. 361)

The House bill contained a provision (sec. 345) that would require the Secretary of the Navy to ensure that 100 percent of the requirements for steaming days per quarter for deployed and non-deployed ship operations and 100 percent of the projected ship and air depot maintenance workload are funded before Navy operation and maintenance funds may be expended for the Navy Expeditionary Combat Command. The provision would also require the Secretary of the Navy to submit a report with the annual budget request certifying that these requirements are fully funded.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Secretary of Defense should ensure sufficient funds are provided to support the critical training and depot maintenance necessary for the Navy to support the National Military Strategy. The amendment would also require a certification from the Secretary of Defense that the Navy has budgeted to fully meet their requirements for ship steaming days per quarter and for projected aviation and ship depot maintenance requirements. The amendment would limit the obligation of funds to no more than 80 percent of the total funds in Operation and Maintenance, Defense-wide, for the Office of the Secretary of Defense, until that certification has been submitted. The amendment would further require the Secretary of the Navy to submit two reports to the congressional defense committees. The first is an annual report regarding the progress towards the above requirements and the second is a report on the Riverine Squadrons of the Navy.

Provision of adequate storage space to secure personal property outside of assigned military family housing unit (sec. 362)

The conferees agree to include a provision that would require the Secretary of a military department to provide, under certain conditions, a means for the storage of certain personal possessions belonging to military members residing in family housing who are assigned to a family-restricted area for a period greater than 180 days.

Expansion of payment of replacement value of personal property damaged during transport at Government expense (sec. 363)

The House bill contained a provision (sec. 1102) that would amend section 2636a of title 10, United States Code, to authorize contracting for full replacement value coverage for household goods of civilian employees of the Department of Defense damaged or lost during transportation at government expense.

The Senate amendment contained a provision (sec. 631) that would amend section 2636a of title 10, United States Code, to require the Secretary of Defense, not later than March 1, 2008, to include in contracts for the transportation of baggage and household effects for both military members and civilian employees a clause requiring carriers to pay the full replacement value for loss or damage. The provision would also require certain certifications by the Secretary about the Families First program and a review and assessment by the General Accountability Office on December 1, 2006, and June 1, 2007, respectively, of the progress of the Department in implementing the Families First program.

The House recedes.

Legislative Provisions Not Adopted

Limitation on availability of funds for the Army Logistics Modernization Program

The Senate amendment contained a provision (sec. 311) that would prohibit the expenditure of any funds for continuing the Army Logistics Modernization Program until the Secretary of Defense certifies that the program has adequately addressed its many shortcomings.

The House bill contained no similar provision.

The Senate recedes.

Limitation on availability of operation and maintenance funds for the management headquarters of the Defense Information Systems Agency

The Senate amendment contained a provision (sec. 314) that would restrict funds authorized to be appropriated for the operation and maintenance of the management headquarters of the Defense Information Systems Agency until the Secretary of Defense submits a report to the congressional defense committees on the acquisition strategy of the Department of Defense for commercial satellite services.

The House bill contained no similar provision.

The Senate recedes.

Analysis and report regarding contamination and remediation responsibility for Norwalk Defense Fuel Supply Point, Norwalk, California

The House bill contained a provision (sec. 315) that would require the Secretary of the Air Force to report to Congress not later than January 30, 2007, on matters related to contamination and remediation of property at the Norwalk Defense Fuel Supply Point in Norwalk, California. This provision would also prohibit the Secretary of the Air Force from conveying the property before pursuing a fair market value transfer of the property to the City of Norwalk, submitting the required report, and providing an explanation of why efforts to transfer the property to the city have not been successful.

The Senate amendment contained no similar provision.

The House recedes.

Report regarding scope of perchlorate contamination at Formerly Used Defense Sites

The House bill contained a provision (sec. 316) that would require the Secretary of Defense to submit to Congress a report containing the results of a study of the scope of perchlorate contamination at Formerly Used Defense Sites, including identification of military installations or contractors that may have stored perchlorate or products containing perclorate.

The Senate amendment contained no similar provision.

The House recedes.

Infantry combat equipment

The Senate amendment contained a provision (sec. 316) that would authorize $2.5 million in Operation and Maintenance, Marine Corps Reserve for infantry combat equipment.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Operation and Maintenance, Marine Corps Reserve.

Individual First Aid Kit

The Senate amendment contained a provision (sec. 317) that would authorize $1.5 million in Operation and Maintenance, Marine Corps Reserve for the Individual First Aid Kit.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Operation and Maintenance, Marine Corps Reserve.

Reading for the Blind and Dyslexic program of the Department of Defense

The Senate amendment contained a provision (sec. 318) that would authorize $500,000 in Operation and Maintenance, Defense-

wide, for the Reading for the Blind and Dyslexic program of the Department of Defense for severely wounded or injured members of the Armed Forces.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report.

Military training infrastructure improvements at Virginia Military Institute

The Senate amendment contained a provision (sec. 319) that would make $2.9 million from Operation and Maintenance, Army (OMA), available to the Virginia Military Institute for military training infrastructure improvements.

The House bill contained no similar provision.

The Senate recedes.

However, the conferees agree to authorize an increase of $2.9 million in OMA for the Virginia Military Institute for military training infrastructure improvements to provide adequate field training of all Armed Forces Reserve Officer Training Corps. The conference agreement is reflected in the tables of this report.

Environmental documentation for beddown of F-22A aircraft at Holloman Air Force Base, New Mexico

The Senate amendment contained a provision (sec. 320) that would require the Secretary of the Air Force to prepare environmental documentation for the beddown of F-22A aircraft at Holloman Air Force Base, New Mexico.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the Air Force is conducting the environmental compliance documentation under the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to support the beddown of the F-22A aircraft at Holloman Air Force Base, New Mexico, and urge the Air Force to expeditiously complete such requirements.

Report on CH-47 helicopter reset

The House bill contained a provision (sec. 324) that would require a report from the Secretary of the Army regarding reset of all CH-47 helicopters in the Army inventory.

The Senate amendment contained no similar provision.

The House recedes.

Report on nuclear attack submarine depot maintenance

The House bill contained a provision (sec. 331) that would require the Secretary of the Navy to submit a report on criteria used when a nuclear attack submarine is sent for maintenance to a facility other than a facility located at the homeport of the submarine.

The Senate amendment contained no similar provision.

The House recedes.

The conferees direct the Secretary of the Navy to provide to the Committees on Armed Services of the Senate and the House of Representatives the formal directive or guidance for nuclear attack submarine maintenance once it is completed.

Report on actions to reduce Department of Defense consumption of petroleum-based fuel

The Senate amendment contained a provision (sec. 354) that would require the Secretary of Defense to report on the actions taken, and to be taken, by the Department of Defense to reduce the consumption of petroleum-based fuels.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the implementation of current legislation and regulatory guidance should facilitate reduction of petroleum-based fuels by the Department. Therefore, the conferees direct the Secretary to submit a report, not later than September 1, 2007, to the Committees on Armed Services of the Senate and the House of Representatives on the status of implementation by the Department of the requirements contained in the following:

1) Energy Policy Act of 2005 (Public Law 109-58);
2) Energy Policy Act of 1992 (Public Law 102-486);
3) Executive Order 13123;
4) Executive Order 13149; and
5) other regulations or directions relating to the Department's consumption of petroleum-based fuels.

Furthermore, the conferees are concerned that although Flexible Fuel Vehicles (FFVs) are being introduced into the Department's vehicle inventory, little reduction in petroleum-based fuel is being realized because operators continue to fuel the FFVs with gasoline rather than E85 (85 percent ethanol with 15 percent gasoline) or M85 (85 percent methanol and 15 percent gasoline). Therefore, the conferees direct the Secretary to include in the report an analysis of the reduction of petroleum-based fuels since introduction of FFVs into the inventory and an assessment of how the Department might increase the consumption of E85 or M85 in FFVs.

Plan to replace equipment withdrawn or diverted from the reserve components of the Armed Forces for Operation Iraqi Freedom or Operation Enduring Freedom

The Senate amendment contained identical provisions (secs. 356-357) that would require the Secretary of Defense to submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the reporting requirements of these provisions are incorporated elsewhere in this report.

Report on High Altitude Aviation Training Site, Eagle County Colorado

The Senate amendment contained a provision (sec. 359) that would require a report from the Secretary of the Army on the High Altitude Aviation Training Site (HAATS) in Eagle County, Colorado.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that a similar reporting requirement already exists in the House Report accompanying H.R. 5122 (H. Rept. 109-452) of the G.V. 'Sonny' Montomery National Defense Authorization Act for Fiscal Year 2007.

Report on use of alternative fuels by the Department of Defense

The Senate amendment contained a provision (sec. 360A) that would require the Secretary of Defense to conduct a study on the use of alternative fuels by the Armed Forces and the defense agencies.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that section 357 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) requires a study on the use of biodiesel and ethanol fuels containing at least 85 percent ethyl alcohol. The conferees direct the Secretary of Defense to conduct a supplementary study that would address each of the elements set forth in paragraphs (1) through (7) of section 357(b) for the following alternative fuels: biofuels other than biodiesel, renewable diesel, ethanol that contains less than 85 percent ethyl alcohol, cellulosic ethanol, and synthetic hydrocarbon-based fuels. The Secretary shall submit a report on the results of such a study not later than 180 days after the date of the enactment of this Act. The report may be incorporated into, or provided as an annex to, the study required by section 357(c).

Additional exception to prohibition on contractor performance of firefighting functions

The Senate amendment contained a provision (sec. 363) that would provide an exception to the prohibition on contracting for the performance of certain firefighting functions on military installations or facilities.

The House bill contained no similar provision.

The Senate recedes.

Temporary security guard services for certain work caused by realignment of military installations under the base closure laws

The Senate amendment contained a provision (sec. 364) that would allow a military department to contract for security-guard services at installations being realigned under the base closure laws.

The House bill contained no similar provision.

The Senate recedes.

Joint Advertising, Market Research, and Studies Program

The Senate amendment contained a provision (sec. 1416) that would authorize $10.0 million in Operation and Maintenance, Defense-wide for the Joint Advertising, Market Research, and Studies program.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report in Operation and Maintenance, Defense-wide.

TITLE IV–MILITARY PERSONNEL AUTHORIZATIONS

Legislative Provisions Adopted

Subtitle A–Active Forces

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize the following end strengths for active-duty personnel of the armed forces as of September 30, 2007: Army, 512,400; Navy, 340,700; Marine Corps, 180,000; and Air Force, 334,200.

The Senate amendment contained a similar provision (sec. 401).

The Senate recedes.

The conferees recommend end strength levels for active forces for fiscal year 2007 as set forth in the following table:

	FY 2007	Change from

Service	FY 2006 authorized	Request	Conferee recommendation	FY 2007 request	FY 2006 authorized
Army	512,400	482,400	512,400	30,000	0
Navy	352,700	340,700	340,700	0	-12,000
Marine Corps	179,000	175,000	180,000	5,000	1,000
Air Force	357,400	334,200	334,200	0	-23,200
DoD Total	1,401,500	1,332,300	1,367,300	35,000	-34,200

Revision in permanent active duty end strength minimum levels (sec. 402)

The House bill contained a provision (sec. 402) that would establish new minimum active duty end strengths for the Army, Navy, Marine Corps, and Air Force as of September 30, 2007.

The Senate amendment contained a provision (sec. 402) that would repeal section 691 of title 10, United States Code, which establishes permanent end strength levels necessary to support a national defense strategy to be able to conduct two nearly simultaneous major regional contingencies.

The Senate recedes with an amendment that would maintain the minimum active duty end strength level for the Army at the fiscal year 2006 level of 502,400.

The conferees recommend minimum end strength levels for active forces as set forth in the following table:

Service	FY 2006 authorized	FY 2007	Change from
		Conferee recommendation	FY 2006
Army	502,400	502,400	0
Navy	352,700	340,700	-12,000
Marine Corps	179,000	180,000	1,000
Air Force	357,400	334,200	-23,200
DoD Total	1,391,500	1,357,300	-34,200

Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009 (sec. 403)

The House bill contained a provision (sec. 403) that would authorize additional increases of active duty end strength for the Army and for the Marine Corps in fiscal years 2008 and 2009 above the strengths authorized for those services in fiscal year 2007. The provision would authorize an additional 20,000 troops for a total end strength of 532,400 for the Army, and an additional 4,000 troops for a total end strength of 184,000 for the Marine Corps, during fiscal years 2008 and 2009.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle B-Reserve Forces

End strengths for Selected Reserve (sec. 411)

The House bill contained a provision (sec. 411) that would authorize the following end strengths for Selected Reserve personnel, including the end strengths for reserves on active duty in support of the reserves as of September 30, 2007: the Army National Guard of the United States, 350,000; the Army Reserve, 200,000; the Navy Reserve, 71,300; the Marine Corps Reserve, 39,600; the Air National Guard of the United States, 107,000; the Air Force Reserve, 74,900; and the Coast Guard Reserve, 10,000.

The Senate amendment contained an identical provision (sec. 411).

The conference agreement includes this provision.

The conferees recommend end strength levels for the Selected Reserve for fiscal year 2007 as set forth in the following table:

Service	FY 2006 authorized	FY 2007		Change from	
		Request	Conferee recommendation	FY 2007 request	FY 2006 authorized
Army National Guard	350,000	350,000	350,000	0	0
Army Reserve	205,000	200,000	200,000	0	-5,000
Navy Reserve	73,100	71,300	71,300	0	-1,800
Marine Corps Reserve	39,600	39,600	39,600	0	0
Air National Guard	106,800	107,000	107,000	0	+200
Air Force Reserve	74,000	74,900	74,900	0	+900
DoD Total	848,500	842,800	842,800	0	-5,700
Coast Guard Reserve	10,000	10,000	10,000	0	0

Should Army National Guard end strength fall below the authorized number, the conferees direct that the unused additional funds may only be used for Army National Guard priorities, and only after the Department of Defense complies with the normal budget process that includes submitting prior notification and a detailed justification to Congress.

Although agreeing to reduce Army Reserve end strength for fiscal year 2007 to 200,000, as requested in the President’s budget, the conferees are concerned that this end strength authorization is not adequate to sustain the combat support and combat service support structure that the Army Reserve will be required to provide to the Army’s future modular force.

Notwithstanding this end strength reduction, the conferees note that the Secretary of Defense is authorized under section 115 of title 10, United States Code, to vary, by not more than 2 percent, the end strength authorized for a fiscal year for the Selected Reserve of any of the reserve components and would

expect such authority to be granted to increase the Army Reserve end strength during fiscal year 2007, if required.

Furthermore, the conferees urge the Secretary of the Army to maintain an Army Reserve end strength of 205,000 as a recruiting goal and that the President's budget for fiscal years 2008-2013 request an Army Reserve end strength of 205,000, and provide a corresponding increase in Army full-time support personnel, if the Army Reserve can recruit to that level.

End strengths for Reserves on active duty in support of the reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize the following end strengths for Reserves on active duty in support of the reserve components as of September 30, 2007: the Army National Guard of the United States, 28,165; the Army Reserve, 15,416, the Navy Reserve, 12,564; the Marine Corps Reserve, 2,261; the Air National Guard of the United States, 13,291; and the Air Force Reserve, 2,707.

The Senate amendment contained a similar provision (sec. 412) that would authorize end strengths of 27,441 for the Army National Guard of the United States, 13,206 for the Air National Guard of the United States, and identical end strengths for the other services.

The Senate recedes with an amendment that would authorize end strengths of 27,441 for the Army National Guard of the United States.

The conferees recommend end strength levels for Reserves on active duty in support of the reserves as set forth in the following table:

Service	FY 2006 authorized	FY 2007		Change from	
		Request	Conferee recommendation	FY 2007 request	FY 2006 authorized
Army National Guard	27,396	27,441	27,441	0	45
Army Reserve	15,270	15,416	15,416	0	146
Naval Reserve	13,392	12,564	12,564	0	-828
Marine Corps Reserve	2,261	2,261	2,261	0	0
Air National Guard	13,123	13,206	13,291	85	168
Air Force Reserve	2,290	2,707	2,707	0	417
DoD Total	73,732	73,595	73,680	85	-52

In addition to the budget request, the end strengths recommended by the conferees would include an additional 85 Reserves on active duty in support of the Air National Guard for the purpose set out in the House report accompanying H.R. 5122 (H. Rept. 109-452) of the National Defense Authorization Act for Fiscal Year 2007.

End strengths for military technicians (dual status) (sec. 413)

The House bill contained a provision (sec. 413) that would authorize the following end strengths for military technicians (dual status) as of September 30, 2007: the Army National Guard of the United States, 27,615; the Army Reserve, 7,912; the Air National Guard of the United States, 23,255; and the Air Force Reserve, 10,124.

The Senate amendment contained a similar provision (sec. 413) that would authorize an end strength for military technicians (dual status) for the Army National Guard of the United States of 26,050, and identical end strengths for the other reserve components.

The House recedes.

The conferees recommend end strength levels for military technicians (dual status) as set forth in the following table:

Service	FY 2006 authorized	FY 2007		Change from	
		Request	Conferee rec-omendation	FY 2007 request	FY 2006 authorized
Army National Guard	25,563	26,050	26,050	0	487
Army Reserve	7,649	7,912	7,912	0	263
Air National Guard	22,971	23,255	23,255	0	284
Air Force Reserve	9,852	10,124	10,124	0	272
DoD Total	66,035	67,341	67,341	0	1,306

Fiscal year 2007 limitation on number of non-dual status technicians (sec. 414)

The House bill contained a provision (sec. 414) that would establish the maximum end strengths for the reserve components of the Army and Air Force for non-dual status technicians as of September 30, 2007.

The Senate amendment contained an identical provision (sec. 414).

The conference agreement includes this provision.

Maximum number of reserve personnel authorized to be on active duty for operational support (sec. 415)

The House bill contained a provision (sec. 415) that would authorize the maximum number of reserve component personnel who may be on active duty or full-time National Guard duty under section 115(b) of title 10, United States Code, during fiscal year 2007 to provide operational support.

The Senate amendment contained an identical provision (sec. 415).

The conference agreement includes this provision.

Subtitle C-Authorization of Appropriations

Military personnel (sec. 421)

The House bill contained a provision (sec. 421) that would authorize a total of $109,820.5 million to be appropriated to the Department of Defense in fiscal year 2007 for military personnel.

The Senate amendment contained a similar provision (sec. 421) that would authorize a total of $111,928.5 million.

The Senate recedes with an amendment that would authorize $110,098.6 million to be appropriated to the Department of Defense in fiscal year 2007 for military personnel.

The conferees agree to the following changes from the budget request related to the military personnel accounts:

[In millions]

Additional special pay for dental officers	$ 4.0
Incentives for High-Demand, Low-Density Assignments	5.0
Commissioned Officers as Students at Medical Schools	1.0
Educational Loan Repayment for Health Professionals	4.0
Health Professions Scholarships	91.0
Recruitment Bonus for Critical Health Care Specialties	19.0
Unobligated balances, Army	- 31.4
Unobligated balances, Navy	- 85.0
Unobligated balances, Marine Corps	- 88.1
Unobligated balances, Air Force	- 248.3
Unobligated balances, Army Reserve	- 66.5
Unobligated balances, Navy Reserve	- 17.3
Unobligated balances, Marine Corps Reserve	- 15.4
Unobligated balances, Air Force Reserve	- 25.8
Unobligated balances, Army National Guard	- 84.5
Unobligated balances, Air National Guard	- 89.9
Reserves cost avoidance, Army Reserve	- 20.9
Reserves cost avoidance, Air Force Reserve	- 0.8
Reserves cost avoidance, Air National Guard	- 28.3
Total	- 678.1

The conferees note that in addition to the amounts shown above, $8,107.0 million was made available in title XV of this Act for the additional costs of military personnel involved in ongoing operations in Iraq and Afghanistan.

Armed Forces Retirement Home (sec. 422)

The House bill contained a provision (sec. 422) that would authorize $54.8 million to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund for operation of the Armed Forces Retirement Home.

The Senate amendment contained an identical provision (sec. 422).

The conference agreement includes this provision.

TITLE V-MILITARY PERSONNEL POLICY

Item of Special Interest

Department of Defense oversight of recruiter misconduct

The conferees are concerned that military recruiter misconduct, and particularly misconduct involving criminal or otherwise improper sexual contact with recruit candidates, irreparably harms the young people involved, erodes the moral and ethical standards that are the hallmark of the U.S. Armed Forces, and damages public support for military operations and recruiting by undermining the trust and high esteem that the American people place in their military forces. The conferees believe that recruiter misconduct must not be tolerated and that the Secretary of Defense, the Secretaries of the military departments, and the uniformed leaders of the Armed Forces must take decisive action to ensure that policies and procedures effectively prevent and, when required, respond to incidents of misconduct.

The conferees direct the Secretary of Defense to review the programs designed to prevent recruiter misconduct and, when misconduct does occur, the policies and procedures needed to standardize identification and reporting throughout the Department of Defense. The conferees direct that the review also include an assessment of the “No One Alone Policy” established by the State of Indiana National Guard to limit unsupervised contact between recruiters and recruit candidates of the opposite gender to determine if the policy is suitable for Department-wide implementation. The conferees direct the Secretary of Defense to submit the results of the review, including findings, conclusions, and recommendations, by March 1, 2007, to the Committees on Armed Services of the Senate and the House of Representatives.

Legislative Provisions Adopted

Subtitle A-Officer Personnel Policy

Part I-Officer Personnel Policy Generally

Military status of officers serving in certain intelligence community positions (sec. 501)

The House bill contained a provision (sec. 505) that would clarify the status of flag and general officers assigned to certain positions in the Office of the Director of National Intelligence and the Central Intelligence Agency. The provision would protect the officers and organizations concerned from perceptions of organizational conflicts of interest or inappropriate influence.

The Senate amendment contained a similar provision (sec 501).

The Senate recedes with a technical amendment.

Extension of age for mandatory retirement for active-duty general and flag officers (sec. 502)

The Senate amendment contained a provision (sec. 503) that would amend section 1251 of title 10, United States Code, to increase the age for mandatory retirement for general and flag officers from 62 to 64. The provision would authorize the Secretary of Defense to defer retirement of officers serving in grades above major general and rear admiral to age 66 and the President to defer retirement for such officers until age 68. The provision would also eliminate the numerical limit on the number of deferments of retirement that may be in effect at any one time.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would amend section 1251 and add a new section 1253 to chapter 63 of title 10, United States Code.

Increased mandatory retirement ages for reserve officers (sec. 503)

The Senate amendment contained a provision (sec. 508) that would increase the mandatory retirement age for reserve component officers in the grade of O-8 from 62 to 64 years; for officers in the grade of O-7 from 60 to 62 years; and for officers in grades below O-7 from 60 to 62 years. The provision would also increase the mandatory retirement age of officers holding certain offices, such as the Chief of the National Guard Bureau, Chiefs of Reserve of the services, Directors of the Army and Air National Guard, and the adjutants general of the States, from 64 to 66 years.

The House bill contained no similar provision.

The House recedes.

Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army (sec. 504)

The House bill contained a provision (sec. 502) that would amend section 8081 of title 10, United States Code, to require that the officer serving as the Assistant Surgeon General for Dental Services in the Air Force be appointed in the grade of major general.

The Senate amendment contained no similar provision.

The Senate recedes.

Management of chief warrant officers (sec. 505)

The House bill contained a provision (sec. 503) that would amend section 580 of title 10, United States Code, to eliminate the requirement for a mandatory continuation board in the case of chief warrant officers, W-4, who have twice failed to be selected for promotion and allow service secretaries in their discretion to retain such chief warrant officers on active duty. The provision would also modify section 1305 of title 10, United States Code, to increase the years of service from 24 to 30 that a warrant officer may serve on active duty before mandatory retirement.

The Senate amendment contained a similar provision (sec. 507).

The Senate recedes with an amendment that would specify that chief warrant officers retained on active duty after twice failing to be selected for promotion to the grade of W-5 would continue to be eligible for promotion while remaining on active duty.

Extension of temporary reduction of time-in-grade requirement for eligibility for promotion for certain active-duty list officers in grades of first lieutenant and lieutenant (junior grade) (sec. 506)

The House bill contained a provision (sec. 504) that would amend section 619(a) of title 10, United States Code, to make permanent the authority to promote officers in the grade of first lieutenant or lieutenant (junior grade) who satisfy a time-in-grade requirement of at least 18 months.

The Senate amendment contained a provision (sec. 502) that would extend the existing authority for promotion for these officers from October 1, 2005, through October 1, 2008.

The House recedes.

Grade and exclusion from active-duty general and flag officer distribution and strength limitations of officer serving as Attending Physician to the Congress (sec. 507)

The Senate amendment contained a provision (sec. 506) that would add section 722 to chapter 41 and amend section 12210 of title 10, United States Code, to provide that an active-duty or

reserve general or flag officer, while serving as the Attending Physician to the Congress, would hold the grade of major general or rear admiral and be excluded from the numerical and distribution requirements of sections 525 and 526 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

Modification of qualifications for leadership of the Naval Postgraduate School (sec. 508)

The Senate amendment contained a provision (sec. 509) that would authorize a retired officer of the Navy or Marine Corps in the grade of captain or colonel or above, respectively, to be selected by the Secretary of the Navy to serve as President of the Naval Postgraduate School so long as they meet the same qualifications required of active-duty officers, including holding a doctorate or master's degree in a field of study relevant to the mission and function of the Naval Postgraduate School.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize a civilian, including a retired officer of the Navy or Marine Corps not below the grade of captain or colonel, respectively, to be selected by the Secretary as the best qualified from among candidates for the position in accordance with specified criteria, through a process to be determined by the Secretary, and taking into consideration other factors the Secretary considers essential. Before making a selection the Secretary would be required to consult with the Board of Advisors for the Naval Postgraduate School, consider any recommendation of the leadership and faculty of the Naval Postgraduate School, and consider the recommendations of the Chief of Naval Operations and the Commandant of the Marine Corps. The amendment would further require that an individual selected as President hold a doctorate degree if the individual permanently selected as Provost and Academic Dean does not.

Part II-Officer Promotion Policy

Revisions to authorities relating to authorized delays of officer promotions (sec. 511)

The Senate amendment contained a provision (sec. 515) that would amend sections 624 and 14311 of title 10, United States Code, relating to promotion procedures. The provision would specify that a promotion list that requires Senate confirmation shall be treated as being established for purposes of chapter 38 of title 10 on the date the list is received by the Senate for consideration; and would require the Secretary of Defense, not

later than March 1, 2008, to prescribe regulations controlling delays in appointment following Senate confirmation under sections 624 and 14311. The provision would also clarify that delays in appointment to higher grade are warranted by the need to review substantiated and potentially adverse information that may be material to the decision on whether or not to appoint based on a determination that an officer has not fulfilled the requirements for exemplary conduct for commanding officers and those in positions of authority.

The House bill contained no similar provision.

The House recedes with an amendment that would specify that a promotion list that requires Senate confirmation shall be treated as being established upon approval of a report of a selection board by the President.

Consideration of adverse information by selection boards in recommendations on officers to be promoted (sec. 512)

The Senate amendment contained a provision (sec. 516) that would amend sections 616(c) and 14108(b) of title 10, United States Code, to require that a promotion selection board may not recommend an officer for promotion unless a majority of the members of the board, after consideration by all the board members of any adverse information about the officer that is provided to the board under section 615 of title 10, United States Code, finds that the officer is among those best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in sections 3583, 5947, and 8583 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Expanded authority for removal from reports of selection boards of officers recommended for promotion to grades below general and flag grades (sec. 513)

The Senate amendment contained a provision (sec. 517) that would amend sections 618(d) and 14111(b) of title 10, United States Code, to authorize the Secretary of Defense and the Deputy Secretary of Defense, in addition to the President, to remove the name of an officer from the report of a selection board with respect to officers being recommended for promotion to grades below brigadier general and rear admiral (lower half).

The House bill contained no similar provision.

The House recedes with a technical amendment.

Special selection board authorities (sec. 514)

The Senate amendment contained a provision (sec. 519) that would amend sections 628 and 14502 of title 10, United States

Code, to limit the availability of special selection boards only to officers under consideration for promotion who are in or above the primary promotion zones. The provision would also limit the requirement to convene special selection boards only to those cases in which material error may have occurred. The provision would further clarify that errors in the conduct of active and reserve selection boards must be determined by the service secretaries to be material to the outcome of the board's determination for relief to be afforded.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Removal from promotion list of officers not promoted within 18 months of approval of list by the President (sec. 515)

The Senate amendment contained a provision (sec. 520) that would amend sections 629 and 14310 of title 10, United States Code, to clarify the conditions under which officers whose nominations require the advice and consent of the Senate for promotion or appointment and who have not received the advice and consent of the Senate would be removed from promotion lists.

The House bill contained no similar provision.

The House recedes with an amendment that would establish a promotion eligibility period for officers beginning on the date of approval by the President of a promotion list for officers on that list and ending 18 months later. This period could be extended by the President for an additional 12 months. The amendment would require that an officer's name be removed from the promotion list as of the end of the period of promotion eligibility unless the Senate has given its advice and consent to the appointment of that officer. The provision would apply to any promotion list approved by the President after January 1, 2007.

Part III-Joint Officer Management Requirements

Modification and enhancement of general authorities on management of officers who are joint qualified (sec. 516)

The Senate amendment contained a provision (sec. 526) that would amend section 661 of title 10, United States Code, to restructure the system for designation and management of officers who are joint qualified. The provision would implement the recommendation made by the Department of Defense in its strategic plan to link joint officer development to overall missions and goals of the Department of Defense, as required by section 531 of the Ronald W. Reagan National Defense Authorization Act of Fiscal Year 2005 (Public Law 108-375).

The House bill contained no similar provision.

The House recedes with an amendment that would permit the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, to designate as joint qualified those officers who successfully complete a full tour of duty in a joint assignment as well as those officers who demonstrate mastery of knowledge, skills, and abilities in joint matters as a result of their assignments and experience as determined under such regulations and policy as the Secretary may prescribe. The amendment would make this provision effective on October 1, 2007, and require the Secretary, not later than March 31, 2007, to submit a plan for its implementation. The amendment would support modifications in joint officer management that would rely on a capabilities-based system in which experience, education, and performance are evaluated in an officer's progression to higher levels of qualification.

Modification of promotion policy objectives for joint officers (sec. 517)

The Senate amendment contained a provision (sec. 527) that would amend section 662(a) of title 10, United States Code, to repeal the requirement for a separate promotion policy objective for officers who have the joint specialty or who are designated as joint qualified. The provision would require the Secretary of Defense to ensure that officers who are serving in or have served in joint duty assignments, including those officers who previously have been designated as joint specialty officers and are determined to be joint qualified under the changes to section 661 of title 10, United States Code, included in this Act, are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.

The House bill contained no similar provision.

The House recedes.

Applicability of joint duty assignment requirements limited to graduates of National Defense University schools (sec. 518)

The Senate amendment contained a provision (sec. 528) that would amend section 663 of title 10, United States Code, to specify that joint professional military education (JPME) schools for purposes of this section are limited to schools within the National Defense University. The provision would limit the effect of the requirement that more than 50 percent of officers completing the second phase of JPME must be assigned to joint duty assignments as those officers' next duty assignments following graduation.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Modification of certain definitions relating to jointness (sec. 519)

The Senate amendment contained a provision (sec. 529) that would amend section 668 of title 10, United States Code, to revise the definition of the term "joint matters." The provision would also modify the definition of "joint duty assignments" to broaden the assignments that may be considered and recognize the value of certain assignments within the services and to add a definition to section 668 of the term "critical occupational specialty."

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the definition of the term joint matters to mean matters related to the achievement of unified action by multiple military forces in operations conducted across domains such as land, sea, or air, in space, or in the information environment. The amendment would specify that the definition of joint duty does not include duty as a student or trainee for joint training and education. Under the definition of critical occupational specialty, the amendment would require, at a minimum, that the Secretary of Defense designate as critical occupational specialties any military occupational specialties within combat arms (or the equivalent) that the Secretary determines are experiencing severe shortages of trained officers.

Subtitle B-Reserve Component Matters

Part I-Reserve Component Management

Recognition of former Representative G.V. 'Sonny' Montgomery for his 30 years of service in the House of Representatives (sec. 521)

The conferees agree to include a provision that would recognize former Representative G.V. 'Sonny' Montgomery (D-MS) for his 30 years of service in the House of Representatives, particularly his service as Chairman of the Committee on Veterans' Affairs and his contributions to the National Guard and Reserves.

Revisions to reserve call-up authority (sec. 522)

The House bill contained a provision (sec. 511) that would extend from 270 days to 365 days the period for which members of the Selected Reserve and Individual Ready Reserve may be involuntarily called to active duty to support operational missions other than during war or national emergency and would authorize recall of such reserve component members to provide

assistance during a serious natural or manmade disaster, accident, or catastrophe.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend from 270 days to 365 days the maximum period for which such members of the reserve components may be involuntarily called to active duty.

Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001 (sec. 523)

The House bill contained a provision (sec. 512) that would authorize military retirement credit for certain members of the Army National Guard or the Air National Guard who served in a full-time state active duty status in specified counties in New Jersey in support of the federal declaration of emergency following the terrorist attacks on the United States of September 11, 2001.

The Senate amendment contained no similar provision.

The Senate recedes.

Part II-Authorities Relating to Guard and Reserve Duty

Title 10 definition of Active Guard and Reserve duty (sec. 524)

The House bill contained a provision (sec. 541) that would establish a new definition of “Active Guard and Reserve” in section 101 of title 10, United States Code, and would also clarify the definition of “Active Guard and Reserve duty” in the same section.

The Senate amendment contained a similar provision (sec. 531).

The Senate recedes.

Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel (sec. 525)

The House bill contained a provision (sec. 542) that would authorize reserve component personnel performing Active Guard and Reserve duty, as well as military technicians (dual status), to perform additional duties to support operations or missions assigned to, or performed by, the reserve components and to instruct or train active-duty members of the Armed Forces, foreign military forces, and Department of Defense civilian employees and contractors. The provision would authorize the performance of the specified additional duties to the extent that such duties do not interfere with the primary duties of personnel on Active Guard and Reserve duty, and military technicians (dual

status), of organizing, administering, recruiting, instructing, or training the reserve components. The provision would also limit the instructional or training duty only to that conducted in the United States, its possessions, and the Commonwealth of Puerto Rico. The provision would further authorize personnel performing National Guard duty under section 502(f) of title 32, United States Code, to support operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense, and to support training operations and training missions assigned in whole or in part to the National Guard by the Secretary concerned.

The Senate amendment contained a similar provision (sec. 531).

The Senate recedes with a clarifying amendment.

Governor's authority to order members to Active Guard and Reserve duty (sec. 526)

The House bill contained a provision (sec. 543) that would authorize the governor of a State, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or the commanding general of the District of Columbia National Guard to order members of the National Guard to perform Active Guard and Reserve duty under title 32, United States Code, to support operations or missions at the request of the President or the Secretary of Defense, or to support training operations and training missions assigned in whole or in part by the Secretary concerned to the National Guard.

The Senate amendment contained a similar provision (sec. 531).

The Senate recedes with a clarifying amendment.

Expansion of operations of civil support teams (sec. 527)

The House bill contained a provision (sec. 545) that would expand the types of emergencies for which members of the reserve components who are assigned to weapons of mass destruction civil support teams (WMD-CSTs) could be deployed to include the intentional or unintentional release of nuclear, biological, radiological, toxic or poisonous chemical materials; or natural or manmade disasters that could result in the catastrophic loss of life or property.

The Senate amendment contained a similar provision (sec. 532).

The Senate recedes.

The conferees note that WMD-CSTs are a limited resource, and as such, their employment, other than for training and preparation, under the expanded authorities recommended by this section should consider the following: 1) whether the resources of local governments and other State resources may be or are

overwhelmed by the scope and scale of the actual disaster; or 2) whether other State, local, and first-responder technical equipment and capabilities will be or are inadequate to address the potential threat.

Modification of authorities relating to the Commission on the National Guard and Reserves (sec. 528)

The House bill contained a provision (sec. 594(a)) that would amend section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) to extend the deadline by 6 months for submission of a final report by the Commission on the National Guard and Reserves.

The Senate amendment contained a similar provision (sec. 533) that would extend the commission's deadline for submission of a final report from 12 to 18 months after its first meeting. The provision would also authorize the chairman of the commission to exercise the same waiver authority regarding eligibility by annuitants for pay as would be available to the Director of the Office of Personnel Management under sections 8344(i)(1) and 8468(f)(1) of title 5, United States Code.

The House recedes with an amendment that would require submission of the final report of the commission not later than January 31, 2008.

Additional matters to be reviewed by Commission on the National Guard and Reserves (sec. 529)

The House bill contained a provision (sec. 594(b)) that would direct the Commission on the National Guard and Reserves to study and report to Congress by March 1, 2007, on the advisability and feasibility of implementing the provisions contained in the National Defense Enhancement and National Guard Empowerment Act of 2006 (H.R. 5200); whether the Chief of the National Guard Bureau should serve in the grade of general in the performance of the current duties of that office; and whether the Department of Defense processes for defining the equipment and funding necessary for the National Guard to perform its responsibilities are adequate.

The Senate amendment contained provisions (secs. 931- 933) that would make the National Guard Bureau a joint activity of the Department; make the Chief of the National Guard Bureau the principal advisor to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on National Guard matters; elevate the grade of the Chief of the National Guard Bureau to general; require the Chief of the National Guard Bureau to identify gaps between Federal and State capabilities to prepare for and respond to emergencies and make recommendations to the Secretary of Defense on the provision of military assistance to civil authorities; and require that the position of Deputy Commander,

U.S. Northern Command, be filled by a National Guard officer eligible for promotion to the grade of lieutenant general.

The Senate recedes with an amendment that would add additional matters to be referred to the commission, including a review on the advisability and feasibility of authorizing National Guard officers to serve in both Federal status under title 10, United States Code, and State status under title 32, United States Code, as a means of achieving unity of command of units that are composed of both active-duty members and National Guard personnel. The commission would be required to submit a report on the results of the review by March 1, 2007, to the Committees on Armed Services of the Senate and the House of Representatives.

The conferees note the importance of the National Guard to the national defense and the need for effective coordination of National Guard matters between the Chief of the National Guard Bureau and the Secretary of Defense, Chairman of the Joint Chiefs of Staff, the Secretary of the Army, and the Secretary of the Air Force.

The conferees, therefore, direct the commission to evaluate the proposals referred to it by this section taking into consideration the following:

The impact that making the National Guard Bureau a joint activity of the Department, and authorizing the Secretary of Defense to develop the charter of the National Guard Bureau, would have on integration of the Army National Guard and Air National Guard into the Army and Air Force, respectively.

Whether authorizing the Chief of the National Guard Bureau to be the principal advisor to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on matters relating to the National Guard would have the effect of establishing the National Guard as a separate service; and if so, the implications of that effect.

Whether authorizing the Chief of the National Guard Bureau to be a member of the Joint Chiefs of Staff is consistent with the statutory responsibilities of the service chiefs and the role of the service chiefs to provide military advice to the President, the National Security Council, and the Secretary of Defense.

How elevating the grade of the Chief of the National Guard Bureau to general would impact relationships with and the authorized grades of the other Chiefs of the reserve components, the Director of the Army National Guard, and the Director of the Air National Guard.

Whether requiring the Chief of the National Guard Bureau to identify gaps between Federal and State capabilities to prepare for and respond to emergencies and to make recommendations to the Secretary of Defense on National Guard programs for military assistance to civil authorities is an appropriate role for the Chief of the National Guard Bureau, whether the Chief of the

National Guard Bureau is qualified to make such an assessment, and whether this authority impinges on the authority of Federal and State civilian officials.

Whether the scope and complexities of the duties and responsibilities of the position of Deputy Commander, U.S. Northern Command, require that they be carried out by two officers, each in the grade of O-9, one of whom would be a National Guard officer eligible for promotion to that grade.

Subtitle C-Education and Training

Part I-Service Academies

Expansion of service academy exchange programs with foreign military academies (sec. 531)

The House bill contained a provision (sec. 524) that would expand from 24 to 100 the number of cadets and midshipmen at the U.S. Military Academy, Air Force Academy, and Naval Academy, respectively, who may participate in exchange programs with foreign military academies. The provision would also increase from $120,000 to $1.0 million the amount of appropriated funds that each service academy could expend during any fiscal year in support of the exchange program. The provision would further authorize the service academies to expend additional funds as may be available to the academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees do not intend that the additional funding from other than appropriated sources be used to fund exchange students in excess of the number set by this provision.

Revision and clarification of requirements with respect to surveys and reports concerning sexual harassment and sexual violence at the service academies (sec. 532)

The Senate amendment contained a provision (sec. 567) that would change the frequency of the service academy sexual assault survey and report to Congress from an annual to a biennial requirement, extend the period for the surveys and reports from 2008 to 2010, clarify that the subject of the required policy and report is sexual harassment and sexual violence, and clarify that the policy and survey are directed at cadets and midshipmen.

The House bill contained no similar provision.

The House recedes with an amendment that would codify in title 10, United States Code, the requirement for each Secretary

of the military department to prescribe a policy on sexual harassment and sexual violence applicable to cadets or midshipmen and other personnel of each service academy. The amendment would require an annual assessment to determine the effectiveness of the policies, training, and procedures of the academy, and an annual report to the Committees on Armed Services of the Senate and the House of Representatives. The amendment would also require that the annual assessment be conducted by a survey of academy personnel to include cadets and midshipmen, and other academy personnel from the faculty and administration selected for such participation, if any, with respect to academy program years that begin in an odd-numbered calendar year. In any year in which a survey is not required, the Secretary concerned would be required to provide focus groups for the purposes of ascertaining information relating to sexual assault and sexual harassment issues at that academy.

Department of Defense policy on service academy and ROTC graduates seeking to participate in professional sports before completion of their active-duty service obligations (sec. 533)

The Senate amendment contained a provision (sec. 568) that would require the Secretary of Defense to prescribe a policy, not later than July 1, 2007, on whether to authorize service academy and Reserve Officers' Training Corps graduates to participate in professional sports before completion of their active-duty service obligation, and if so, on the active-duty service obligations of such personnel. The provision would require the Secretary of each military department to prescribe regulations, or modify current regulations, to implement the policy of the Secretary of Defense by no later than December 1, 2007.

The House bill contained no similar provision.

The House recedes.

Part II-Scholarship and Financial Assistance Programs

Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty (sec. 535)

The House bill contained a provision (sec. 521) that would authorize the Secretary of the Army to modify agreements entered into by cadets in the Reserve Officers' Training Corps who participate in the Guaranteed Reserve Forces Duty Scholarship Program so that a cadet or former cadet could receive assistance under the Health Professions Scholarship Program and serve on active duty.

The Senate amendment contained no similar provision.

The Senate recedes.

Detail of commissioned officers as students at medical schools (sec. 536)

The Senate amendment contained a provision (sec. 561) that would authorize the Secretary of a military department to detail up to 25 commissioned officers each year as students at accredited medical schools or schools of osteopathy. To be eligible, an officer must agree to service on active duty for 2 years for each year of medical training.

The House bill contained no similar provision.

The House recedes with an amendment that would allow an officer to serve their full service active duty obligation, or to complete a portion of their obligation in the Selected Reserve. The amendment would require that officers assigned to the Selected Reserve serve 3 years in the Selected Reserve for each year of medical training received prior to separation from active duty.

Increase in maximum amount of repayment under education loan repayment for officers in specified health professions (sec. 537)

The Senate amendment contained a provision (sec. 563) that would authorize an increase from $22,000 to $60,000 for each year of obligated service the amount the Secretary of a military department may repay for educational loans for a fully qualified health professional to meet identified skill shortages.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees are concerned that shortfalls in recruitment and retention of medical, dental, and nurse corps personnel could undermine future medical readiness. The conferees believe it is critical that the Tenth Quadrennial Review of Military Compensation include a careful examination of compensation issues pertaining to the uniformed medical personnel of the Department of Defense.

Health Professions Scholarship and Financial Assistance Program for Active Service (sec. 538)

The Senate amendment contained a provision (sec. 564) that would authorize an increase in the maximum amounts for stipends and grants under the Health Professions Scholarship Program and the Financial Assistance Program for Active Service. The amendment also contained a provision (sec. 565) that would require the Secretary of Defense to report to the congressional defense committees on the success or failure of the military departments in achieving recruiting goals under these programs during fiscal years 2000 through 2006.

The House bill contained no similar provisions.

The House recedes with an amendment that would authorize the Secretary to determine a monthly amount to be paid as a stipend in the Health Professions Scholarship Program.

The conference agreement reflects the merger of the two Senate provisions, as amended.

Part III-Junior ROTC Program

Junior Reserve Officers' Training Corps instructor qualifications (sec. 539)

The Senate amendment contained a provision (sec. 570) that would establish instructor qualifications for a retired officer or noncommissioned officer to be employed as an instructor in the Junior Reserve Officers' Training Corps. The provision would require that senior military instructors be retired officers who have a professional military qualification; a baccalaureate degree; completion of secondary education teaching certification requirements; and award of an advanced certification in core content areas. Non-senior military instructors would be retired noncommissioned officers who serve as instructional leaders and teach independently of, but share program responsibilities with, senior military instructors. The provision would also require that non-senior military instructors have a professional military qualification; an associates degree within 5 years of employment; completion of secondary education teaching certification requirements; and award of an advanced certification in core content areas.

The House bill contained no similar provision.

The House recedes.

Expansion of members eligible to be employed to provide Junior Reserve Officers' Training Corps instruction (sec. 540)

The House bill contained a provision (sec. 522) that would authorize employment of reserve and National Guard officers and noncommissioned officers who would be eligible for retired pay at age 60 as Junior Reserve Officers' Training Corps instructors and allow the Secretaries of the military departments to determine the amount to reimburse the educational institution for the salary of such instructors.

The Senate amendment contained a similar provision (sec. 562).

The House recedes with a clarifying amendment.

The conferees agree that the Department of Defense would be authorized to pay an institution hiring a reserve or National Guard member who would be eligible for retired pay at age 60 an amount equal to one-half of the amount paid to the member by the institution for any period, up to a maximum of one-half the

difference between the retired or retainer pay for an active-duty officer or noncommissioned officer of the same grade and years of service for that period and the active-duty pay and allowances which the member would have received for that period if on active duty.

Expansion of Junior Reserve Officers' Training Corps program (sec. 541)

The Senate amendment contained a provision (sec. 315) that would direct the Secretaries of the military departments to increase the number of Junior Reserve Officers' Training Corps units.

The House bill contained no similar provision.

The House recedes.

Review of legal status of Junior ROTC program (sec. 542)

The House bill contained a provision (sec. 525) that would require the Secretary of Defense to review the 1976 legal opinion that determined that Junior Reserve Officers' Training Corps (JROTC) instructors may be transported to a non-host school only to teach students previously enrolled in the JROTC unit at the host school, and only when it is impractical to require them to take courses at the host school. The purpose of the review would be to determine whether changes in the law since 1976 and local school redistricting would now allow for instructors from a host school to travel to and instruct JROTC students at another nearby school. The provision would also allow a host school that is currently providing for the assignment of JROTC instructors to another school with 70 or more students the authority to continue such support until 180 days following the submission of the report on the results of the review by the Secretary of Defense.

The Senate amendment contained an identical provision (sec. 569).

The conference agreement includes this provision.

Part IV-Other Education and Training Programs

Expanded eligibility for enlisted members for instruction at Naval Postgraduate School (sec. 543)

The Senate amendment contained a provision (sec. 566) that would authorize all enlisted members of the Armed Forces to participate in certificate programs and courses required for the performance of their duties offered by the Naval Postgraduate School, and authorize eligible enlisted members of the Armed Forces to receive graduate-level instruction at the Naval Postgraduate School in programs leading to the award of a

master’s degree in technical, analytical, and engineering curricula.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of the Navy to submit a report to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 30, 2007, on the plans and rationale of the Navy to provide enlisted members of the Navy with opportunities to pursue graduate degree programs either through Navy schools or through civilian postgraduate institutions paid for by the Navy in return for an additional service obligation. The amendment would also require the Secretary of the Navy and the Secretary of the Air Force to submit a joint report to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 30, 2007, on the manner by which each Secretary intends to use the Naval Postgraduate School and the Air Force Institute of Technology during fiscal years 2008 through 2013 to meet the overall requirements of the Navy, Marine Corps, and Air Force for enlisted members with graduate degrees.

The conferees expect that the Under Secretary of Defense for Personnel and Readiness will exercise a significant role in overseeing the preparation of the joint report of the Secretary of the Navy and the Secretary of the Air Force on use of the Naval Postgraduate School and the Air Force Institute of Technology to meet the overall requirements of the services for enlisted members with graduate degrees.

Subtitle D-General Service Authorities

Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT) (sec. 546)

The House bill contained a provision (sec. 531) that would require the Secretary of Defense to administer a test program conducted by the Secretaries of the military departments to determine the utility of commercially-available test preparation guides and education programs to assist recruit candidates in achieving improved scores on military recruit qualification tests. The Secretary would be required to identify 2,000 recruit candidates to receive test preparation assistance and 2,000 recruit candidates to participate in a control group to allow comparisons of test performance and subsequent duty performance in training and unit settings following active-duty entry. The test would identify participants over a 1-year period from the start of the test and assess duty performance for each participant for 18 months following entry on active duty.

The Senate amendment contained no similar provision.

The Senate recedes.

Clarification of nondisclosure requirements applicable to certain selection board proceedings (sec. 547)

The House bill contained a provision (sec. 532) that would clarify the nondisclosure requirements applicable to deliberations of military selection boards. The provision would specify that discussions and deliberations of selection boards, including any written or documentary records thereof, are immune from legal process; may not be admitted as evidence; and may not be used for any purpose in any action or suit, or judicial or administrative proceedings without the consent of the Secretary of the military department.

The Senate amendment contained a similar provision (sec. 518).

The Senate recedes with a technical amendment.

Report on extent of provision of timely notice of long-term deployments (sec. 548)

The House bill contained a provision (sec. 533) that would require the Secretary of Defense to report, not later than March 1, 2007, on the number of members of the Armed Forces who, since September 11, 2001, have not received at least 30-days notice prior to a deployment that was scheduled to last 180 days or more.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the reporting period to begin on January 1, 2005, and end on the date of the enactment of this Act.

Subtitle E-Military Justice Matters

Applicability of Uniform Code of Military Justice to members of the Armed Forces ordered to duty overseas in inactive duty for training status (sec. 551)

The Senate amendment contained a provision (sec. 551) that would require the service secretaries, no later than March 1, 2007, to prescribe regulations, or amend current regulations, consistent with article 2 of the Uniform Code of Military Justice (UCMJ) to provide that military personnel who are ordered to perform inactive duty for training at overseas locations shall be subject to jurisdiction under the UCMJ throughout the period that the orders are in effect.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Clarification of application of Uniform Code of Military Justice during a time of war (sec. 552)

The Senate amendment contained a provision (sec. 552) that would clarify that Uniform Code of Military Justice jurisdiction over persons serving with or accompanying an armed force in the field applies both in time of declared war and in a contingency operation.

The House bill contained no similar provision.

The House recedes.

Subtitle F-Decorations and Awards

Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients (sec. 555)

The House bill contained a provision (sec. 551) that would amend sections 3755, 6257, and 8755 of title 10, United States Code, and section 505 of title 14, United States Code, to authorize the President to present a Medal of Honor Flag to all living recipients of the Medal of Honor. The provision would authorize presentation of a Medal of Honor Flag to the primary next of kin of a deceased Medal of Honor recipient.

The Senate amendment contained a similar provision (sec. 584) that would require the Secretary of Defense to prescribe regulations regarding the designation of the primary living next of kin.

The House recedes with a clarifying amendment.

Review of eligibility of prisoners of war for award of the Purple Heart (sec. 556)

The House bill contained a provision (sec. 553) that would require the Secretary of Defense to award the Purple Heart posthumously to a member of the Armed Forces who died while in captivity as a prisoner of war or died due to injury or illness incurred while in captivity as a prisoner of war.

The Senate amendment contained a provision (sec. 589) that would require the President, not later than March 1, 2007, to report on the advisability of modifying the criteria for the award of the Purple Heart in the case of prisoners of war who die in captivity under unknown circumstances or as a result of conditions and treatment which currently do not qualify the decedent for the award of the Purple Heart. The provision would also require the President in making his determination to take into consideration various specified factors as well as the views of the Secretary and the Joint Chiefs of Staff.

The House recedes with an amendment that would add additional circumstances to be considered by the President in making his determination regarding the posthumous award of the Purple Heart to former prisoners of war.

In view of the history and significance of the Purple Heart, and the fact that it is awarded in the name of the President as Commander in Chief to members of the Armed Forces, the conferees consider it essential that the President conduct a comprehensive review of the merits of the proposals for expansion of eligibility for the award and provide a recommendation to the Congress before legislative changes are made to the criteria for the Purple Heart.

Report on Department of Defense process for awarding decorations (sec. 557)

The House bill contained a provision (sec. 555) that would require the Secretary of Defense to review the policy, procedures, and processes of the military departments for awarding decorations to members of the Armed Forces and to submit a report on the findings and recommendations no later than 90 days after the date of the enactment of this Act.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would establish August 1, 2007, as the due date for the required report.

Subtitle G-Matters Relating to Casualities

Authority for retention after separation from service of assistive technology and devices provided while on active duty (sec. 561)

The House bill contained a provision (sec. 562) that would authorize the Secretary of Defense to provide assistive technology, devices, and services to a member of the armed forces who has sustained a debilitating illness or injury while serving in support of a contingency operation, and also authorize the member to continue to utilizes such services after separation from active duty.

The Senate amendment contained a similar provision (sec. 647).

The House recedes with a clarifying amendment.

Transportation of remains of casualties dying in a theater of combat operations (sec. 562)

The House bill contained a provision (sec. 563) that would prescribe conditions for the transportation by air of the remains

of members of the Armed Forces who die in a combat theater of operations and whose remains are returned to the United States through the mortuary facility at Dover Air Force Base, Delaware. The provision would require the Secretary concerned to transport remains under these circumstances by military aircraft, or military-contracted aircraft, unless otherwise directed by the decedent's next of kin. The provision would also require that remains be escorted during transportation at all times by at least one service member in an appropriate grade. The provision would further require that an honor guard escort comprised of a sufficient number of military members to transfer the casket containing the remains from the aircraft or other means of transportation to a hearse for local transportation be provided.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to prescribe regulations for the administration of this provision. The amendment would also require that transportation of one or more sets of military remains by military aircraft or military-contracted aircraft be the aircraft's primary mission and clarify the composition and role of the honor guard escort. The effective date for this provision would be not later than January 1, 2007.

Annual budget display of funds for POW/MIA activities of Department of Defense (sec. 563)

The House bill contained a provision (sec. 564) that would require the Secretary of Defense to submit to Congress a consolidated budget justification display that includes prior year and future year funding for specified organizations supporting the POW/MIA activities of the Department of Defense as part of the Department’s justification material that supports the President’s annual budget request.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees are concerned that shortfalls in the funding of POW/MIA activities within the Department have resulted in the loss of opportunities to conduct planned field missions to locate and identify missing U.S. service members. The conferees expect that the Department will ensure that POW/MIA recovery efforts will receive the highest level of support within the Department and that the budget for POW/MIA activities will be adequately funded in order to preclude the loss of opportunities to conduct planned recovery and research missions.

Military Severely Injured Center (sec. 564)

The Senate amendment contained a provision (sec. 586) that would require the Secretary of Defense to establish a center to augment and support programs operated by the military departments

for services to severely wounded or injured service members and their families. The provision would also require establishment of a central database for the purpose of tracking such members.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the role of the center in support of programs operated by the military departments which are responsible for individual case management, and ensure transparency of the central database.

Comprehensive review on procedures of the Department of Defense on mortuary affairs (sec. 565)

The Senate amendment contained a provision (sec. 590(a)-(b)) that would require the Secretary of Defense to include additional matters in the report of the Department of Defense's ongoing comprehensive review of procedures relating to mortuary affairs. The additional elements reported on would address capabilities and standards employed in combat theaters that could preserve the remains of deceased personnel and expedite the return of remains to the United States in a nondecomposed state.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Additional elements of policy on casualty assistance to survivors of military decedents (sec. 566)

The Senate amendment contained a provision (sec. 590(c)) that would amend section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to require the Secretary of Defense to include an additional element in the Department of Defense's policy relating to casualty assistance to survivors of military decedents. The provision would require that the new policy address the process by which the Department, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and on the disposition and transportation of their remains.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Requirement for deploying military medical personnel to be trained in preservation of remains under combat or combat-related conditions (sec. 567)

The House bill contained a provision (sec. 722) that would require the Secretary of Defense to develop a program requiring each military department to include pre-deployment training of health care professionals in the preservation of remains.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would establish an effective date for the required training of 90 days after the date of the enactment of this Act.

Subtitle H-Impact Aid and Defense Dependents Education System

Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe (sec. 571)

The House bill contained a provision (sec. 572) that would authorize the Secretary of Defense to enroll on a space-required, tuition-free basis a limited number of dependents of foreign military members who are assigned to the Supreme Headquarters Allied Powers, Europe, in the Defense Dependents' Education System in Mons, Belgium.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary to offer such enrollment only through the 2010-2011 school year. The amendment would require a report to Congress evaluating alternatives for a long-term plan for the education of dependents of U. S. military personnel assigned to the Supreme Headquarters Allied Powers, Europe.

Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees (sec. 572)

The House bill contained a provision (sec. 571) that would authorize $50.0 million for assistance to local educational agencies that have military dependent students comprising at least 20 percent of the students in average daily attendance. The provision would also authorize $15.0 million for assistance to local educational agencies that experience a significant increase or decrease in attendance of military dependent students due to military force structure changes, the relocation of military forces, and base closures and realignments.

The Senate amendment contained a provision (sec. 571) that would authorize $30.0 million for assistance to local educational agencies with significant concentrations of military school-aged children, and $10.0 million for special assistance to local educational agencies that experience an increase or decrease in students due to military force structure changes, relocation of military units, or base closures and realignments. The Senate amendment would also provide temporary authority for the Secretary of Defense, working with the Secretary of Education, to utilize funds appropriated for Operation and Maintenance, Defense-wide for the purpose of sharing expertise and experience

of the Department of Defense Education Activity with local education agencies to assist those agencies as military students make the transition to civilian school systems as a result of base closure and realignment, global rebasing, and force restructuring.

The Senate recedes with an amendment that would authorize $35.0 million and $10.0 million, respectively, for assistance to local educational agencies with significant military school-aged children.

Elsewhere in this report, the conferees agree to authorize the sharing of expertise and experience of the Department of Defense Education Activity with local educational agencies that are experiencing a change in the number of military students due to base closure and realignment, global rebasing, and force restructuring, until September 30, 2011.

Impact aid for children with severe disabilities (sec. 573)

The Senate amendment contained a provision (sec. 572) that would authorize $5.0 million in Operation and Maintenance, Defense-wide, for impact aid payments for children with disabilities under section 8003(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(d)), using the formula set forth in section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398).

The House bill contained no similar provision.

The House recedes.

Plan and authority to assist local educational agencies experiencing growth in enrollment due to force structure changes, relocation of military units, or base closures and realignments (sec. 574)

The Senate amendment contained a provision (sec. 573) that would require the Secretary of Defense to prepare a plan to provide assistance to local educational agencies that will experience a growth in enrollment of military and Department of Defense civilian school-aged children as a result of force structure changes, the relocation of military units, and the closure or realignment of a military installation. The provision would require submission of a report on the plan to Congress by January 1, 2007, and annual updates to the plan.

The House bill contained no similar amendment.

The House recedes with an amendment that would require annual updates to the plan after March 1, 2008 be submitted to Congress along with the President's budget request. The amendment would also authorize the Secretary of Defense to share expertise and experience of the Department of Defense Education Activity with affected local educational agencies for the purpose

of assisting those agencies with the transition of military dependent school-aged children through September 30, 2011.

Pilot program on parent education to promote early childhood education for dependent children affected by military deployment or relocation of military units (sec. 575)

The Senate amendment contained a provision (sec. 574) that would require the Secretary of Defense to carry out a pilot program to enhance educational support for parents of pre-school aged children, who are affected by deployments or the relocation of military units.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the requirement to conduct the pilot program would be subject to the appropriation of funds.

Subtitle I-Armed Forces Retirement Home

Report on leadership and management of the Armed Forces Retirement Home (sec. 578)

The Senate amendment contained a provision (sec. 668) that would require the redesignation of the Chief Operating Officer of the Armed Forces Retirement Home as Chief Executive Officer. The provision would require the Director of each facility of the home to be a member of the Armed Forces, and the Deputy Director to be a civilian with experience as a continuing care retirement community professional. The amendment would also clarify that the senior representative of one of the chief personnel officers of the Armed Forces serving as a member of the Local Board of Trustees for each facility be a military officer serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half).

The House bill contained no similar provision.

The House recedes with an amendment that would require a report by the Secretary of Defense evaluating the effect of a change in the title of the Chief Operating Officer and qualifications of the Director and Deputy Director of each facility, as well as an assessment of whether or not there is a need for a greater role by members of the Armed Forces on active duty in the overall direction, operation, and management of the home.

The conferees note that the requirement for service on the Local Board of Trustees by a military officer in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half), is addressed elsewhere in this report.

The conferees are aware that the Comptroller General has not completed the assessment of the regulatory oversight and

monitoring of health and nursing home services required by section 909 of the National Defense Authorization Act for 2006 (Public Law 109-163). The conferees intend that the study required by that section will help inform future legislative and policy changes regarding oversight and monitoring of health and nursing home services at the home.

Report on Local Boards of Trustees of the Armed Forces Retirement Home (sec. 579)

The Senate amendment contained a provision (sec. 1064) that would require a report on the composition and activities of the Local Boards of Trustees of the Armed Forces Retirement Home.

The House bill contained no similar provision.

The House recedes with an amendment that would require an additional report element on the feasibility and effect of including as a member of each local board a member of the Armed Forces who is serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half).

The conferees are concerned that failure to use the Local Boards of Trustees, as required by law in section 416 of title 24, United States Code, is a significant management issue at the Armed Forces Retirement Home. The conferees are also concerned that additional oversight and training is needed on the handling of personnel matters involving assigned military personnel. The conferees direct that these matters be included in the report required by this section.

Subtitle J-Reports

Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets (sec. 581)

The House bill contained a provision (sec. 591) that would require the Secretary of Defense to submit a report, not later than 90 days after the date of the enactment of this Act, on personnel requirements and shortfalls for airborne assets identified as low-density, high-demand airborne assets based on combatant commander requirements to conduct and sustain operations for the global war on terrorism.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the report to be submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than 120 days after the date of the enactment of this Act, and to include estimated manpower costs of personnel needed to address shortfalls.

Report on feasibility of establishment of Military Entrance Processing Command station on Guam (sec. 582)

The House bill contained a provision (sec. 584) that would require the Secretary of Defense to submit a report by June 1, 2007, on the feasibility and cost effectiveness of establishing a Military Entrance Processing Command station on Guam for new recruits who are drawn from the western Pacific region.

The Senate amendment contained no similar provision.

The Senate recedes.

Inclusion in annual Department of Defense report on sexual assaults of information on results of disciplinary actions (sec. 583)

The House bill contained a provision (sec. 595) that would amend section 577 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) to require additional detail in the Department of Defense annual report on sexual assaults on the results of disciplinary action taken in substantiated cases.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Report on provision of electronic copy of military records on discharge or release of members from the Armed Forces (sec. 584)

The Senate amendment contained a provision (sec. 588) that would require the Secretary of Defense, not later than 120 days after the date of the enactment of this Act, to submit a report on the feasibility and advisability of providing an electronic copy of military records (including all military service, medical, and other military records) to members of the Armed Forces on their discharge or release from the Armed Forces.

The House bill contained no similar provision.

The House recedes.

Report on omission of social security account numbers from military identification cards (sec. 585)

The Senate amendment contained a provision (sec. 591) that would require the Secretary of Defense to submit a report, not later than 180 days after the date of the enactment of this Act, assessing the feasibility of using military identification cards, which do not contain, display, or exhibit social security account numbers.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Report on maintenance and protection of data held by the Secretary of Defense as part of the Department of Defense Joint Advertising, Market Research and Studies (JAMRS) program (sec. 586)

The Senate amendment contained a provision (sec. 1417) that would require the Secretary of Defense to submit a report on how the JAMRS program maintains and protects data, including social security numbers, and prevents unauthorized access or inadvertent disclosure of data that could lead to identity theft.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Comptroller General report on military conscientious objectors (sec. 587)

The House bill contained a provision (sec. 593) that would require the Comptroller General to submit to Congress, not later than 180 days after the date of the enactment of this Act, a report concerning members of the Armed Forces who have claimed the status as a military conscientious objector between January 1, 1989, and December 31, 2006.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish September 1, 2007, as the due date for the report, limit the period reported on from September 11, 2001, to December 31, 2006, and clarify the elements of the report required.

Subtitle K-Other Matters

Modification in Department of Defense contributions to Military Retirement Fund (sec. 591)

The House bill contained a provision (sec. 581) that would reduce the Department of Defense's accrual contributions to the Military Retirement Fund by requiring the Department to contribute at the lower, part-time rate for reserve component soldiers who are mobilized or on active duty for special work.

The Senate amendment contained a similar provision (sec. 641(a) and (c)). The provision would also make this section effective on October 1, 2007.

The Senate recedes with an amendment that would make this section effective on October 1, 2007.

Revision in government contributions to Medicare-Eligible Retiree Health Care Fund (sec. 592)

The House bill contained a provision (sec. 589) that would amend sections 1111, 1115, and 1116 of title 10, United States Code, to change the formula by which the government makes annual

contributions to the Medicare-Eligible Retiree Health Care Fund. The provision would reduce the annual government contribution to the fund by changing the formula for calculating that contribution by: (1) excluding the cadets and midshipmen at the service academies; (2) excluding members of the reserve components who are not counted against active component end strength under section 115(i) of title 10, United States Code; and (3) basing the calculation on Selected Reserve member strength, not the end strength of the larger Ready Reserve. The provision would also prohibit any funds authorized or appropriated to the Department of Defense from being used to make any payment to the Medicare-Eligible Retiree Health Care Fund.

The Senate amendment contained a similar provision (sec. 641(b)-(c)).

The Senate recedes with an amendment that would omit changes to section 1116 regarding payments into the Medicare-Eligible Retiree Health Care Fund. The amendment would also modify section 1111(a) of title 10, United States Code, to clarify that the fund shall be used to finance the liabilities of the uniformed services under retiree health care programs for medicare-eligible beneficiaries.

Dental Corps of the Navy Bureau of Medicine and Surgery (sec. 593)

The House bill contained a provision (sec. 582) that would eliminate the requirement for a separate dental division within the Navy Bureau of Medicine and Surgery, and establish a Dental Corps, which would be integrated within the Navy Bureau of Medicine and Surgery.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that Navy dental functions be under the direction of the Chief of the Dental Corps.

Permanent authority for presentation of recognition items for recruitment and retention purposes (sec. 594)

The House bill contained a provision (sec. 583) that would make permanent the authority in section 2261 of title 10, United States Code, to expend appropriated funds to procure recognition items of nominal or modest value for recruitment or retention purposes.

The Senate amendment contained a similar provision (sec. 585) that would authorize the presentation of recognition items during any period of war or national emergency declared by the President or Congress.

The Senate recedes.

Persons authorized to administer enlistment and appointment oaths (sec. 595)

The House bill contained a provision (sec. 585) that would amend sections 502 and 1031 of title 10, United States Code, to allow the Secretary of Defense to designate who is authorized to administer an enlistment or appointment oath and expand the number of people eligible to administer such oaths when the situation dictates.

The Senate amendment contained a similar provision (sec. 581).

The Senate recedes.

Military voting matters (sec. 596)

The House bill contained a provision (sec. 586) that would repeal section 1566(d) of title 10, United States Code, which requires the Department of Defense Inspector General to periodically conduct unannounced assessments of the compliance of Department installations with the requirements of the Uniformed and Overseas Citizens Absentee Voting Act, set forth in section 1973ff of title 42, United States Code.

The Senate amendment contained a similar provision (sec. 583) that would require the Secretary of Defense to continue the Interim Voting Assistance System (IVAS) ballot request program for the general election and all elections through December 31, 2006, and require reports from the Secretary on the implementation of IVAS in 2006 and on the Department's plans for expanding the use of electronic voting technology in the future. The provision would also require the Comptroller General to submit a report to Congress by March 1, 2007, on the programs and activities undertaken by the Department to facilitate voter registration, transmittal of ballots to absentee voters, and voting using electronic means.

The House recedes with a technical amendment.

Physical evaluation boards (sec. 597)

The House bill contained a provision (sec. 587) that would add a new section to title 10, United States Code, that would require: (1) the service secretaries to ensure that documents announcing decisions of physical evaluation boards (PEB) convey the findings and conclusions of the board in an orderly and itemized fashion with specific attention to each issue presented by the member being evaluated; (2) the Secretary of Defense to prescribe regulations establishing requirements and training standards for PEB liaison officers and to assess the compliance of the Secretaries of the military departments with those regulations at least once every 3 years; and (3) the Secretary of Defense to publish regulations establishing standards and

guidelines concerning PEB assignment and training of staff, operating procedures, and consistency and timeliness of board decisions, and to assess the compliance of the Secretaries of the military departments with those regulations at least once every 3 years.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees are concerned about the increasing caseloads being handled within the disability evaluation systems and adverse effects on processing times and decisionmaking that may stem from this increased caseload. The conferees urge the services to determine whether the manning and resources devoted to this function are sufficient and recommend that the service Inspectors General make the performance of the disability evaluation system an item of special interest.

Military ID cards for retiree dependents who are permanently disabled (sec. 598)

The Senate amendment contained a provision (sec. 582) that would require the Secretaries of the military departments to issue a permanent military ID card to a permanently disabled dependent of a military retiree.

The House bill contained no similar provision.

The House recedes.

United States Marine Band and United States Marine Drum and Bugle Corps (sec. 599)

The Senate amendment contained a provision (sec. 903) that would amend section 6222 of title 10, United States Code, to authorize the Secretary of the Navy to prescribe regulations for the appointment and promotion of members of the Marine Band and the Marine Drum and Bugle Corps. The provision would authorize the President to appoint members of the Marine Band and Marine Drum and Bugle Corps to the grades of captain and below and to delegate that authority to the Secretary of Defense. Additionally, the provision would authorize the President to appoint officers in the Marine Band and the Marine Drum and Bugle Corps in the grades of major and above by and with the advice and consent of the Senate.

The House bill contained no similar provision.

The House recedes.

Legislative Provisions Not Adopted

Authorized strength of Navy Reserve flag officers

The House bill contained a provision (sec. 501) that would amend section 12004 of title 10, United States Code, to retain

the authorized strength of Navy Reserve flag officers at 48 but eliminate existing limitations on their distribution and allocation.

The Senate amendment contained no similar provision.

The House recedes.

Modification of authorities on senior members of the Judge Advocate General's Corps

The Senate amendment contained a provision (sec. 504) that would raise the statutory grades of the Judge Advocates General of the Army, Navy, and Air Force to lieutenant general or vice admiral, as appropriate. These three officers would be in addition to the numbers that would otherwise be permitted for their armed forces for officers serving on active duty in grades above major general or rear admiral, as the case may be. The provision would also change the title of the Assistant Judge Advocate General of the Army to "Deputy Judge Advocate General," as is presently the case for the corresponding officers in the Navy and Air Force.

The House bill contained no similar provision.

The Senate recedes.

Requirement for significant joint experience for officers appointed as Surgeon General of the Army, Navy, and Air Force

The Senate amendment contained a provision (sec. 505) that would add a new section 3036a and amend sections 3036, 5137, and 8036 of title 10, United States Code, to require that officers recommended for appointment as the Surgeon General of the Army, Navy, and Air Force must have significant joint experience as determined by the Chairman of the Joint Chiefs of Staff.

The House bill contained no similar provision.

The Senate recedes.

Report on private-sector promotion and constructive termination of members of the reserve components called or ordered to active service

The House bill contained a provision (sec. 513) that would require the Secretary of Defense to report on post-mobilization private-sector employment impacts on members of the reserve components.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree that the issue of whether or not members of the reserve components, called or ordered to active duty, receive promotions in due course upon their return from deployment in Operation Iraqi Freedom or Operation Enduring Freedom, or experience constructive termination by their

employers as a result of such deployment, would be reviewed by a Department of Defense working group established by this Act to review transition to civilian employment of members of the National Guard and reserve returning from deployment.

Report on joint officer promotion boards

The Senate amendment contained a provision (sec. 521) that would require the Secretary of Defense to submit a report on the desirability and feasibility of conducting joint officer promotion selection boards.

The House bill contained no similar provision.

The Senate recedes.

Authority for United States Military Academy and United States Air Force Academy permanent military professors to assume command positions while on periods of sabbatical

The House bill contained a provision (sec. 523) that would authorize the Secretary of the Army and the Secretary of the Air Force to assign military officers who are permanent professors at the United States Military Academy and the United States Air Force Academy, respectively, to command positions while such professors are serving on a sabbatical tour of duty in an Army or Air Force unit outside the academic department of the academy to which they are assigned.

The Senate amendment contained no similar provision.

The House recedes.

Special operations fellowships

The House bill contained a provision (sec. 526) that would authorize the Secretary of Defense to prescribe regulations under which the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict may award to an eligible person a fellowship leading to a doctoral or masters degree in a discipline determined by the Assistant Secretary.

The Senate amendment contained no similar provision.

The House recedes.

Condition on appointment of commissioned officers to position of Director of National Intelligence or Director of the Central Intelligence Agency

The Senate amendment contained a provision (sec. 530) that would amend chapters 32 and 63 of title 10, United States Code, to add new sections. In chapter 32, the provision would require that a commissioned officer, as a condition of appointment to the position of Director of National Intelligence or Director of the Central Intelligence Agency, acknowledge that upon termination of

an assignment to either position the officer will retire. In chapter 63, the provision would require the Secretaries of military departments to retire an officer upon termination of an assignment in either position.

The House bill contained no similar provision.

The Senate recedes.

Pilot program on reintegration of members of the National Guard into civilian life after deployment

The Senate amendment contained a provision (sec. 534) that would require the Secretary of the Army to carry out a pilot program to assess the feasibility and advisability of a voluntary program to facilitate the reintegration of members of the National Guard into civilian life upon return from an overseas deployment.

The House bill contained no similar provision.

The Senate recedes.

The conferees believe that with the heavy reliance on the men and women of the National Guard and Reserve in support of Operation Enduring Freedom and Operation Iraqi Freedom it is essential that the Department of Defense take action to improve the flexibility and adequacy of military transition assistance programs (TAP) for their benefit. TAP for reservists should facilitate the reintegration of members of the National Guard and Reserve into civilian life as soon as possible after their return from an overseas deployment. TAP for reservists should also make such programs voluntary where appropriate and respect the desire of many Guardsmen and reservists to "stand down" from their military duties for appropriate periods. Therefore, the conferees urge the Department to implement and support a reintegration pilot program in a State that has a National Guard brigade returning from an overseas deployment. In the Senate Report accompanying H.R. 5631 (S. Rept. 09-292) of the Department of Defense Appropriations Bill, 2007, the conferees note that the Senate supported funding of $6.7 million for a reintegration initiative in connection with overseas deployment. If such a pilot program is implemented, the conferees direct the Secretary of Defense to submit a report of evaluation within 90 days of its conclusion, including a recommendation regarding the feasibility of reintegration programs for members of the National Guard and Reserve.

Report on using six-month deployments for Operation Enduring Freedom and Operation Iraqi Freedom

The House bill contained a provision (sec. 534) that would express the sense of Congress that the Secretary of the Army should continue to evaluate and consider the potential benefits

and impacts of 6-month overseas deployments for soldiers in connection with Operation Enduring Freedom and Operation Iraqi Freedom. The provision would require the Secretary of the Army to submit a report on any plans, benefits, and drawbacks regarding shorter deployments and the results of any surveys of soldiers and their dependents regarding proposals to reduce the length of operational deployments

The Senate amendment contained no similar provision.

The House recedes.

National Guard officers authority to command

The House bill contained a provision (sec. 544) that would permit, with presidential authorization and consent of the Governor concerned, any National Guard officer to retain a State commission in the National Guard while serving on active duty. The provision would further allow such authorization and consent to be obtained in advance in order to establish succession to command.

The Senate amendment contained no similar provision.

The House recedes.

The conferees recommend that the Commission on the National Guard and Reserve review the advisability and feasibility of further expanding the authority of National Guard officers to serve in both Federal status under title 10, United States Code, and State status under title 32, United States Code, as a means of achieving unity of command of units that are composed of both active-duty members and National Guard personnel. Elsewhere in this report, the conferees agree to add this issue to the matters referred to the commission for review on a priority basis.

Cold War Victory Medal

The House bill contained a provision (sec. 552) that would require the service secretaries to issue a service medal to be known as the Cold War Victory Medal to eligible members and former members of the Armed Forces who performed active duty or inactive duty training between September 2, 1945, and December 26, 1991.

The Senate amendment contained no similar provision.

The House recedes.

Advancement on the retired list of certain decorated retired Navy and Marine Corps officers

The House bill contained a provision (sec. 554) that would require the Secretary of the Navy, upon receipt of a qualifying application, to advance to the next higher grade on the retired list officers who had been specifically commended for performance of duty in combat during World War II. The provision, which

would have restored in part a retirement benefit that ended in 1959, would have no effect on compensation or benefits.

The Senate amendment contained no similar provision.

The House recedes.

Criteria for removal of member from temporary disability retired list

The House bill contained a provision (sec. 561) that would amend section 1210(e) of title 10, United States Code, to direct that a member with less than a 30 percent disability rating may not be removed from the temporary disability retired list (TDRL) and separated prior to the expiration of the maximum TDRL period allowed by law unless the disability is of a permanent nature and stable.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are concerned that the absence of a standard relating to the permanent and stable nature of a disability rated at less than 30 percent under section 1210(e) of title 10 may lead to inequitable results for members with less than 20 years of active-duty service. The conferees direct the Secretary of Defense to submit a report no later than May 1, 2007, describing the manner in which section 1210(e) is implemented in the military departments and explaining how military members with disabilities rated at less than 30 percent who are placed on the TDRL are administered. The report should include discussion of what the impact would be of a change in law requiring that such a disability be of a permanent and stable nature. The report should include recommendations for legislative changes that would ensure that members with substantial active-duty service are treated equitably.

Modification of time limit for use of entitlement to educational assistance for reserve component members supporting contingency operations and other operations

The Senate amendment contained a provision (sec. 570A) that would extend the time a member of the Selected Reserve is authorized to use the educational benefit earned for service while recalled to active duty in support of a war or national emergency for a period of 10 years from the date of separation from the Selected Reserve.

The House bill contained no similar provision.

The Senate recedes.

Postal benefits program for members of the Armed Forces

The House bill contained a provision (sec. 575) that would

require the Secretary of Defense, in consultation with the United States Postal Service, to provide a program of postal benefits to military members who are serving in Iraq or Afghanistan, or who are hospitalized at a military medical facility as a result of disease or injury incurred while serving in Iraq or Afghanistan. The postal benefit would be provided using coupons or other forms of evidence indicating a mailing privilege to be used to mail letters, sound and video recordings, printed materials, or ground parcels not exceeding 15 pounds in weight at no cost.

The Senate amendment contained no similar provision.

The House recedes.

Funding

The House bill contained a provision (sec. 576) that would require the Secretary of Defense to fund the operation of the postal benefit program from contingent emergency reserve funds or emergency supplemental appropriations.

The Senate amendment contained no similar provision.

The House recedes.

Duration

The House bill contained a provision (sec. 577) that would require new postal benefits to apply with respect to mail sent during the 1-year period beginning on the date on which the regulations administering the postal benefit are issued by the Secretary of Defense.

The Senate amendment contained no similar provision.

The House recedes.

Sense of Senate on notice to Congress of recognition of members of the Armed Forces for extraordinary acts of bravery, heroism, and achievement

The Senate amendment contained a provision (sec. 587) that would express the sense of the Senate that the Secretary of Defense or the service secretaries should notify the Committees on Armed Services of the Senate and the House of Representatives and applicable senators and representatives when a member of the Armed Forces receives a medal or is otherwise commended or recognized for an act of extraordinary heroism, bravery, achievement, or other distinction.

The House bill contained no similar provision.

The Senate recedes.

Department of Labor Transitional Assistance Program

The House bill contained a provision (sec. 588) that would

amend section 1144 of title 10, United States Code, to require participation by certain members of reserve components in the transition assistance program (TAP) provided by the Secretary of Labor, and encourage participation by certain members who had previously participated in such programs. The provision would also require the service secretaries to update the content of transition materials used by the National Veterans Training Institute of the Department of Labor on a continuing basis.

The Senate amendment contained no similar provision.

The House recedes.

The conferees expect the Secretary of Defense, the Secretaries of the military Departments, and the Secretary of Labor to take steps to ensure maximum participation by all eligible service members, and particularly members of the National Guard and Reserve, in pre-separation counseling and TAP. Military leaders should encourage and assist separating service members to develop personal transition plans prior to separation. TAP presentations programs should be scheduled during duty time to ensure all separating service members, including Guard and Reserve members, have full access and opportunity to attend.

The conferees are encouraged by the new approach to the TAP for members of the Guard and Reserve and their families described in the Report to Congress on Transition Assistance and Disabled Transition Assistance Programs of May 4, 2006. The combination of a transition assistance orientation, a new web-based transition assistance portal, and an around-the-clock call center will address the full spectrum of needs and concerns of demobilizing Guard and Reserve personnel by providing the assistance whenever needed without unnecessarily delaying the members' return to their homes following deployments. The conferees encourage the expedited implementation of this new approach.

Military chaplains

The House bill contained a provision (sec. 590) that would amend sections 3547, 4337, 6031, 8547, and 9337 of title 10, United States Code, to prescribe that military chaplains shall have the prerogative to pray according to the dictates of their conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.

The Senate amendment contained no similar provision.

The House recedes.

The conferees direct the Secretary of the Air Force to rescind the policy and revised interim guidelines concerning the exercise of religion in the Air Force issued on February 9, 2006, and direct the Secretary of the Air Force to reinstate the policy that was set forth in the Air Force Directive 52-1 dated July 1, 1999. The conferees further direct the Secretary of the Navy to

rescind the Secretary of the Navy Instruction 1730.7C dated February 21, 2006, titled “Religious Ministry within the Department of the Navy,” and direct the Secretary of the Navy to reinstate the policy that was set forth in the Secretary of the Navy Instruction 1730.7B dated October 12, 2000.

Entrepreneurial service members empowerment task force

The House bill contained a provision (sec. 592) that would require the Secretary of Defense, in coordination with the Administrator of the Small Business Administration, to establish a task force that would improve programs designed to address the economic concerns and business challenges of military member entrepreneurs and coordination of programs by Federal agencies.

The Senate amendment contained no similar provision.

The House recedes.

Funeral ceremonies for veterans

The Senate amendment contained a provision (sec. 592) that would amend section 1491 of title 10, United States Code, to authorize the service secretaries, under regulations and procedures prescribed by the Secretary of Defense, to support the conduct of funeral honors that are provided solely by members of veterans organizations for deceased veterans. The provision would also amend section 4683 of title 10, United States Code, to authorize the use at funeral ceremonies of M-1 rifles by designees of veterans organizations who are at least 18 years of age, are the spouses, sons, daughters, nephews, nieces, or other family relations of members or former members of the Armed Forces, and have successfully completed a formal firearm training program or a hunting safety program.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge and are deeply grateful for the voluntary contribution of time, resources, and expertise by veterans organizations and their members who provide funeral honors for deceased veterans, particularly in rural and remote areas far from military installations. Without their assistance, the rendering of appropriate funeral honors when requested by survivors to those who have served in the Armed Forces would not be possible. The conferees believe that greater effort is needed by the Department of Defense to identify appropriate means to support veterans organization partners in fulfilling this commitment. The conferees also believe that reasonable steps should be taken to support members of veterans organizations who render funeral honors by loaning M-1 rifles under the authority of section 4683. The conferees direct the Secretary of the Army to submit a report to the Committees on Armed Services of the Senate and the House of Representatives within 90 days of the

date of the enactment of this Act on current policies and practices of the Army relating to limits or prohibitions being enforced by the Army on the use of M-1 rifles by members of veterans organizations who are relatives or family members of veterans but not veterans themselves.

TITLE VI–COMPENSATION AND OTHER PERSONNEL BENEFITS

Legislative Provisions Adopted

Subtitle A-Pay and Allowances

Fiscal year 2007 increase in military basic pay and reform of basic pay rates (sec. 601)

The House bill contained provisions (secs. 601-602) that would increase the rate of basic pay for all military members by 2.7 percent effective on January 1, 2007, and, for certain mid-career personnel, increase the rate of pay by higher percentages effective April 1, 2007.

The Senate amendment contained a provision (sec. 601) that would authorize a pay raise for members of the uniformed services of 2.2 percent effective on January 1, 2007; target pay raises for warrant officers and enlisted members serving in the E-5 to E-7 grades that would be effective on April 1, 2007; and extend the basic pay table to 40 years, providing longevity step increases for the highest officer, warrant officer, and enlisted grades.

The House recedes with a technical amendment.

Increase in maximum rate of basic pay for general and flag officer grades to conform to increase in pay cap for Senior Executive Service personnel (sec. 602)

The House bill contained a provision (sec. 603) that would amend section 203(a)(2) of title 37, United States Code, to provide that the rates of basic pay for officers in pay grades O-7 through O-10 may not exceed the monthly equivalent of the rate of pay for level II, vice III, of the Executive Schedule.

The Senate amendment contained a similar provision (sec. 602).

The House recedes with a technical amendment.

One-year extension of prohibition against requiring certain injured members to pay for meals provided by military treatment facilities (sec. 603)

The Senate amendment contained a provision (sec. 604) that would amend section 402(h)(3) of title 37, United States Code, to extend for an additional year the prohibition on requiring members who are undergoing medical recuperation or therapy, or are otherwise in the status of continuous care, including outpatient care, at a military treatment facility for injuries, illnesses, or diseases incurred or aggravated while serving on active duty in support of Operation Iraqi Freedom or Operation Enduring Freedom, or in any other operation designated by the Secretary of Defense as a combat operation or in an area designated by the Secretary as a combat zone. The provision would also require the Secretary to submit a report to the congressional defense committees by February 1, 2007, on the administration of section 402(h)(3), including an assessment of the implementation of the prohibition by the services and recommendations regarding whether this authority should be made permanent.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations (sec. 604)

The House bill contained a provision (sec. 604) that would amend section 403(g) of title 37, United States Code, to authorize service secretaries to pay a second monthly basic allowance for housing in lieu of per diem to reserve component members without dependents mobilized in support of a contingency operation.

The Senate amendment contained a similar provision (sec. 605).

The Senate recedes with an amendment that would make the provision effective on or after October 1, 2006.

Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members (sec. 605)

The House bill contained a provision (sec. 605) that would amend section 403(l) of title 37, United States Code, to provide that a member of the uniformed services, who is a spouse of a deceased member who died while serving on active duty, may continue to be paid the basic allowance for housing.

The Senate amendment contained a similar provision (sec. 606).

The Senate recedes.

Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom (sec. 606)

The House bill contained a provision (sec. 607) that would amend section 437 of title 37, United States Code, to increase from $150,000 to $400,000 the amount of coverage under the Servicemembers' Group Life Insurance that the services would be required to fund for all members of the Armed Forces serving in Operation Enduring Freedom or Operation Iraqi Freedom.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Clarification of effective date of prohibition on compensation for correspondence courses (sec. 607)

The House bill contained a provision (sec. 606) that would amend section 206(d) of title 37, United States Code, to clarify that the prohibition on compensation for work or study in connection with correspondence courses, including the prohibition as it relates to a member of the National Guard while not in federal service, applies to any such work or study performed on or after September 7, 1962, and to any claim for compensation based on such work or study arising after that date

The Senate amendment contained a similar provision (sec. 603).

The Senate recedes.

The conferees direct the Secretary of Defense to review the policy regarding compensation of members of the reserve components (which include officers and enlisted personnel of the National Guard) for completing correspondence and distance learning courses. The review should include an audit of military professional education and other career development and military skills courses that are required for continued military service and advancement in the reserve component. For those courses that do not afford reserve component members practical options for attending in residence, an assessment should be completed of the feasibility and need for compensation as an incentive to complete correspondence and distance learning courses. The Secretary should report on the results of this review, including any recommendations for legislative changes, by July 31, 2007, to the Committees on Armed Services of the Senate and the House of Representatives.

Extension of pilot program on contributions to Thrift Savings Plan for initial enlistees in the Army (sec. 608)

The Senate amendment contained a provision (sec. 619) that would extend the pilot program on contributions to the Thrift Savings Plan for initial enlistees in the Army, as required by

section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), until December 31, 2008. The provision would also extend the due date for the report on the pilot program to February 1, 2008.

The House bill contained no similar provision.

The House recedes.

Subtitle B-Bonuses and Special and Incentive Pays

Extension of certain bonus and special pay authorities for reserve forces (sec. 611)

The House bill contained a provision (sec. 611) that would extend for 1 year the authority to pay the Selected Reserve reenlistment bonus; the Selected Reserve affiliation or enlistment bonus; the special pay for enlisted members assigned to certain high priority units; the Ready Reserve enlistment bonus for persons without prior service; the Ready Reserve enlistment and reenlistment bonus for persons with prior service; and the Selected Reserve enlistment bonus for persons with prior service.

The Senate amendment contained a similar provision (sec. 611).

The House recedes.

Extension of certain bonus and special pay authorities for health care professionals (sec. 612)

The House bill contained a provision (sec. 612) that would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, the incentive special pay for nurse anesthetists, the special pay for Selected Reserve health professionals in critically short wartime specialties, the accession bonus for dental officers, and the accession bonus for pharmacy officers until December 31, 2007. Additionally, the provision would extend the authority to repay the educational loans for certain health professionals who serve in the Selected Reserve to January 1, 2008.

The Senate amendment contained a similar provision (sec. 612).

The House recedes.

Extension of special pay and bonus authorities for nuclear officers (sec. 613)

The House bill contained a provision (sec. 613) that would extend for 1 year the authority to pay the special pay for nuclear-qualified officers extending their period of active

service; the nuclear career accession bonus; and the nuclear career annual incentive bonus.

The Senate amendment contained an identical provision (sec. 613).

The conference agreement includes this provision.

Extension of authorities relating to payment of other bonuses and special pays (sec. 614)

The House bill contained a provision (sec. 614) that would extend for 1 year the authority to pay the aviation officer retention bonus; assignment incentive pay; the reenlistment bonus for active members; the enlistment bonus; the retention bonus for members qualified in critical military skills or assigned to high priority units; the accession bonus for new officers in critical skills; the incentive bonus for conversion to military occupational specialty to ease personnel shortage; and the incentive bonus for transfer between the armed forces.

The Senate amendment contained a similar provision (sec. 614). The provision would extend through December 31, 2009, the authority to pay the incentive bonus for transfer between the armed forces.

The House recedes.

Expansion of eligibility of dental officers for additional special pay (sec. 615)

The House bill contained a provision (sec. 615) that would authorize additional special pay for dental officers while they are undergoing dental internship or residency training.

The Senate amendment contained no similar provision.

The Senate recedes.

Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties (sec. 616)

The House bill contained a provision (sec. 616) that would increase the maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties from $10,000 to $25,000.

The Senate amendment contained a similar amendment (sec. 615).

The House recedes with a clarifying amendment.

Expansion and enhancement of accession bonus authorities for certain officers in health care specialties (sec. 617)

The House bill contained a provision (sec. 621) that would authorize the Secretary of Defense to establish a 2-year pilot

program to offer additional financial incentives for up to five critical medical specialties.

The Senate amendment contained a provision (sec. 616) that would authorize an increase in the maximum amount authorized for an accession bonus for fully qualified dental officers from $30,000 to $200,000, and an accession bonus of up to $400,000 for fully qualified medical officers and dental specialist officers in critically short wartime specialties.

The House recedes with a technical amendment.

Authority to provide lump sum payment of nuclear officer incentive pay (sec. 618)

The House bill contained a provision (sec. 617) that would authorize nuclear officer incentive pay to be paid as a lump sum or in variable amounts in addition to payment in equal annual installments.

The Senate amendment contained no similar provision.

The Senate recedes.

Increase in maximum amount of nuclear career accession bonus (sec. 619)

The House bill contained a provision (sec. 618) that would increase the maximum amount of the nuclear career accession bonus from $20,000 to $30,000.

The Senate amendment contained a similar provision (sec. 617).

The House recedes with a clarifying amendment.

Increase in maximum amount of incentive bonus for transfer between Armed Forces (sec. 620)

The House bill contained a provision (sec. 619) that would amend section 327(d)(1) of title 37, United States Code, to increase the maximum authorized amount of the incentive bonus for transfer between armed forces from $2,500 to $10,000.

The Senate amendment contained a similar provision (sec. 618(d)).

The Senate recedes with a technical amendment.

Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments (sec. 621)

The House bill contained a provision (sec. 623) that would add a new section 329 to title 37, United States Code. The provision would authorize the Secretary of Defense to pay a bonus of up to $50,000 to encourage retired members, reservists, and former members discharged from the military to return to active

duty to fill manpower requirements in units tasked to provide high-demand, low-density military capabilities or to fill other specialties, as designated by the Secretary as critical to meet wartime or peacetime requirements. This section would also authorize the Secretary to develop additional incentives to encourage personnel with critical, high-demand, low-density skills to return to active duty. The authority would expire on December 31, 2010. The provision would also amend section 688a of title 10, United States Code, to authorize the Secretary concerned to order to active duty a retired member who agrees to serve on active duty in an assignment intended to alleviate a high-demand, low-density military capability.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would specify that members appointed under the authority of section 329 of title 37, United States Code, are not eligible for promotion.

Accession bonus for members of the Armed Forces appointed as commissioned officers after completing officer candidate school (sec. 622)

The Senate amendment contained a provision (sec. 620) that would amend title 37, United States Code, to add a new section 330 that would authorize an accession bonus not to exceed $8,000 for persons who complete officer candidate school (OCS), accept a commission or appointment as an officer of the armed forces, and serve on active duty in accordance with the terms of their agreement. The provision would also authorize the Secretary of the Army to pay an accession bonus not to exceed $8,000 to a person who, during the period beginning on April 1, 2005, and ending on April 6, 2006, executed an agreement to enlist for the purpose of attending OCS and received a bonus under section 309 of title 37, United States Code, and who completed the terms of the agreement required for payment of the bonus.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Modification of certain authorities applicable to the targeted shaping of the Armed Forces (sec. 623)

The House bill contained a provision (sec. 622) that would expand the temporary program of voluntary separation incentives (VSI) and benefits authorized by section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to remove the bar prohibiting participation of enlisted personnel and officers with between 12 and 20 years of service. The provision would also amend section 1175 of title 10, United States Code, to extend the expiration date of the authority from December 31, 2008, to December 31, 2009.

The Senate amendment contained a similar provision(sec. 618) that would increase the maximum authorized amount of the VSI to an amount not greater than four times the full amount of separation pay for a member of the same pay grade and years of service who is involuntarily separated under section 1174 of title 10, United States Code, and extend the authority to use the provision through December 31, 2012. The provision would amend sections 638 and 638a of title 10, United States Code, to relax limitations on use of selective early retirements and discharges through December 31, 2012.

The House recedes with an amendment that would delete provisions relating to the expanded use of selective early retirement boards under sections 638 and 638a.

Enhancement of bonus to encourage certain persons to refer other persons for enlistment in the Army (sec. 624)

The House bill contained a provision (sec. 620) that would amend section 645(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to clarify that military retirees, to include members of a reserve component under 60 years of age who, but for age, would be eligible for retired pay, are eligible to be paid the referral bonus.

The Senate amendment contained a similar provision (sec. 621). The provision would increase the maximum amount of the bonus not to exceed $2,000; provide that civilian employees of the Department of the Army are also eligible to receive the referral bonus; and specify that a referral bonus paid to a retiree is in addition to any compensation to which such a member is entitled under titles 10, 37, or 38 United States Code, or under any other provision of law.

The House recedes with an amendment that would make administrators or instructors in the Junior Reserve Officers' Training Corps program or retired members of the Army employed as administrators or instructors in the program ineligible for the bonus.

Subtitle C-Travel and Transportation Allowances

Travel and transportation allowances for transportation of family members incident to illness or injury of members (sec. 631)

The House bill contained a provision (sec. 633) that would amend section 411h of title 37, United States Code, to authorize the payment of travel and transportation allowances to a person related to a seriously injured or ill member covered under section 411h, who is also a member of the Armed Forces.

The Senate amendment contained no similar provision.
The Senate recedes.

Subtitle D-Retired Pay and Survivor Benefits

Retired pay of general and flag officers to be based on rates of basic pay provided by law (sec. 641)

The Senate amendment contained a provision (sec. 650) that would add a new section 1407a to title 10, United States Code, that would control the calculation of the retired pay of a flag or general officer whose rate of pay while on active duty was subject to a reduction under section 203(a)(2) of title 37. The provision would provide that such a determination would be made using the rates of basic pay in effect as provided by law rather than rates reduced under section 203(a)(2). The effective date for this provision would be October 1, 2006.
The House bill contained no similar provision.
The House recedes with a technical amendment.

Inapplicability of retired pay multiplier maximum percentage to service of members of the Armed Forces in excess of 30 years (sec. 642)

The Senate amendment contained a provision (sec. 651) that would amend sections 1409 and 12739 of title 10, United States Code, to provide that in the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used to calculate retired pay would increase based on the years of active-duty or reserve service in excess of 30 years pursuant to a prescribed formula. The Secretary of Defense would be authorized to establish conditions under which this higher rate of retired pay would be afforded for purposes of this provision.
The House bill contained no similar provision.
The House recedes with a clarifying amendment.

Military Survivor Benefit Plan beneficiaries under insurable interest coverage (sec. 643)

The House bill contained a provision (sec. 641) that would amend section 1448(b)(1) of title 10, United States Code, to allow military retirees who participate in the Survivor Benefit Plan and elect the insurable interest coverage to select a new insurable interest if their designated beneficiary dies.
The Senate amendment contained no similar provision.
The Senate recedes.

Modification of eligibility for commencement of authority for optional annuities for dependents under the Survivor Benefit Plan (sec. 644)

The House bill contained a provision (sec. 645) that would express the sense of Congress that eligibility for a surviving child annuity in lieu of a surviving spouse annuity under the Survivor Benefit Plan (SBP) for a child of a member of the Armed Forces who dies while on active duty should be extended so as to cover children of members who die after October 7, 2001, rather than only children of members dying after November 23, 2003.

The Senate amendment contained a provision (sec. 652) that would amend section 1448(d)(2)(B) of title 10, United States Code, to effect the foregoing change to SBP elections based on service member deaths after October 7, 2001.

The House recedes.

Study of training costs, manning, operations tempo, and other factors that affect retention of members of the Armed Forces with special operations designations (sec. 645)

The House bill contained a provision (sec. 644) that would require the Secretary of Defense to submit a report, not later than 90 days after the date of the enactment of this Act, on retention of members of the Armed Forces who have a special operations forces designation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete certain matters to be reported on, and require that the report be submitted no later than August 1, 2007.

Subtitle E-Commissary and Nonappropriated Fund Instrumentality Benefits

Treatment of price surcharges of certain merchandise sold at commissary stores (sec. 661)

The House bill contained a provision (sec. 651) that would clarify that revenues for products that are sold in commissary stores as special exceptions to the standard surcharge shall be applied to the surcharge fund as if it were a uniform surcharge product.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Limitations on lease of non-excess Department of Defense property for protection of morale, welfare, and recreation activities and revenue (sec. 662)

The House bill contained a provision (sec. 652) that would prohibit the Secretary of Defense from entering into a lease for enhanced use of non-excess Department of Defense property, which includes the establishment or operation of an ancillary support facility if that facility would be in direct competition with military exchanges, commissaries, and morale, welfare, and recreation activities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a lessee to provide military exchanges, commissaries, and morale, welfare, and recreation activities the right to establish and operate a community support facility or provide community support services that are determined to be in direct competition with facilities or activities of those entities, or to seek equitable compensation for Department morale, welfare, and recreation programs in lieu of operation of such a facility or service. The amendment would allow these entities 90 days within which to exercise the right to establish or operate such community support facilities or services, and require notification to Congress regarding all leases for enhanced use that include such facilities or services. The amendment would also require the Secretary to prescribe uniform procedures and criteria for the evaluation of proposals for enhanced use leases involving the operation of community support facilities or services by either a lessee or a military exchange, commissary, or morale, welfare, and recreation entity. The conferees note that the term "lodging support services" as used in the provision was intended to include coin operated machines, lobby store for personal items and snacks, restaurants/snack bars, and other similar support services.

The conferees direct the Secretary to ensure that the notifications required in subsection (d)(6) of the amendment are carried out in the same manner as approval or disapproval is obtained from the Committees on Armed Services of the Senate and the House of Representatives for non-appropriated fund military construction projects.

Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities (sec. 663)

The House bill contained a provision (sec. 654) that would require the Secretary of Defense to submit a report to Congress evaluating the cost effectiveness of the Defense Commissary Agency and certain nonappropriated fund activities purchasing commercial insurance to protect financial interests in facilities operated by morale, welfare, and recreation activities, military exchange stores, and commissary stores against loss or damage.

The Senate amendment contained no similar provision.

The Senate recedes.

Study and report regarding access of disabled persons to morale, welfare, and recreation facilities and activities (sec. 664)

The House bill contained a provision (sec. 662) that would require the Secretary of Defense to conduct a pilot project at a significant number of military golf courses for the purpose of developing a strategy to make golfs carts that are accessible for disabled persons available at all military golf courses.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to conduct a study of the current capability of Department of Defense morale, welfare, and recreation facilities and nonappropriated fund activities to provide access and accommodation to disabled persons, with specific attention to the applicability of section 504 of the Rehabilitation Act of l973 (Public Law 93-112). The amendment would require the study to include plans to make available additional golf carts at military golf courses that are accessible for disabled persons authorized to use such courses. The amendment would require the Secretary to report to Congress on the results of the study not later than 180 days after the date of the enactment of this Act.

Subtitle F-Other Matters

Limitations on terms of consumer credit extended to servicemembers and dependents (sec. 670)

The Senate amendment contained a provision (sec. 666) that would amend title II of the Servicemembers Civil Relief Act (50 U.S.C. App. 521 et seq.) (SCRA) to add a new section 208 that would regulate the terms of consumer credit extended by creditors to servicemembers and servicemembers' dependents. The provision would: (1) prohibit creditors from imposing an annual percentage rate greater than 36 percent for consumer credit loans; (2) require prescribed mandatory loan disclosures, including a clear description of payment obligations; (3) prohibit creditors from automatically renewing, repaying, refinancing, or consolidating a loan without executing new loan documentation and loan disclosures; and (4) preempt any State or Federal law or regulation to the extent that such law or regulation is inconsistent with this provision. The provision would provide penalties, including fines as provided in title 18, United States Code, or imprisonment for not more than 1 year.

The House bill contained no similar provision.

The House recedes with an amendment that would amend title 10, rather than the SCRA, to add a new section 987 that would establish additional protections for servicemembers and their

dependents who are extended credit. The amendment would prohibit creditors from charging servicemembers and their dependents annual percentage rates of interest for loans higher than the legal limits for residents of the State. The amendment would prohibit violation or waiver of any State consumer lending protections that protect residents of the State on the basis of nonresident or military status. The amendment would set forth specific limitations on lending practices by creditors who extend credit to covered members and their dependents, including mandatory waiver of a borrower's right to legal recourse using a check or other means of access to a deposit, savings, or other financial account maintained by the borrower; or using the title of a vehicle as security for an obligation. The amendment would direct the Secretary of Defense, in consultation with other Federal regulatory agencies, including the Federal Trade Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, and the Treasury Department, to prescribe regulations to carry out this provision.

Enhancement of authority to waive claims for overpayment of pay and allowances and travel and transportation allowances (sec. 671)

The Senate amendment contained a provision (sec. 665) that would amend section 2774 of title 10, United States Code, to specify that a claim of the United States against a person arising out of an erroneous payment of a bonus, special pay, or incentive pay, in addition to erroneous payment of pay or allowances, may be waived. The provision would also increase the dollar limit for waivers from $1,500 to $10,000 and extend the period in which a waiver may be granted from 3 years to 5 years. The provision would require that any modifications to standards under section 2774 controlling waivers of claims necessitated by this provision be completed not later than March 1, 2007.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the requirement for modifications to applicable standards and the provision relating to bonuses, special pays, and incentive pays as unnecessary.

Exception for notice to consumer reporting agencies regarding debts or erroneous payments pending a decision to waive, remit, or cancel (sec. 672)

The Senate amendment contained a provision (sec. 664) that would amend section 2780 of title 10, United States Code, to prohibit disclosure of information to consumer reporting agencies concerning indebtedness of a member that is delinquent by more

than 3 months while a decision regarding waiver, remission, or cancellation is pending.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Expansion and enhancement of authority to remit or cancel indebtedness of members and former members of the Armed Forces incurred on active duty (sec. 673)

The House bill contained a provision (sec. 663) that would amend sections 4837, 6161, and 9837 of title 10, United States Code, to extend the termination date of the temporary expanded authority to remit or cancel indebtedness of military members included in section 683 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) from December 31, 2007, to December 31, 2009. The provision would also increase the period of time from 1 year to 5 years following honorable discharge or separation during which the service secretaries may exercise the expanded authority to remit and cancel indebtedness.

The Senate amendment contained a similar provision (sec. 663) that would extend the applicability of the remission or cancellation authority to retired members. The provision would also authorize the Secretary of Defense to determine the limits on the time for exercise of the authority to remit or cancel indebtedness by regulation.

The House recedes with an amendment that would authorize service secretaries to remit or cancel indebtedness of persons incurred while they served on active duty in the armed forces. The amendment would eliminate limits on the allowable period of exercise of their authority retroactive to October 7, 2001, and make the authority to remit or cancel indebtedness permanent.

The conferees believe that the Secretary of Defense must take more forceful steps to ensure that policies and procedures used by the Defense Finance and Accounting Service and the services relating to the collection of indebtedness incurred by members are cost-effective and equitable. Collection practices must take into account fully the problems created by existing manual pay systems, sources of errors causing overpayments, and the harmful effects on morale of belated, computer-generated efforts to recoup pay from members, particularly those who have served under combat conditions, whose overpayments occurred through no fault of the member.

Phased recovery of overpayments of pay made to members of the uniformed services (sec. 674)

The House bill contained a provision (sec. 664) that would amend section 1007 of title 37, United States Code, to provide that the amount deducted from the pay of a member to recover an overpayment may not exceed 20 percent per month of the member's

pay when the overpayment occurred through no fault of the member. Additionally, no deduction would be authorized from the pay of a member who has been wounded or injured in the line of duty or who incurred an illness in a combat operation or combat zone until the 90-day period beginning on the date on which the member is notified of the overpayment has expired.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize waiver of the conditions limiting collection of overpayments if the member requests or consents to collection of the overpayment at an accelerated rate or at an earlier date.

Joint family support assistance program (sec. 675)

The Senate amendment contained a provision (sec. 667) that would require the Secretary of Defense to establish a joint family support program in at least six regions in the United States. The program would provide financial and other assistance to families of members of the Armed Forces, including sponsorship of volunteers and coordination of family assistance activities of the Department of Defense as well as other public and private entities. The provision would also authorize $5.0 million in Operation and Maintenance, Defense-wide to provide financial, material, or other support to nonprofit entities to facilitate assistance by those entities to geographically isolated family members of the Armed Forces. The authority for both programs would expire 3 years after the initial obligation of funds.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the number of joint family support assistance regional sites to six, and clarify that the program is not intended to operate in lieu of existing family support centers, but rather to augment the activities of the Department of Defense and the military departments family support centers. The amendment would also delete the authorization for grants to nonprofit entities.

The conference outcome is reflected in the tables in this report.

Special working group on transition to civilian employment of National Guard and Reserve members returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom (sec. 676)

The Senate amendment contained a provision (sec. 682) that would require the Secretary of Defense to establish a working group to identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in the transition to civilian employment. The working group would be required to report its recommendations to Congress within 1 year on the provision of assistance to employers and employment assistance

organizations, and ways to improve collaboration between the public and private sector in order to ensure the successful transition of members into civilian employment.

The House bill contained no similar provision.

The House recedes with an amendment that would require the working group to assess the extent to which members of the National Guard and Reserve receive promotions, or experience termination of employment, upon their return from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

Audit of pay accounts of members of the Army evacuated from a combat zone for inpatient care (sec. 677)

The Senate amendment contained a provision (sec. 661) that would require the Secretary of the Army to conduct an audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006. The provision would also require the Secretary of the Army to submit a report to the congressional defense committees, no later than 120 days after the date of enactment of this Act, on the results of the audit. The provision would also require the Secretary of Defense to establish within the Department of Defense a call assistance center for resolution of military pay problems.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the requirement for establishment of a call assistance center in view of the availability of other means for members and their dependents to obtain assistance in resolving pay problems.

Report on eligibility and provision of assignment incentive pay (sec. 678)

The House bill contained a provision (sec. 624) that would express the sense of Congress that the Secretary of the Army should correct a pay inequity in the provision of assignment incentive pay under section 307a of title 37, United States Code, to certain members of the Army National Guard and the Army Reserve serving on active duty in Afghanistan and Iraq. The provision would require a report by the Secretary of the Army, not later than 30 days after the date of enactment of this Act, specifying the number of members adversely affected by the disparate treatment of members who previously served under a call or order to active duty under section 12304 of title 10, United State Code, in determining eligibility for assignment incentive pay, and setting forth proposed remedies or courses of action.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the sense of Congress provision and extend the due date of the required Secretary of the Army report by 30 days.

Sense of Congress calling for payment to World War II veterans who survived Bataan Death March (sec. 679)

The House bill contained a provision (sec. 665) that would express the sense of Congress that there should be paid to Bataan Death March survivors or, if deceased, to their surviving spouses, an amount equaling $4 for each day of captivity during World War II, compounded annually at a 3 percent annual rate of interest.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that an appropriate amount of compensation should be paid to Bataan Death March survivors or, if deceased, to their surviving spouses in recognition of their captivity.

Legislative Provisions Not Adopted

Authority to pay costs associated with delivery of motor vehicle to storage location selected by member and subsequent removal of vehicle

The House bill contained a provision (sec. 631) that would amend section 2634 of title 10, United States Code, to authorize payment to military members for the costs of delivery and removal of privately-owned vehicles from storage locations chosen by the member.

The Senate amendment contained no similar provision.

The House recedes.

Transportation of additional motor vehicle of members on change of permanent station to or from nonforeign areas outside the continental United States

The House bill contained a provision (sec. 632) that would amend section 2634 of title 10, United States Code, to authorize certain military members to ship two privately-owned vehicles during permanent change of station moves to nonforeign duty locations located outside the continental United States. Nonforeign duty locations would include Alaska, Hawaii, Puerto Rico, Guam, and other territories and possessions.

The Senate amendment contained no similar provision.

The House recedes.

Retroactive payment of additional death gratuity for certain members not previously covered

The House bill contained a provision (sec. 642) that would amend section 1478(d)(2) of title 10, United States Code, to retroactively extend the applicability of the enhanced death gratuity to survivors of military decedents who died on active duty between May 12, 2005, and August 31, 2005.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that this legislative change was previously enacted as section 1210 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

Repeal of requirement of reduction of Survivor Benefit Plan survivor annuities by dependency and indemnity compensation

The Senate amendment contained a provision (sec. 642) that would amend sections 1450 and 1451 of title 10, United States Code, to repeal the requirement for reduction of annuities received under the Survivor Benefit Plan by the amount of dependency and indemnity compensation paid to certain beneficiaries under section 1311(a) of title 38, United States Code.

The House bill contained no similar provision.

The Senate recedes.

Effective date of paid-up coverage under Survivor Benefit Plan

The Senate amendment contained a provision (sec. 643) that would amend section 1452(j) of title 10, United States Code, to change the effective date for paid-up coverage under the Survivor Benefit Plan from October 1, 2008, to October 1, 2006.

The House bill contained no similar provision.

The Senate recedes.

Equity in computation of disability retired pay for reserve component members wounded in action

The House bill contained a provision (sec. 643) that would modify section 1208(b) of title 10, United States Code, to authorize calculation of the retired pay of a member of a reserve component using the member's total years of service in lieu of active-duty years of service when the member's retirement is based upon a disability that was incurred under circumstances that resulted in the award of the Purple Heart.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that a review should be conducted of the disability retirement benefits provided to members of the Reserve and National Guard, particularly with respect to combat-related disabilities adversely affecting the future earning

potential of military members. The conferees are concerned that, particularly in the case of disabilities resulting in retirement for physical disability, which were incurred as a result of combat or combat-related training, the military compensation system must equitably treat all active and reserve component members. The conferees direct the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives, not later than February 1, 2007, comparing the compensation of reserve and active-duty members and the feasibility of modifying existing laws controlling the calculation of disability retirement benefits to ensure equal treatment of active and reserve personnel under various circumstances, including combat operations.

Expansion of conditions for direct payment of divisible retired pay

The Senate amendment included a provision (sec. 644) that would amend section 1408(d) of title 10, United States Code, to provide that direct payments of divisible retired pay by the Defense Finance and Accounting Service (DFAS) may be made in all cases in accordance with the terms of a court decree. The provision would not affect the eligibility of former spouses of military members for a portion of retired pay and would only enable DFAS to provide direct payment.

The House bill contained no similar provision.

The Senate recedes.

Authority for cost of living adjustments of retired pay treated as divisible property

The Senate amendment contained a provision (sec. 645) that would amend section 1408 of title 10, United States Code, to authorize payment of cost of living adjustments in connection with awards of retired pay stated in dollar amounts.

The House bill contained no similar provision.

The Senate recedes.

Notice and copy to members of court orders on payment of retired pay

The Senate amendment contained a provision (sec. 646) that would amend section 1408 of title 10, United States Code, to allow a member to waive notice of an application for payment of retired pay and eliminate the requirement that a copy of the court order be sent to the member in every case.

The House bill contained no similar provision.

The Senate recedes.

Renaming of death gratuity payable for deaths of members of the Armed Forces as fallen hero compensation

The Senate amendment contained a provision (sec. 648) that would amend sections 1474 through 1480 and 1489 of title 10, United States Code, to change the term death gratuity to fallen hero compensation.

The House bill contained no similar provision.

The Senate recedes.

Effective date of termination of phase-in of concurrent receipt for veterans with service-connected disabilities rated as total by virtue of unemployability

The Senate amendment contained a provision (sec. 649) that would amend section 1414(a)(1) of title 10, United States Code, to provide that qualified retirees receiving veterans' disability compensation at the rate payable for a 100 percent disability by reason of a determination of individual unemployability would only be subject to phased-in implementation of authorization to receive both military retired pay and veterans' disability compensation for the period beginning on January 1, 2004, and ending on December 31, 2004, vice September 30, 2009.

The House bill contained no similar provision.

The Senate recedes.

Commencement of receipt of non-regular service retired pay by members of the Ready Reserve on active Federal status or active duty for significant periods

The Senate amendment contained a provision (sec. 653) that would amend section 12731 of title 10, United States Code, to provide that members of the Ready Reserve who have served on active duty or performed active service after September 11, 2001, would be eligible to have their age for receipt of retired pay reduced by 3 months for each aggregate of 90 days of active duty or active service performed in any fiscal year. Qualifying service for purposes of this provision would be service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, or under section 12301(d) of that title. Qualifying active service would be under a call to active service authorized by the President or Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

The House bill contained no similar provision.

The Senate recedes.

Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange

stores system or other nonappropriated fund instrumentalities, military lodging facilities, and community facilities

The House bill contained a provision (sec. 653) that would authorize the Secretary of Defense to allocate nonappropriated funds to augment or replace appropriated funding of construction of military exchanges and lodging, as well as morale, welfare, and recreation and community facilities, after providing notice to Congress.

The Senate amendment contained no similar provision.

The House recedes.

The conferees acknowledge the use of nonappropriated funds by the Department of Defense for construction of certain child care, lodging and other facilities, yet believe that such use should be limited to extraordinary circumstances when appropriated funds are not available, and only following notification to Congress.

The conferees direct the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives by February 1, 2007, a report which covers the following:

(1) the history of the Department's use of nonappropriated funds, during the period of October 1, 1995, through September 30, 2006, for construction of:

(a) facilities of the exchange stores system and other revenue-generating facilities operated by nonappropriated fund instrumentalities of the Department for the morale, welfare, and recreation of members of the Armed Forces;

(b) facilities of other nonappropriated fund instrumentalities of the Department for the morale, welfare, and recreation of members of the Armed Forces;

(c) military lodging facilities used to provide temporary lodging to authorized members of the Armed Forces, including temporary duty lodging, permanent change of station lodging, recreational lodging, and military treatment facility lodging; and

(d) community facilities intended to supplement mission activities, such as military museums and service academy extra-curricular activities, or to facilitate private organizations or enterprises, such as financial services, memorials, and thrift shop facilities, on military installations;

(2) the justification and rationale for

utilization of nonappropriated funds for any construction project identified above; and
(3) recommendations for changes in legislation, if any, and specific criteria that would clarify any instance in which nonappropriated funds would be appropriately allocated to a project that directly supports military requirements and would otherwise be funded using authorized appropriations.

Pilot program on Troops to Nurse Teachers

The Senate amendment contained a provision (sec. 662) that would require the Secretary of Defense, in coordination with the Secretary of Health and Human Services and the Secretary of Education, to conduct a pilot program to assess the feasibility and potential benefits of a program to provide scholarships and assist certain nurse corps officers in achieving necessary qualifications to become nurse educators and help alleviate the national shortage of nurse educators and registered nurses.

The House bill contained no similar provision.

The Senate recedes.

Short title

The Senate amendment contained a provision (sec. 681) that would establish a short title, the "Heroes at Home Act of 2006."

The House bill contained no similar provision.

The Senate recedes.

Office for employers and employment assistance organizations

The Senate amendment contained a provision (sec. 683) that would require the Secretary of Defense to designate an office within the Department to assist employers and employment-related organizations in facilitating the transition of National Guard and Reserve members returning from Operation Iraqi Freedom and Operation Enduring Freedom to civilian employment.

The House bill contained no similar provision.

The Senate recedes.

Grants on assistance in community-based settings for members of the National Guard and reserve and their families after deployment in Operation Iraqi Freedom and Operation Enduring Freedom

The Senate amendment contained a provision (sec. 685) that would authorize the Secretary of Defense to award grants to community-based organizations for the provision of assistance to members of the National Guard and Reserve who serve in Operation Iraqi Freedom and Operation Enduring Freedom, and their families,

following return from deployment. The grants would support services to improve the reuniting of families, and education and awareness of health and mental health needs, including post traumatic stress disorder and traumatic brain injury.

The House bill contained no similar provision.

The Senate recedes.

TITLE VII–HEALTH CARE PROVISIONS

Legislative Provisions Adopted

Subtitle A-TRICARE Program Improvements

TRICARE coverage for forensic examination following sexual assault or domestic violence (sec. 701)

The House bill contained a provision (sec. 701) that would authorize coverage under TRICARE for forensic examinations following a sexual assault or domestic violence.

The Senate amendment contained an identical provision (sec. 704).

The conference agreement includes this provision.

Authorization of anesthesia and other costs for dental care for children and certain other patients (sec. 702)

The House bill contained a provision (sec. 702) that would authorize coverage under TRICARE for anesthesia and institutional costs for dental treatment for beneficiaries with developmental, mental or physical disabilities, and children under the age of five.

The Senate amendment contained a similar provision (sec. 703).

The Senate recedes.

Improvements to descriptions of cancer screening for women (sec. 703)

The House bill contained a provision (sec. 703) that would modify the terminology in section 1074d of title 10, United States Code, which authorizes certain screening tests for breast and cervical cancers.

The Senate amendment contained a similar provision (sec. 701).

The House recedes with a technical amendment.

Prohibition on increases in certain health care costs for members of the uniformed services (sec. 704)

The House bill contained a provision (sec. 704) that would prohibit the Secretary of Defense from increasing any premiums, deductibles, copayment, or other charges under Department of Defense contracts for medical care for retirees, dependents, and survivors between April 1, 2006, and December 31, 2007. The provision would prohibit any increase during the same period of time in civilian inpatient hospital charges, as well as in enrollment premiums for each of the 3 tiers of health care coverage under the TRICARE program for members of the Selected Reserve.

The Senate amendment contained similar provisions (secs. 705-706). Section 705 would prohibit any increase in TRICARE Prime enrollment fees during fiscal year 2007. Section 706 would limit any increase in the amount of premiums for the TRICARE program for members of the Selected Reserve to 2.2 percent in fiscal year 2007.

The Senate recedes with an amendment that would prohibit an increase in such fees, copayments, and premiums between April 2, 2006, and September 30, 2007.

Demonstration project on coverage of selected over-the-counter drugs under the pharmacy benefits program (sec. 705)

The House bill contained a provision (sec. 706) that would require the Secretary of Defense to conduct a demonstration project to allow certain over-the-counter drugs to be included on the uniform formulary of the Department of Defense pharmacy program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that the evaluation of the demonstration project address the cost and benefits of providing over-the-counter drugs under the Department of Defense pharmacy program, the clinical effectiveness of providing such drugs, and customer satisfaction with the demonstration project.

The conferees expect that in any instance in which an over-the-counter medication is dispensed, as part of the demonstration project required by this section, notification will be provided to the patient in a manner similar to that required by current policy when a generic agent is substituted for a brand name product.

Expanded eligibility of Selected Reserve members under TRICARE program (sec. 706)

The House bill contained a provision (sec. 709) that would expand eligibility for coverage under the TRICARE program to all members of the Selected Reserve and their families while in a non-active duty status based on payment of an amount equal to 28 percent of a monthly premium established by the Secretary of

Defense. The provision would take effect not later than October 1, 2007. It would not apply to members who are eligible for health insurance under chapter 89 of title V, United States Code. The provision would repeal the three-tiered cost sharing program for members of the Selected Reserve established in section 702 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163).

The Senate amendment contained a provision (sec. 708) that would enhance the existing tiered benefit structure for all members of the Selected Reserve by adding members employed by businesses with 20 or fewer employees to those eligible for coverage based on payment of 50 percent of a monthly premium established by the Secretary. The Senate amendment would also reduce from 85 percent to 75 percent the portion of a monthly premium paid by members who, though eligible for employer-provided insurance, chose primary coverage under TRICARE.

The Senate recedes.

Relationship between the TRICARE program and employer-sponsored group health care plans (sec. 707)

The House bill contained a provision (sec. 710) that would extend to TRICARE the same rule that applies to the Medicare program making it unlawful for an employer or other entity to offer any financial or other incentive for a retired TRICARE beneficiary not to enroll under an employer-provided group health plan. The provision would also authorize the Secretary of Defense to discontinue a relationship with a Department of Defense contractor for repeated violations of this provision. The provision would take effect on January 1, 2008.

The Senate amendment contained a similar provision (sec. 722).

The Senate recedes with an amendment that would clarify that TRICARE eligible employees have the opportunity to elect to participate in an employer group health plan in the same manner as other similarly situated employees, and that the provision would not be construed to effect, modify, or terminate the eligibility of a TRICARE eligible employee or spouse for their earned military health care entitlement authorized under chapter 55, title 10, United States Code. The amendment would also delete the authority for the Secretary to terminate Department contractor relationships based on repeated violations of this provision because the Federal Acquisition Regulation already specifies the circumstances under which repeated violations of law may be a basis for suspension or debarment of a Department contractor.

The conferees are aware of concerns that have been expressed regarding the treatment of cafeteria plans authorized under section 125 of the Internal Revenue Code and non-TRICARE exclusive employer-provided health care incentives under this

provision. The conferees direct the Secretary to report, not later than April 1, 2007, to the Committees on Armed Services of the Senate and the House of Representatives on the treatment of cafeteria plans and non-TRICARE exclusive employer-provided health care incentives under the Department's implementation of this provision. This report shall assess the treatment of such plans under the Medicare Secondary Payer statute and regulations and such incentives, and include any recommendations the Secretary finds appropriate to ensure fair treatment of all TRICARE beneficiaries under this provision.

Temporary prohibition on increase in copayments under retail pharmacy system of pharmacy benefits program (sec. 708)

The Senate amendment contained a provision (sec. 707) that would prohibit any increase in the cost sharing requirements for pharmaceuticals available through the Department of Defense retail pharmacy program during fiscal year 2007.

The House bill contained no similar provision.

The House recedes with an amendment that would direct the Secretary of Defense to transfer $186.0 million from the unobligated balances of the National Defense Stockpile Transaction Fund to the Department of Defense Medicare-Eligible Retiree Health Care Fund.

Subtitle B-Studies and Reports

Department of Defense task force on the future of military health care (sec. 711)

The House bill contained a provision (sec. 711) that would require the Secretary of Defense to establish a task force to conduct a comprehensive assessment of the future of military health care. The task force would be required to develop recommendations on actions that the Department of Defense would have to take to improve and sustain the military health care system, and to develop a plan based on those recommendations.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the required expertise for membership on the task force to include health care information technology and women's health. The amendment would also add the senior medical advisor to the Chairman of the Joint Chiefs of Staff and the Director of Defense Procurement and Acquisition Policy as members. The amendment would require the task force to examine the costs and benefits of a universal enrollment system for all TRICARE users. The amendment would eliminate the requirement for the task force to develop a plan based on its recommendations, and require submission of an interim report to Congress by May 31, 2007.

Study relating to chiropractic health care services (sec. 712)

The House bill contained a provision (sec. 712) that would require the Secretary of Defense to study the cost, feasibility, and potential benefit of providing chiropractic care services for active-duty members and their families, members of the Selected Reserve and their families, and retirees and their families. The provision would also require the Secretary to develop a plan for providing chiropractic services to all members of the uniformed services, as required by the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to conduct a study on providing chiropractic care to all members and former members of the Armed Forces and their families, and to submit the study to Congress by March 31, 2008.

The conferees expect the study required in this section to consider any relevant findings of the Navy medical research chiropractic treatment outcomes study required by the Senate Report accompanying S. 2766 (S. Rept. 109-254) of the National Defense Authorization Act for Fiscal Year 2007.

Comptroller General audits of Department of Defense health care costs and cost-saving measures (sec. 713)

The House bill contained a provision (sec. 713) that would require the Comptroller General to conduct a study, in conjunction with the Congressional Budget Office, of the projected savings to the Defense Health Program included in the President's Budget Request for fiscal year 2007. The study would include an evaluation of the rationale for calculations made by the Department of Defense for health care costs borne by beneficiaries in 1995 and 2005, as well as the rationale for savings projections, a review of the annual rates of medical inflation in the Department and other health care programs, and an assessment of the rationale for proposed beneficiary cost share increases.

The Senate amendment contained a similar provision (sec. 744) that would require an audit of the costs of administration of the TRICARE program and the program for members of the Selected Reserve known as TRICARE Reserve Select.

The House recedes with an amendment that would require that the audit be conducted in cooperation with the Director of the Congressional Budget Office, and that the Comptroller General's findings be provided to the congressional defense committees not later than June 1, 2007.

Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency (sec. 714)

The House bill contained a provision (sec. 714) that would require the Secretary of the Air Force to notify and contact participants of the Air Force Health Study (commonly known as the Ranch Hand Study) to obtain written consent to transfer the individual's data and biological specimens to the Institute of Medicine of the National Academy of Sciences for maintenance and further study.

The Senate amendment contained a similar provision (sec 762).

The Senate recedes.

Study on allowing dependents of activated members of reserve components to retain civilian health care coverage (sec. 715)

The House bill contained a provision (sec. 715) that would require the Secretary of Defense to conduct a study on the feasibility of allowing family members of reservists who are mobilized to continue health care coverage under a civilian health care program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the study to members of the reserve components mobilized in support of a contingency operation.

Study of health effects of exposure to depleted uranium (sec. 716)

The House bill contained a provision (sec. 716) that would require the Secretary of Defense, in consultation with the Secretary of Veterans Affairs and the Secretary of the Department of Health and Human Services, to conduct a study on the health effects of exposure to depleted uranium on exposed soldiers and on the children of exposed soldiers.

The Senate amendment contained a similar provision (sec. 746).

The House recedes.

Report and plan on services to military dependent children with autism (sec. 717)

The Senate amendment contained a provision (sec. 734) that would require the Secretary of Defense to promulgate regulations on requirements for the education, training, and supervision of individuals providing special education services to certain military dependent children that are in addition to any other requirements applicable to Board Certified Behavior Analysts or Board Certified Associate Behavior Analysts. The provision would also require the Secretary to establish metrics to identify and measure the availability and distribution of individuals of various expertise in Applied Behavioral Analysis.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to develop a plan to provide services to military dependent children with autism, pursuant to the authority for extended health care services in section 1079(d) and (e) of title 10, United States Code, and to provide that plan within 30 days of its completion to the Committees on Armed Services of the Senate and the House of Representatives. The amendment would require that procedures be established to ensure that such services are in addition to other publicly provided services for military dependent children with autism.

Comptroller General study on Department of Defense pharmacy benefits program (sec. 718)

The Senate amendment contained a provision (sec. 743) that would require a study by the Comptroller General on the Department of Defense pharmacy benefits program.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the requirement that the Pharmacy and Therapeutics Committee and Beneficiary Advisory Panel, required by section 1074g of title 10, United States Code, review the results of the report and make certain recommendations to the Secretary of Defense.

Review of Department of Defense medical quality improvement program (sec. 719)

The Senate amendment contained a provision (sec. 745) that would require the Secretary of Defense to contract for an independent review of the Department's medical quality improvement program, and to compare the Department's program to other public and private health care systems and organizations.

The House bill contained no similar provision.

The House recedes with an amendment that would include an additional requirement for the Secretary to report to Congress within 180 days of enactment of this Act on actions taken in response to the recommendations of the July 2001 report of the Department of Defense Healthcare Quality Initiatives Review Panel.

Report on distribution of hemostatic agents for use in the field (sec. 720)

The Senate amendment contained a provision (sec. 1414) that would authorize $15.0 million in Operation and Maintenance, Army and $5.0 million in Operation and Maintenance, Marine Corps for hemostatic agents, including blood-clotting bandages. The provision would also express a sense of Congress that every member of the Armed Forces deployed in a combat zone should carry

life saving resources. The provision would also require the Secretary of Defense to submit a report regarding the distribution of hemostatic agents to members of the Armed Forces serving in Iraq and Afghanistan.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the required report, delete the authorization for funding, and delete the sense of Congress.

The conference outcome is reflected in the tables of this report in Operation and Maintenance, Army and Operation and Maintenance, Marine Corps.

Longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom (sec. 721)

The Senate amendment contained a provision (sec. 686) that would require the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, to conduct a longitudinal study on the effects of traumatic brain injury incurred by members of the Armed Forces serving in Operation Iraqi Freedom and Operation Enduring Freedom. The study would address the long-term physical and mental affects of such injuries, the resulting health care needs, and availability of long-term care services.

The House bill contained no similar provision.

The House recedes with an amendment that would include in the study an analysis of the effects on families of those who have suffered traumatic brain injury.

Subtitle C-Planning, Programming, and Management

Standardization of claims processing under TRICARE program and Medicare program (sec. 731)

The Senate amendment contained a provision (sec. 725) that would require that by October 1, 2007, certain TRICARE claims processing requirements be identical to Medicare claims processing requirements. The provision would also authorize modification to the processes for collection of health care payments from third parties, and require an annual report to Congress justifying any instance in which the Department of Defense continues to have a unique claims processing requirement.

The House bill contained no similar provision.

The House recedes with an amendment that would require that identical claims processing requirements go into effect with the beginning of the next option period for managed care support contracts. The amendment would also require a report to Congress on the policies and directives concerning collection of health

care payments owed from third parties, an estimate of the outstanding amounts, and a plan of action to streamline and accelerate the collections or recoupments of those funds.

Requirements for support of military treatment facilities by civilian contractors under TRICARE (sec. 732)

The Senate amendment contained a provision (sec. 726) that would require each TRICARE Regional Director to develop an annual comprehensive plan for support of military treatment facilities in the region provided by contracted civilian health care and administrative personnel. The provision would require approval by the TRICARE Regional Director of each contract within the region, and require consistent standards of quality within the region. The provision would also require removal of financial disincentives for military treatment facilities and civilian contractors to initiate and sustain cost-effective health care staffing support agreements.

The House bill contained no similar provision.

The House recedes with an amendment that would remove the requirement that the Regional Director approve each support contract within the region, and require the Secretary of Defense to establish additional quality and performance standards for health staffing support contractors.

Standards and tracking of access to health care services for wounded, injured, or ill servicemembers returning to the United States from a combat zone (sec. 733)

The Senate amendment contained a provision (sec. 727) that would require the Secretary of Defense to prescribe uniform standards for access to health care services for wounded or injured servicemembers. The provision would require that needed health care services be met through whatever means possible, including through referral to civilian health care providers if necessary, and that the Secretary establish mechanisms for tracking the performance of the military health care system in meeting those health care access standards.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to report to Congress on uniform standards for the access of wounded, injured, or ill members of the armed forces to health care services in the United States following return from a combat zone. The House amendment would also clarify that the tracking system required by this section be a uniform tracking mechanism.

The conferees continue to learn of instances in which returning members of the armed forces have been delayed in receiving needed health, mental health, and rehabilitative services, both in military hospitals and in medical holdover

status. The conferees believe that a wounded, injured, or ill soldier, airman, sailor, or marine deserve the highest priority for care. Should sufficient resources in the military hospital system not be available, civilian resources must be made available without delay.

Disease and chronic care management (sec. 734)

The Senate amendment contained a provision (sec. 728) that would require the Secretary of Defense to establish and implement throughout the military health care system a comprehensive program on disease and chronic care management. The program would include the most common chronic diseases experienced by military beneficiaries and their families, and would meet nationally recognized accreditation standards. The Secretary would be required to ensure continuous and adequate funding of the disease and chronic care management program, and eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors in disease management.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to design and develop a fully integrated program on disease and chronic care management, and to require the Secretary, in coordination with the military departments, to develop an implementation plan by February 1, 2008.

Additional elements of assessment of Department of Defense task force on mental health relating to mental health of members who were deployed in Operation Iraqi Freedom and Operation Enduring Freedom (sec. 735)

The Senate amendment contained a provision (sec. 684) that would add to the mandate of the Department of Defense Task Force on Mental Health a requirement to assess the mental health needs of members of the National Guard and Reserve who are deployed in support of Operation Iraqi Freedom and Operation Enduring Freedom. The assessment would include identification of mental health conditions and disorders, including Post Traumatic Stress Disorder, and recommendations on improving mental health services to members of the National Guard and Reserve who undergo multiple deployments. The Senate amendment also contained a provision (sec. 730) that would require the Secretary of Defense to expand the Mental Health Self-Assessment Program to ensure the continuous availability of the program to members and former members of the Armed Forces, as well as to the dependent children of members who have been deployed or mobilized.

The House bill contained no similar provisions.

The House recedes with an amendment that would merge these provisions under this section. The amendment would require the

Task Force on Mental Health to undertake an assessment of the mental health needs of all members, active and reserve, who were deployed in support of Operation Iraqi Freedom and Operation Enduring Freedom. The amendment would also require an assessment by the Task Force of the current Mental Health Self-Assessment Program within the Department of Defense.

The conferees urge the Task Force members to take cognizance of the existing requirements in section 723 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) for examination of the long-term follow-up and access to care for mental health needs of members of the Reserve components as they discharge their responsibilities under that section to examine matters relating to the mental health of members of the Armed Forces.

Additional authorized option periods for extension of current contracts under TRICARE (sec. 736)

The Senate amendment contained a provision (sec. 731) that would authorize the Secretary of Defense to extend TRICARE managed care support contracts for up to 2 years. The provision would authorize the Secretary to act only after review by Congress of the minimum performance standards required in order to be eligible for an extension, including cost and beneficiary satisfaction, as well as the justification for any extension. The provision would also require the Secretary to report to Congress on future contracting mechanisms under consideration for TRICARE support, including an assessment of a contract for a single term of 5 years, with a single optional period of extension of an additional 5 years, if performance by the contractor is rated "excellent."

The House bill contained no similar provision.

The House recedes with an amendment that would require a cost-benefit analysis to be conducted as part of the justification for such extension.

Military vaccination matters (sec. 737)

The Senate amendment contained a provision (sec. 732) that would add a requirement to the Comptroller General study on Department of Defense Vaccine Healthcare Centers required by the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to examine the feasibility of placing the centers under the direct control of the Under Secretary of Defense for Personnel and Readiness. The provision would also require the Secretary of Defense to maintain a center of excellence on medical needs resulting from mandatory military vaccinations, and would limit the ability of the Secretary of Defense to downsize or otherwise restructure the Vaccine Healthcare Centers.

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit the Secretary of Defense from downsizing or restructuring the Vaccine Healthcare Centers during fiscal year 2007, and require that funding for the centers be provided by each military department.

Enhanced mental health screening services for members of the Armed Forces (sec. 738)

The Senate amendment contained a provision (sec. 733) that would establish new requirements for each predeployment mental health assessment of a member of the Armed Forces relating to the presence and treatment of a mental health condition or disorder, including any use of psychotropic medications. The provision would also prescribe procedures for referral for follow-up evaluation if needed, and would require the Secretary of Defense to establish minimum mental health standards for deployment to a combat operation or contingency operation.

The House bill contained no similar provision.

The House recedes with an amendment that would require additional elements for predeployment and postdeployment medical examinations, including an assessment of traumatic brain injury. The amendment would establish criteria for referral for follow-up care, and would require the Secretary to develop guidelines concerning the deployability and treatment of members of the Armed Forces diagnosed with a severe mental illness or post traumatic stress disorder. The amendment would expand requirements for the quality assurance program for medical tracking for members deployed overseas to include the following new elements:

(1) the types and training of healthcare providers conducting postdeployment health assessments;

(2) the effectiveness of tracking mechanisms in ensuring that the members who receive referrals for further evaluation for mental health care receive those services; and

(3) programs to monitor the mental health of members who have a mental health condition following deployment.

Subtitle D-Other Matters

Pilot projects on early diagnosis and treatment of post traumatic stress disorder and other mental health conditions (sec. 741)

The Senate amendment contained a provision (sec. 741) that would require the Secretary of Defense to conduct a minimum of three pilot projects during fiscal year 2007 to evaluate the efficacy of approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of post traumatic stress disorder and other mental health conditions.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the requirements for the three pilots, as follows:

(1) one of the pilot projects would be designed to evaluate effective diagnostic and treatment approaches by primary care providers in the military health care system;

(2) one of the projects would be focused on members of the National Guard or reserves located more than 40 miles from a military medical facility; and

(3) one of the projects would be designed to provide outreach to family members on post traumatic stress disorder and other mental health conditions.

Requirement to certify and report on conversion of military medical and dental positions to civilian medical and dental positions (sec. 742)

The Senate amendment contained a provision (sec. 761) that would extend for fiscal year 2007 and future years a requirement in section 744 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) for the Secretary of Defense to certify that conversion of military medical positions to civilian or contractor positions does not increase the cost, or erode access to or the quality of military health care.

The House bill contained no similar provision.

The House recedes with an amendment that would expand the requirements for the report to Congress to accompany the certification. The additional requirements include:

(1) the number and grade of positions planned for conversion;

(2) an analysis by affected area of the impact of the conversion on the direct care and purchased care systems;

(3) the extent to which planned conversions would affect recruiting and retention of military medical and dental personnel;

(4) a comparison of the full costs for the military medical and dental positions planned for conversion with the full costs for civilian positions;

(5) documentation that the converted positions are in excess of military medical and dental readiness requirements; and

(6) identification of each position scheduled to be converted in the subsequent fiscal year.

The amendment would also include several additional requirements with respect to the conversion of medical and dental provisions in fiscal years 2006 through 2008.

Three-year extension of joint incentives program on sharing of health care resources by the Department of Defense and Department of Veterans Affairs (sec. 743)

The Senate amendment contained a provision (sec. 923) that would extend the authorization for the Department of Defense and Department of Veterans Affairs joint incentives program for the sharing of health care resources until September 30, 2010.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury (sec. 744)

The Senate amendment contained a provision (sec. 687) that would require the Secretary of Defense to establish, in consultation with the Secretary of Veterans Affairs, a Traumatic Brain Injury Family Caregiver Panel. The purpose of the panel would be to develop training curricula to be used in training family members who provide care to members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom and Operation Enduring Freedom.

The House bill contained no similar provision.

The House recedes with an amendment that would require that the panel also include family members of members of the Armed Forces with traumatic brain injury.

The conferees intend the Department of Defense to utilize for this purpose up to $1.0 million of the funds allocated for its participation in the Department of Defense and Department of Veterans Joint Incentives Program, authorized elsewhere in this report.

Recognition of Representative Lane Evans upon his retirement from the House of Representatives (sec. 745)

The conferees agree to include a provision that would recognize Representative Lane Evans (D-IL) on the occasion of his retirement from the House of Representatives.

Legislative Provisions Not Adopted

Services of mental health counselors

The House bill contained a provision (sec. 705) that would allow mental health counselors to be reimbursed for services provided to TRICARE beneficiaries without prior physician referral or supervision. The provision would also allow mental health counselors to enter into personal services contracts with the Department of Defense, and would require that such counselors meet

licensure or certification requirements for a health care professional as required by law.

The Senate amendment contained no similar provision.

The House recedes.

Requirement to reimburse certain travel expenses of certain beneficiaries covered by TRICARE for Life

The House bill contained a provision (sec. 707) that would require the Secretary of Defense to reimburse expenses incurred by a TRICARE for Life beneficiary for travel to a military treatment facility for up to three follow-up medical appointments if adequate treatment cannot be obtained within 100 miles of the residence of the beneficiary.

The Senate amendment contained no similar provision.

The House recedes.

Inflation adjustment of differential payments to children's hospitals participating in TRICARE program

The House bill contained a provision (sec. 708) that would require the Secretary of Defense to establish an annual inflationary adjustment for the TRICARE children's hospital differential payment rate beginning in fiscal year 2007.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are disappointed that the Comptroller General study required by section 734 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) has not been completed. The conferees intend that the study required by that section will inform future legislative and policy changes regarding appropriate adjustment of differential payments to children's hospitals participating in the TRICARE program.

Costs of incentive payments to employees for TRICARE enrollment made unallowable for contractors

The House bill contained a provision (sec. 721) that would establish as unallowable the contract costs that result when Department of Defense contractors provide a financial incentive for a TRICARE-eligible employee to use TRICARE in lieu of their employer-provided health care coverage.

The Senate amendment contained no similar provision.

The House recedes.

Treatment of TRICARE retail pharmacy network under Federal procurement of pharmaceuticals

The Senate amendment contained a provision (sec. 721) that would clarify that the TRICARE retail pharmacy network is covered

by the Federal pricing limits applicable to covered drugs under section 8126 of title 38, United States Code.

The House bill contained no similar amendment.

The Senate recedes.

The conferees concluded that there is no need for additional legislation at this time because prescriptions dispensed by the Department of Defense Retail Pharmacy Program qualify for discounted drug prices under section 8126.

Enrollment in the TRICARE program

The Senate amendment contained a provision (sec. 723) that would require the Secretary of Defense to establish a system of enrollment for all beneficiaries who obtain health care services from the military health care system. The provision would authorize the collection of a one-time administrative fee as a condition for certain beneficiaries to receive services under the Standard option of TRICARE. The provision would also require the Secretary to conduct outreach to all beneficiaries and provide health risk assessments.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the authority for a health care enrollment system for military health care users is codified in section 1099, title 10, United States Code. The conferees recognize that beneficiary enrollment is a common feature of public and private health insurance and entitlement programs and may be necessary to ensure the most efficient delivery of health care services. Therefore, the conferees direct the Secretary to submit a report to the Committees on Armed Services of the Senate and the House of Representatives by February 1, 2007 on the advantages and disadvantages of an enrollment requirement for the TRICARE Standard option. The conferees further direct the Secretary to submit the required report for consideration by the Department of Defense Task Force on the Future of Military Health Care, which is authorized elsewhere in this report. The conferees note that an examination by the Task Force of the requirement for universal enrollment is also required elsewhere in this report.

Incentive payments for the provision of services under the TRICARE program in medically underserved areas

The Senate amendment contained a provision (sec. 724) that would require the Secretary of Defense to provide incentive payments for physicians who provide services to TRICARE eligible beneficiaries in medically underserved areas designated by the Secretary of Health and Human Services as primary care or specialist care scarcity locations.

The House bill contained no similar provision.

The Senate recedes.

Post deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation

The Senate amendment contained a provision (sec. 729) that would require that a health assessment, including traumatic brain injury, be conducted on each member of the Armed Forces returning from deployment by a qualified health care provider. The provision would also require the Secretary of Defense to establish criteria for assessments of mental health and traumatic brain injury, including criteria for referrals for further evaluation.

The House bill contained no similar provision.

The Senate recedes.

The conference agreement reflects the inclusion of certain aspects of this provision in the requirement for enhanced mental health screening and services for members of the Armed Forces, authorized elsewhere in this report.

TRICARE pharmacy program cost-share requirements

The House bill contained a provision (sec. 731) that would limit the amount of beneficiary cost sharing for generic and formulary agents in the TRICARE national mail-order pharmacy program to no more than the cost sharing for those agents in military hospitals and clinics. The provision would also establish cost-sharing requirements for the TRICARE retail pharmacy program as follows: $6.00 for generic agents; $16.00 for formulary agents; and $22.00 for nonformulary agents.

The Senate amendment contained a provision (sec. 702) that would require beneficiaries to use the TRICARE national mail-order program for refill of most long-term maintenance medications, unless waived by the Secretary of Defense based on clinical need, and eliminate cost sharing for most drugs obtained from the TRICARE national mail-order program.

The conference agreement does not include these provisions.

The conferees expect the Assistant Secretary of Defense (Health Affairs) to manage the TRICARE pharmacy benefit in accordance with existing authorities in section 1074g of title 10, United States Code, in a manner using a full menu of clinical quality and utilization management tools to lower drug costs and improve quality, including the TRICARE national mail-order program, consistent with state-of-the-art pharmacy benefit management practices.

The conferees expect that the Department of Defense will proceed, under current authority, to eliminate co-payments for generic drugs dispensed through the TRICARE national mail-order program, as a minimum; and, in addition, expect the Assistant Secretary to move toward providing a broad range of incentives to increase the use of the TRICARE national mail-order program. In developing measures to implement pharmacy incentives, the

Assistant Secretary shall consult broadly and fully with constituent and beneficiary groups and other interested parties.

Annual reports on certain medical malpractice cases

The Senate amendment contained a provision (sec. 742) that would require each Secretary of a military department to report annually to the Secretary of Defense on certain cases involving allegations of medical malpractice for military beneficiaries. The provision would also require the Secretary of Defense to provide annual reports to the congressional defense committees.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that a report and an independent review of medical quality improvement in the military health care system is required elsewhere in this report.

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

Legislative Provisions Adopted

Subtitle A-Provisions Relating to Major Defense Acquisition Programs

Requirements management certification training program (sec. 801)

The House bill contained a provision (sec. 801) that would require the Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Defense Acquisition University, to develop a training program to certify civilian and military personnel with responsibility for developing requirements for major defense acquisition programs.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Under Secretary to establish the competency requirements for personnel undergoing requirements management training, and require that all personnel with responsibility for developing such requirements receive certification training by September 30, 2008.

The conferees believe that the training program established in accordance with this provision should address:

(1) the interrelationship between the requirements, budget, and acquisition processes;

(2) the importance of developing requirements that facilitate joint operations;

(3) the need to ensure that requirements are developed early in a program and the adverse effect of introducing new

requirements after the commencement of system development and demonstration;

(4) the linkage between requirements and capability shortfalls identified by combatant commanders;

(5) the need for sound analysis of alternatives, realistic technical assessments based on technology readiness levels, and consultation with production engineers on the cost, schedule, and technical feasibility of requirements;

(6) the need for engineering feasibility assessments that weigh the technology readiness, integration, cost, and schedule impacts of proposed changes to requirements;

(7) the importance of developing requirements that are technologically mature, feasible, and achievable; and

(8) the importance of stable requirements to provide the baseline for successful program execution.

Additional requirements relating to technical data rights (sec. 802)

The House bill contained a provision (sec. 802) that would require the acquisition of full data rights necessary to support competition for contracts for sustainment of each major weapon system that is developed with federal or private funds. The provision would also require that any contract for a major system include options for acquiring, at any point during the life cycle of the system, major elements of technical data not acquired at the time of the initial contract award.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to require program managers to assess long-term technical data needs and establish corresponding acquisition strategies to ensure availability of technical data rights for major weapon system life cycle sustainment. The amendment would also modify title 10 of the United States Code to distinguish between commercial items and major weapon systems, subsystems, and components of major weapon systems (regardless of whether they may be characterized as commercial or non-commercial). In the case of a challenge made to a claim that the latter group of systems or components was developed exclusively at private expense, the burden of proof would be on the contractor or subcontractor.

Study and report on revisions to Selected Acquisition Report requirements (sec. 803)

The House bill contained a provision (sec. 803) that would require the Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the service acquisition executives of each military department, to conduct a

study on revisions to requirements related to Selected Acquisition Reports, as set forth in section 2432 of title 10, United States Code.

The Senate provision contained no similar provision.

The Senate recedes with a clarifying amendment.

Biannual updates on implementation of acquisition reform in the Department of Defense (sec. 804)

The House bill contained a provision (sec. 804) that would require the Secretary of Defense to submit quarterly reports to the Committees on Armed Services of the Senate and the House of Representatives on the implementation of plans to reform the defense acquisition system.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change the reporting requirement to a biannual submission and make other clarifying changes.

Additional certification requirements for major defense acquisition programs before proceeding to Milestone B (sec. 805)

The House bill contained a provision (sec. 806) that would require certification that market research has been conducted prior to technology development to reduce duplication of existing technology and products.

The Senate amendment contained a similar provision (sec. 801). The provision would require a certification that a program meets validated requirements consistent with the National Military Strategy and contains estimates and funding to execute the product development and production plan under the program.

The Senate recedes with a clarifying amendment that would amend section 2366a of title 10, United States Code, to require the Secretary of Defense to include additional certifications before a major defense acquisition program receives Milestone B approval or Key Decision Point B approval in the case of a space program.

Original baseline estimate for major defense acquisition programs (sec. 806)

The Senate amendment contained a provision (sec. 803) that would clarify the definition of the term “Original Baseline Estimate,” and provide for periodic reporting of program acquisition unit costs and procurement unit costs above the significant cost growth thresholds identified in section 2433 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the definition of Original Baseline Estimate to mean the baseline

established before the program enters into system development and demonstration.

Lead system integrators (sec. 807)

The Senate amendment contained a provision (sec. 842) that would: (1) limit the participation of lead systems integrators (LSI) in the development or construction of any individual system or element of a system of systems; (2) direct the Secretary of Defense to update regulations on LSIs; and (3) direct the Secretary to include a specification of various types of contracts and fee structures, including award and incentive fees, that are appropriate for use by LSIs.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the participation of LSIs in the development or construction of any individual system or element of a system of systems.

Subtitle B-Acquisition Policy and Management

Time-certain development for Department of Defense information technology business systems (sec. 811)

The House bill contained a provision (sec. 813) that would require that a Department of Defense information technology business system be fielded within 5 years of the system entering the technology development phase of Milestone A approval. If such a program did not achieve initial operating capability within 5 years, the Department would be prohibited from obligating or expending any further funds on that program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would maintain the requirement of the Department to field information technology programs within 5 years of Milestone A approval. Failure to achieve initial operating capability within 5 years of Milestone A approval would result in the Department being subject to reporting requirements contained in section 816 of this Act.

Pilot program on time-certain development in acquisition of major weapon systems (sec. 812)

The Senate amendment contained a provision (sec. 811) that would authorize the Secretary of Defense to carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would place limitations on the number of major weapon systems included in the pilot program.

Establishment of Panel on Contracting Integrity (sec. 813)

The House bill contained a provision (sec. 814) that would establish a Panel on Contracting Integrity to review progress made by the Department of Defense to eliminate areas of vulnerability of the defense contracting system to waste, fraud, and abuse. The panel would be chaired by the Deputy Secretary of Defense. The panel would review the Government Accountability Office report relating to contracting vulnerabilities to waste, fraud, and abuse; and make recommendations on any changes to law, regulations, and policy determined necessary to eliminate such areas of vulnerability.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would: (1) assign a representative of the Under Secretary of Defense for Acquisition, Technology, and Logistics as the chair of the panel; (2) provide the Department with increased flexibility in determining the membership of the panel; (3) require submission of the first annual report to the congressional defense committees by December 31, 2007; and (4) terminate the panel on December 31, 2009.

The conferees agree that the panel's initial review should include an examination of the Department's administrative and disciplinary procedures for cases involving lapses in contracting integrity and include recommendations on any changes to such procedures the panel determines appropriate in the first annual report.

Linking of award and incentive fees to acquisition outcomes (sec. 814)

The Senate amendment contained a provision (sec. 843) that would require the Secretary of Defense to issue detailed implementation guidance, including definitions for performance outcomes, for appropriate use of award and incentive fee contracts. The provision would require performance measures to evaluate the effectiveness of award and incentive fees; mechanisms for sharing successful acquisition strategies; and an independent evaluation of the impact of award fee payment decisions on contractor performance.

The House bill contained a similar provision (sec. 815).

The House recedes with an amendment that would require development of standards to identify the appropriate level of decision-making official for approval of new award and incentive fee contracts and to ensure consistent application of guidance and definitions across the military departments and defense agencies.

Report on defense instruction relating to contractor personnel authorized to accompany Armed Forces (sec. 815)

The House bill contained a provision (sec. 816) that would

require: (1) a Department of Defense Inspector General report on overcharges discovered under Department contracts for work performed in Iraq and Afghanistan; (2) assignment of sufficient contracting officers to oversee and monitor Department contracts for work to be performed in Iraq and Afghanistan; and (3) implementation of a policy for conducting comprehensive background checks on foreign nationals hired by Department contractors and subcontractors operating outside the United States. The provision would also prohibit Department contractors and subcontractors operating outside of the United States from hiring personnel with violent felony convictions or who have committed acts determined to be inconsistent with the policy of the Department on human rights. The provision would further require the Secretary of Defense to report on implementation of Department of Defense Instruction Number 2030.14 entitled "Contractor Personnel Authorized to Accompany the United States Armed Forces," and application of the instruction to all new contracts, task orders, or contract extensions.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to submit to Congress a report on the status of implementation of Department of Defense Instruction Number 2030.14 entitled "Contractor Personnel Authorized to Accompany the United States Armed Forces."

Major automated information system program (sec. 816)

The Senate amendment contained a provision (sec. 804) that would require that, as part of the annual budget justification materials, the Department of Defense provide to the congressional defense committees a report on major automated information systems (MAIS) programs. The report would include the estimate of developmental costs and total life-cycle costs (original and current), a schedule of major events (original and current), and a brief summary of key performance criteria. The provision would further require the Department to promptly notify the congressional defense committees when a program exceeds established cost, schedule, or performance criteria.

The House bill contained no similar provision.

The House recedes with an amendment that would provide an additional criterion for requiring a report when a MAIS fails to achieve initial operating capability within 5 years of Milestone A approval.

Internal controls for procurements on behalf of the Department of Defense by certain non-defense agencies (sec. 817)

The Senate amendment contained a provision (sec. 806) that would expand section 811 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to require the

Department of Defense Inspector General (IG), in consultation with the IG of the National Institutes of Health and the IG of the Department of Veterans Affairs, to determine whether the policies, procedures, and internal controls of the two respective agencies for purchases on behalf of the Department of Defense are adequate to ensure compliance with defense procurement requirements.

The House bill contained no similar provision.

The House recedes.

Determination of contract type for development programs (sec. 818)

The Senate amendment contained a provision (sec. 807) that would require the Secretary of Defense to modify Department of Defense regulations regarding a preference for the use of fixed-price contracts in development programs.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to modify Department regulations regarding the determination of contract type in development programs.

The conferees believe that the Department requires additional tools to address the continuing problem of cost and schedule growth in the Department's major acquisition programs. Congress enacted section 807 of the National Defense Authorization Act for Fiscal Year 1989 (Public Law 100–456) to prohibit the use of fixed-price development contracts because of the Department's aggressive use of fixed-price contracts, regardless of the level of program risk associated with the program, resulted in cost and schedule overruns.

The conferees believe that program risk should be reduced to the degree that the use of a fixed-price development contract for a major acquisition program may be appropriate. The conferees agree to repeal section 807 and would require the Secretary to modify Department regulations to require the Milestone Decision Authority for a major defense acquisition program to document the basis for the contract type selected at Milestone B approval (or Key Decision Point B approval in the case of a space program) that is consistent with the level of program risk for the program.

Three-year extension of requirement for reports on commercial price trend analyses of the Department of Defense (sec. 819)

The Senate amendment contained a provision (sec. 810) that would extend the requirement that the Secretary of Defense submit an annual report on price trend analyses through 2009.

The House bill contained no similar provision.

The House recedes.

Government performance of critical acquisition functions (sec. 820)

The Senate amendment contained a provision (sec. 812) that would require the head of an agency to ensure that certain positions for each major defense acquisition program and each major automated information system program be performed by a properly qualified full-time Federal military or civilian employee.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to develop a plan of action for the implementation of a Department of Defense goal, within 5 years of the date of enactment of this Act, that ensures certain positions for each major defense acquisition program and each major automated information system program be performed by a properly qualified full-time Federal military or civilian employee.

Subtitle C-Amendments to General Contracting Authorities, Procedures, and Limitations

One-year extension of special temporary contract closeout authority (sec. 831)

The House bill contained a provision (sec. 821) that would extend by 1 year authority under section 804 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) to allow the Department of Defense to settle contracts entered into prior to October 1, 1996, under specified conditions.

The Senate amendment contained an identical provision (sec. 872).

The conference agreement includes this provision.

Limitation on contracts for the acquisition of certain services (sec. 832)

The House bill contained a provision (sec. 822) that would prohibit the Secretary of Defense from entering into a contract for covered services if the amount of the contract exceeds 75 percent of the estimated value of the asset required for the provision of services under the contract or exceeds $150.0 million in payments over the life of the contract.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the Secretary from entering into a service contract to acquire a military flight simulator unless doing so is necessary for national security purposes and a written economic analysis is provided to the congressional defense committees at least 30 days in advance. The required economic analysis would include a clear explanation for the need for the contract and an examination of at least two alternatives for fulfilling the contract requirement.

The conferees are aware that in some cases the military departments are using operations and maintenance funds for service contracts and activities traditionally associated with procurement and military construction. The conferees are concerned that such a contracting methodology reduces oversight, potentially increases life-cycle costs, requires aggressive contract management, and reduces the flexibility of the Department of Defense in allocating funds to meet future defense needs. Furthermore, the use of service contracts for military training may have readiness consequences.

The conferees are also aware that the Secretary of the Air Force entered into a service contract for the Initial Flight Screening program at Pueblo Memorial Airport, Pueblo, Colorado, without conducting a full economic analysis to determine the best alternative for meeting the Air Force flight screening requirement. Therefore, the conferees direct the Secretary of the Air Force to perform an economic analysis as described in this section and provide the congressional defense committees written certification, not later than 180 days after the date of the enactment of this Act, whether such analysis supports continuation of the service contract.

Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack (sec. 833)

The House bill contained a provision (sec. 823) that would provide the Administrator of General Services with the authority to allow State and local governments to use the General Services Administration Federal supply schedules for goods and services to facilitate recovery from natural disasters, terrorist attacks, or attacks involving nuclear, chemical, biological, or radiological weapons.

The Senate amendment contained no similar provision.

The Senate recedes.

Waivers to extend task order contracts for advisory and assistance services (sec. 834)

The House bill contained a provision (sec. 824) that would allow the head of an agency to issue a waiver to extend an Advisory and Assistance Services (AAS) contract up to 10 years through 5 one-year options provided that the contract meets a specific set of criteria.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit delegation of the waiver authority to the senior procurement executive of the agency, and modify the reporting requirements.

The modified reporting requirement would include separate examinations conducted for the Department of Defense and civilian agencies to review methods used to identify a contract as an AAS contract, the number of such contracts awarded during the proceeding 5 years, average expenditures and length of such contracts, and the number of such contracts recompeted and then awarded to the previous performer. The amendment would also require a General Accountability Office report on Federal Government rationale for the use and oversight of AAS contracts.

Subtitle D-United States Defense Industrial Base Provisions

Assessment and annual report of United States defense industrial base capabilities and acquisitions of articles, materials, and supplies manufactured outside the United States (sec. 841)

The Senate amendment contained a provision (sec. 1070A) that would require the Department of Defense to submit a report to Congress on the amount of the acquisitions of articles, materials, and supplies made by the Department in the preceding fiscal year from entities that manufacture articles, materials, or supplies outside of the United States.

The House bill contained no similar provision.

The House recedes with an amendment that would amend section 812 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) to include the reporting requirements of section 1070A in the Senate amendment.

Protection of strategic materials critical to national security (sec. 842)

The House bill contained a provision (sec. 831) that would move statutory requirements for the procurement of specialty metals from domestic sources from the so-called “Berry amendment,” currently codified in section 2533a of title 10, United States Code, to a separate section of title 10 and make certain changes to those requirements.

The Senate amendment contained a provision (sec. 822) that would revise the provisions of the Berry amendment regarding the procurement of specialty metals from domestic sources.

The Senate recedes with an amendment that would codify the specialty metals requirements in a new section 2533b of title 10, United States Code, and modify those requirements. The amendment would also authorize a one-time waiver of the domestic source requirement for specialty metals that were incorporated into items produced, manufactured, or assembled in the United States before the date of the enactment of this Act, under certain conditions.

Strategic Materials Protection Board (sec. 843)

The House bill contained a provision (sec. 832) that would establish a Strategic Materials Protection Board to determine the domestic supply of items designated as critical to national security, including adding items to the list of specialty metals protected under the so-called “Berry amendment,” recodified elsewhere in this Act as section 2533b of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the new board to make recommendations regarding the list of specialty metals covered by the Berry amendment, but not to add or delete items from the list.

Subtitle E-Other Matters

Report on former Department of Defense officials employed by contractors of the Department of Defense (sec. 851)

The Senate amendment contained a provision (sec. 841) that would require contractors that receive defense contracts in excess of $10.0 million, other than contracts for the procurement of commercial items, to report to the Department of Defense on an annual basis on certain former senior Department officials who receive compensation from the contractor.

The House bill contained no similar provision.

The House recedes with an amendment that would require the General Accountability Office to report to Congress by December 1, 2007, on the employment of former Department officials by major defense contractors during the most recent calendar year for which data is available. The objective of the report would be to determine the effectiveness of existing statutes and regulations governing the employment of former Department officials by defense contractors, including section 207 of title 18, United States Code and section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423). The report would provide information on Department contracts or programs for which former officials personally had program oversight responsibility or decision-making authority when they served in the Department; or Department contracts or programs which are the responsibility of the agency, office, or command with which the official served.

Report and regulations on excessive pass-through charges (sec. 852)

The Senate amendment contained a provision (sec. 844) that would require the Secretary of Defense to modify Department of Defense regulations to prohibit excessive pass-through charges on

contracts or subcontracts that are entered into, for or on the behalf of the Department.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Comptroller General to submit a report to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, on pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into, for or on the behalf of the Department. The amendment would also require that the Secretary modify Department regulations, not later than May 1, 2007, to prohibit excessive pass-through charges on contracts or subcontracts that are entered into, for or on the behalf of the Department.

The conferees agree that an assessment of the impact of pass-through charges is required in order to understand the magnitude of the problem the Department may have with pass-through charges. However, the conferees also agree that the Department should not be paying excessive pass-through charges to those contractors or subcontractors that have little or no value added to a particular contract.

The conferees expect the Secretary to provide an interim report to the congressional defense committees on the progress made towards completing the regulations required by this section.

Program manager empowerment and accountability (sec. 853)

The Senate amendment contained provisions (secs. 861-863 and 865) that would address the role of program managers in defense acquisition programs.

The House bill contained no similar provision.

The House recedes with an amendment that would consolidate these provisions into a single provision and provide greater flexibility to the Secretary of Defense in implementing the new requirements.

Subsections (a) and (b) would require the Secretary to develop a comprehensive strategy for enhancing the role of Department of Defense program managers in carrying out defense acquisition programs. These subsections track the language of the Senate amendment without change.

Subsection (c) would require the Secretary to issue guidance on qualifications, resources, responsibilities, tenure, and accountability of program managers for the program development period before Milestone B approval (or Key Decision Point B approval in the case of a space program).

Subsection (d) would require the Secretary to revise the Department's guidance on qualifications, resources, responsibilities, tenure, and accountability of program managers for the program execution period from Milestone B approval (or Key Decision Point B approval in the case of a space program) until the delivery of the first production units for a program. The

guidance would address, at a minimum, the need for a performance agreement between a program manager and the milestone decision authority for the program; the authorities available to a program manager; and the tenure of a program manager.

The conferees agree with the assessment of the Government Accountability Office that the Department has consistently failed to give program managers the authority that they need to successfully execute acquisition programs and, as a result, is unable to hold them accountable.

The conferees believe that program managers for the development period before Milestone B should be responsible for: (1) bringing to maturity the technologies and manufacturing processes that will be needed to carry out the program; (2) ensuring continued focus during program development on meeting stated mission requirements and other requirements of the Department; (3) making trade-offs between program cost, schedule, and performance for the life-cycle of the program; (4) developing a business case for the program; and (5) ensuring that appropriate information is available to the milestone decision authority to make a decision on Milestone B approval, including the information necessary to make the certification required by section 2366a of title 10, United States Code.

The conferees believe that a program manager for the execution period from Milestone B to the delivery of production units should enter into performance agreements with the milestone decision authority for the program that: (1) establishes expected parameters for the cost, schedule, and performance of the program consistent with the business case for the program and the Milestone B decision; (2) provides the commitment of the milestone decision authority to provide the level of funding and resources required to meet such parameters; and (3) provides the assurance of the program manager that such parameters are achievable and that such program manager will be accountable for meeting such parameters.

The conferees also believe that program managers should be granted the autonomy to manage their programs without interference from outside officials. The conferees believe that the guidance should include: (1) the assurance that program requirements will not be modified in a way that would be inconsistent with the business case, the Milestone B decision, and any performance agreement entered without a written determination by a senior Department official that the modifications are necessary in the interest of the national defense; (2) program manager authority to make trade-offs between cost, schedule, and performance or to redirect funding within the program, provided that such tradeoffs or redirections of funds are consistent with the parameters established for the program and with applicable requirements of law; and (3) program manager authority to use program funds to recruit and hire such technical experts as may be required to carry out the program in a manner consistent with the requirements

of law and regulation, if necessary expertise is not otherwise provided by the Department.

The conferees also believe that (1) a program manager should be assigned to remain with a program, to the extent practicable, during the entire respective development or execution period; and (2) a program manager should be provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet their responsibilities. The conferees expect the guidance issued by the Secretary to reflect these principles, subject to such modifications and exceptions as the Secretary may deem necessary.

Subsection (e) would require reports by the Secretary and the Comptroller General on steps taken to carry out the requirements of this section.

Joint policies on requirements definition, contingency program management, and contingency contracting (sec. 854)

The Senate amendment contained a provision (sec. 864) that would require the Department of Defense to develop a plan for contingency program management during combat operations and post-conflict operations.

The House bill contained no similar provision.

The House recedes with an amendment that would incorporate the requirements for contingency program management under this section into a single provision with requirements for contingency contracting under section 817 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163). This section would also require the development of a joint policy to facilitate effective generation and definition of requirements and determination of appropriate corresponding organizational structures.

Clarification of authority to carry out certain prototype projects (sec. 855)

The Senate amendment contained a provision (sec. 871) that would amend section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160), as amended by section 823 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), to allow the director of a defense agency to make the written determination necessary to exercise other transaction authority on a prototype project that is expected to cost the Department of Defense in excess of $20.0 million, but not more than $100.0 million.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the authority to make the necessary determination to utilize other transactions for projects expected to cost between $20.0 million and $100.0 million would be granted to the Director of the Defense

Advanced Research Projects Agency and the Director of the Missile Defense Agency.

Contracting with employers of persons with disabilities (sec. 856)

The Senate amendment contained a provision (sec. 873) that would extend for 1 year the status quo for continuation and completion of existing contracts, including any options, awarded under the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) and the Randolph-Sheppard Act (20 U.S.C. 107 et seq.) programs for the operation of military troop dining facilities, military mess halls, and other similar military dining facilities.

The House bill contained no similar provision.

The House recedes with an amendment that would establish a permanent policy regarding the award of contracts and subcontracts for food services, mess attendant services, and other services supporting the operation of a military dining facility under the Javits-Wagner-O'Day and Randolph-Sheppard Acts. The amendment would require a review and report by the Government Accountability Office on operational procedures, competition, and determinations regarding fair and reasonable pricing for contracts awarded under both Acts. The amendment would also require a joint report from the Inspectors General of the Departments of Defense and Education on management procedures implemented under the two Acts.

Enhanced access for small business (sec. 857)

The House bill contained a provision (sec. 825) that would amend section 9(a) of the Contract Disputes Act of 1978 (41 U.S.C. 608) to provide expedited disposition of appeals by the Armed Services Board of Contract Appeals and the Civilian Board of Contract Appeals for small business disputes of $150,000 or less.

The Senate amendment contained no similar provision.

The Senate recedes.

Procurement goal for Hispanic-serving institutions (sec. 858)

The House bill contained a provision (sec. 826) that would extend contract goals for small disadvantaged businesses and certain institutions of higher education to include Hispanic-serving institutions.

The Senate amendment contained no similar provision

The Senate recedes.

Legislative Provisions Not Adopted

Adjustment of original baseline estimates for major defense acquisition program experiencing cost growth resulting from damage caused by hurricanes Katrina, Rita, and Wilma

The Senate amendment contained a provision (sec. 805) that would allow the Department of Defense to adjust the original baseline estimate under section 2435(d) of title 10, United States Code, for a major defense program that is carried out primarily in the areas affected by hurricanes Katrina, Rita, and Wilma for the sole purpose of addressing cost growth that is directly attributable to damage caused by those hurricanes.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that funds appropriated in division B of the Department of Defense Appropriations Act for Fiscal Year 2006 (Public Law 109-148) for shipbuilding programs affected by hurricanes Katrina, Rita, and Wilma will likely cause the programs to breach Nunn-McCurdy thresholds. The conferees expect the Department to submit an abbreviated Selected Acquisition Report under section 2435(d) if Nunn-McCurdy thresholds are breached solely because of costs due to increases caused by hurricanes Katrina, Rita, and Wilma.

Availability of funds for performance-based logistics contracts for weapons systems logistics support

The Senate amendment contained a provision (sec. 808) that would authorize the Secretary of Defense to use operation and maintenance (O&M) funds for performance-based logistics contracts to finance costs associated with the implementation of engineering changes that result in a reduction of government O&M costs.

The House bill contained no similar provision.

The Senate recedes.

Applicability of statutory executive compensation cap made prospective

The House bill contained a provision (sec. 811) that would amend section 808(e)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) to clarify that the underlying provision is prospective from the date of enactment.

The Senate amendment contained no similar provision.

The House recedes.

Prohibition on procurement from beneficiaries of foreign subsidies

The House bill contained a provision (sec. 812) that would prohibit the Secretary of Defense from entering into a contract with a foreign person (including a joint venture, cooperative organization, partnership, or contracting team), who has received a subsidy from the government of a foreign country that is a member of the World Trade Organization, if the United States has requested a consultation with that foreign country on the basis

that the subsidy is prohibited under the Agreement on Subsidies and Countervailing Measures.

The Senate amendment contained no similar provision.

The House recedes.

Removal of hand and measuring tools from certain requirements

The Senate amendment contained a provision (sec. 821) that would remove hand and measuring tools from the requirement to buy certain articles from American sources.

The House bill contained no similar provision.

The Senate recedes.

Waiver authority for domestic source or content requirements

The Senate amendment contained a provision (sec. 823) that would provide the Secretary of Defense the authority to waive the application of statutory domestic source requirements and domestic content requirements under certain conditions.

The House bill contained no similar provision.

The Senate recedes.

Repeal of requirement for identification of essential military items and military system essential item breakout list

The Senate amendment contained a provision (sec. 824) that would repeal the requirement for identifying essential military items on a military system essential item breakout list.

The House bill contained no similar provision.

The Senate recedes.

Consistency with United States obligations under trade agreements

The Senate amendment contained a provision (sec. 825) that would require that no provision of this Act, or any amendment made by this Act, shall apply if the Secretary of Defense, in consultation with the Secretary of Commerce, the U.S. Trade Representative, and the Secretary of State, determines that the application of the provision would be inconsistent with international trade agreements of the United States.

The House bill contained no similar provision.

The Senate recedes.

Prohibition on defense contractors requiring licenses or fees for use of military likenesses and designations

The House bill contained a provision (sec. 827) that would require that any contract entered into by the Department of Defense include a provision prohibiting the contractor from requiring toy and hobby manufacturers, distributors, or merchants

to obtain licenses or pay fees for the use of military likenesses or designations on items provided under the contract.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are aware that the use of military likenesses and designations in commerce involve issues of intellectual property and trademark law, constitutional takings, and the commercialization of defense technologies that are of great importance to the Department. The conferees are also aware that section 1004 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) authorized the Department to license trademarks, service marks, certification marks, and collective marks, and to operate a licensing program to raise funds for morale, welfare, and recreation activities.

The conferees believe that clarification of the system for determining ownership of military likenesses and designations could reduce confusion, particularly among manufacturers of toy models and hobby items, regarding appropriate policy and process for collection of license fees. The conferees encourage the Department to work with appropriate Federal departments and agencies to study the legal, financial, and administrative issues surrounding the registration of intellectual property rights in the likenesses and designations of military items, and to report back to Congress as soon as practicable on any recommendations for modifications to existing polices or statutes. The report should include a discussion of how the registration and licensing program authorized by section 1004 could be used to streamline the procedures under which toy and hobby manufacturers obtain licenses for military likenesses and designations.

Report on Department of Defense contracting with contractors or subcontractors employing members of the Selected Reserve

The Senate amendment contained a provision (sec. 845) that would require the Secretary of Defense to conduct a study on actual or potential contractors or subcontractors who employ members of the Selected Reserve. The study would address the extent to which Department of Defense contractors employ members of the Selected Reserve; potential disadvantages to such contractors in competing for Department contracts if their employees are mobilized; and recommendations for any appropriate action to provide such contractors with time or assistance in meeting contract deadlines. The provision would also repeal section 819 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), which provided authorization for the Secretary to use employment of Selected Reserve members by a contractor as an evaluation factor for award of contracts.

The House bill contained no similar provision.

The Senate recedes.

Pilot program on expanded use of Mentor-Protege authority

The Senate amendment contained a provision (sec. 874) that would enable the Secretary of Defense to use the authorities of the Department of Defense Mentor-Protege program to provide technical assistance to firms that develop new technologies related to force protection or countering the threat of improvised explosive devices under the Small Business Innovative Research program.

The House bill contained no similar provision.

The Senate recedes.

TITLE IX–DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Legislative Provisions Adopted

Subtitle A-Department of Defense Management

Increase in authorized number of assistant secretaries of defense (sec. 901)

The conferees agree to include a provision requested by the Department of Defense that would amend section 138(a) of title 10, United States Code, to permit an increase in the number of assistant secretaries of defense (ASDs) from 9 to 10 in order to facilitate a reorganization of the Office of the Under Secretary of Defense for Policy (OUSD(P)).

The conferees support the stated purpose of the reorganization, which is to develop a balanced set of portfolios that would allow more effective interaction with both commanders of the unified combatant commands and other Federal departments and agencies. The conferees understand that the Secretary of Defense intends to begin implementation of the OUSD(P) reorganization on or about October 1, 2006. While the conferees agree that the Secretary of Defense should adjust the roles and responsibilities within the OUSD(P) to address more effectively the full range of current and emerging national security challenges, the conferees share some concerns about the proposed reorganization. Chief among these concerns are:

(1) the role of a global war on terrorism task force that reports directly to the Under Secretary of Defense for Policy, and the relationship between that task force and the ASD for “Special Operations and Low-Intensity Conflict and Interdependent Capabilities” (SOLIC/IC) and other ASDs;

(2) the placement of “Strategic Capabilities” under the ASD for SOLIC/IC. Nuclear and missile issues arguably require a different skill set and knowledge base and could

result in an overall dilution of the statutory mission of this ASD, which is to supervise special operations and low-intensity conflict activities. Moreover, moving “Strategic Capabilities” to a different ASD than the one responsible for chemical and biological weapons issues may complicate the effective coordination that occurs currently. It would mean that the Commander, U.S. Strategic Command, would need to seek guidance on combating weapons of mass destruction (WMD) policy from two different ASDs, creating the kind of seam that the reorganization is suppose to minimize;

(3) the placement of “Forces Transformation and Resources” under the ASD for SOLIC/IC. The conferees have similar concerns about the different skill set and knowledge base required for overseeing transformation, as well as the U.S. Transportation Command. Placing such responsibilities under the ASD for SOLIC/IC would further divert focus from the statutory mission of this ASD;

(4) the very large span of responsibilities for a Deputy ASD for "Counternarcotics, Counterproliferation, and Global Threats." The large number of significant issues that would reside in this organization could mean that insufficient personnel and resources are devoted to the critical and diverse issues assigned to this ASD, including the critical missions of cooperative threat reduction, counterproliferation, and combating WMD;

(5) the potential impact on counternarcotics (CN) program execution. While the conferees recognize that efficiencies can be gained by developing common approaches and funding to combat illicit drug production and trafficking, terrorism, and proliferation of WMD, the conferees note that the management of CN policy must remain consistent with congressional intent regarding the Department of Defense’s counterdrug role and the effective use of its drug interdiction central transfer account. Separating CN policy oversight from the administration of the central transfer account would likely reduce the effectiveness and responsiveness of the CN policy office and its ability to facilitate accurate congressional oversight of the program;

(6) the unique placement of both functional and regional issue responsibilities under one ASD for Homeland Defense and Americas’ Security Affairs. It also is unclear what the functional issues under this ASD would entail; and

(7) the role of the Deputy Assistant Secretary of Defense for “Building Partner Capacity Strategy.” It is unclear how this portfolio would differ from that of a Deputy Assistant Secretary of Defense for “Security Cooperation Operations.” This structure appears to presume that the Department will receive permanent authority to undertake

foreign military assistance missions, despite the fact that Congress has not provided such authority to the Department.

In light of these concerns, the conferees direct the Secretary of Defense to submit to the congressional defense committees, not later than February 1, 2007, a report on the OUSD(P) reorganization. This report shall provide a detailed description and explanation of the reorganization, including each of the concerns noted above. The conferees also expect that Department officials will consult frequently with the congressional defense committees about the assigned responsibilities of the ASDs, the assignment of personnel, and the plan for implementation.

Modifications to the Combatant Commander Initiative Fund (sec. 902)

The conferees agree to include a provision that would provide expanded authority under the Combatant Commanders Initiative Fund (CCIF) for geographic combatant commanders to provide urgent and unanticipated humanitarian relief and reconstruction assistance to countries in their respective areas of responsibility (AORs), particularly to countries where U.S. Armed Forces are engaged in a contingency operation. The conferees also agree to increase by $5.0 million the amount authorized for the CCIF for fiscal year 2007 for this purpose.

The conferees believe it is important that the geographic combatant commanders have additional authority, resources, and flexibility in order to be able to respond to urgent and unanticipated humanitarian relief and reconstruction needs in their AORs, particularly in countries where U.S. forces are engaged in a contingency operation. The conferees urge the Department of Defense to request sufficient funds in the CCIF for this purpose in future years budget requests. The conferees urge the Department of Defense to develop guidance for the use of this authority to ensure that the authority can be used quickly and without bureaucratic delay in urgent situations. The conferees also urge that the guidance include procedures for coordinating with the relevant Department of State country team as a precondition for providing assistance to a foreign country under this authority.

The conferees note that this expanded CCIF authority is not intended for use in Afghanistan or Iraq so long as Commander’s Emergency Response Program (CERP) authority is available for use in those countries.

Addition to membership of specified council (sec. 903)

The House bill contained a provision (sec. 903) that would amend section 179(a) of title 10, United States Code, to add the Commander, Strategic Command to the Nuclear Weapons Council.

The Senate amendment contained no similar provision.

The Senate recedes.

Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies (sec. 904)

The House bill contained a provision (sec. 904) that would streamline the management of the Department of Defense Regional Centers for Security Studies by providing a uniform set of authorities for all of these Regional Centers. The provision would allow the Regional Centers to conduct research, as well as facilitate the communication and exchange of ideas between U.S. and foreign military officers, civilian governmental personnel, and non-governmental personnel. The provision would permit foreign governments and U.S. federal agencies to fund foreign participation in Center activities, and would provide the Secretary of Defense authority to waive reimbursement of costs of activities for military officers and civilian defense and security officials from developing countries. The provision would continue the requirement for the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives an annual report on the Regional Centers' status, objectives, budgets, international participation, and foreign gifts and donations.

The Senate amendment contained no similar provision.

The Senate recedes.

Oversight by Office of Under Secretary of Defense for Acquisition, Technology, and Logistics of exercise of acquisition authority by combatant commanders and heads of Defense Agencies (sec. 905)

The Senate amendment contained a provision (sec. 902) that would establish a senior acquisition executive for special operations within the staff of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to, not later than 180 days after the date of the enactment of this Act, designate a senior acquisition official within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics to coordinate and oversee the exercise of acquisition authorities by any combatant commander and any head of a defense agency designated by the Secretary of Defense to exercise acquisition authority.

The conferees note that the designation of a senior acquisition official within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics under the expanded authorities recommended by this section is intended to enhance acquisition oversight and the effective stewardship of

resources and is not intended to impede the need to fulfill the urgent requirements of the commanders of combatant commands and the heads of defense agencies.

Standardization of statutory references to "national security system" within laws applicable to Department of Defense (sec. 906)

The House bill contained a provision (sec. 901) that would modify three sections of title 10 to ensure the definition of national security system is consistent with the current definition in the Federal Information Security Management Act of 2002 (Public Law 107-347) and with the definition of information technology in section 3542(b)(2) of title 44, United States Code.

The Senate amendment contained a similar provision (sec. 1071).

The Senate recedes.

Correction of reference to predecessor of Defense Information Systems Agency (sec. 907)

The House bill contained a provision (sec. 902) that would amend section 193 of title 10, United States Code, to reflect the current name of the Defense Information Systems Agency.

The Senate amendment contained an identical provision (sec. 1072).

The conference agreement includes this provision.

Subtitle B-Space Activities

Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board (sec. 911)

The House bill contained a provision (sec. 911) that would amend the Commercial Space Transportation Competitiveness Act of 2000 (Public Law 106-405) to reflect the subsequent disestablishment of the Interagency Global Positioning Executive Board and its replacement by a new organizational structure created by national policy.

The Senate amendment contained a similar provision (sec. 1082).

The Senate recedes with a technical amendment that would replace the phrase “national security presidential directive” with “U.S. Space-based Position, Navigation, and Timing Policy."

Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities (sec. 912)

The House bill contained a provision (sec. 912) that would extend through September 30, 2009, a pilot program that is determining the feasibility and desirability of providing space surveillance data support to non-United States Government entities.

The Senate amendment contained an identical provision (sec. 912).

The conference agreement includes this provision.

Operationally responsive space (sec. 913)

The House bill contained a provision (sec. 913) that would establish an Operationally Responsive Space (ORS) program office and would require the Secretary of Defense to submit a report to the congressional defense committees setting forth a plan for acquisition of capabilities for operationally responsive space support to the military.

The Senate amendment contained a similar provision (sec. 911).

The House recedes with an amendment that would clarify the organization and acquisition activities of the program office.

The conferees make the following findings: (1) access to and use of space is critical for preserving and protecting the national security, commercial, and civil interests of the United States; (2) to the maximum extent possible, space capabilities should be integrated into the strategy, doctrine, operations, and contingency plans of the armed forces; (3) the combatant commanders should have access to responsive space capabilities that provide prompt, focused support in their theater of operations, including which capabilities should compliment other national and Department of Defense space assets while providing direct and flexible support to the warfighter on the battlefield and military operations other than war; and (4) the United States Space Transportation Policy of January 6, 2005, calls for the demonstration, before 2010, of an initial capability for operationally responsive access to and use of space to support the national security requirements of the United States.

Accordingly, the conferees believe it should be the policy of the United States to demonstrate, acquire, and deploy an effective ORS capability to support military users and operations from space. The conferees understand the term ORS to include the ability to launch -– and activate quickly -- militarily useful satellites when needed to provide surge capability, reconstitute damaged or incapacitated satellites, or provide timely availability of tailored or new capabilities to the military user. By lowering the cost of satellite development and associated launch costs, ORS capabilities can lead to long-term benefits by advancing technology, improving space acquisitions, enhancing the skills of the technical workforce, and broadening the space industrial base.

To this end, the conferees direct the Secretary of Defense to establish a program office within the Department of Defense to coordinate and execute the Department's ORS activities and to facilitate the development of low-cost, rapid reaction payloads, busses, space-lift, and launch control capabilities to fulfill joint military operational requirements for on-demand space support and reconstitution. This program office should be the focal point for activities and entities with the capacity to contribute to the development of ORS capabilities and, as such, shall include science and technology, acquisition, operations, and combatant command support elements. In addition to coordinating the Department's efforts, this program office should seek to coordinate with the intelligence community and other relevant non-Department of Defense entities that may have activities associated with the ORS mission, and utilize existing processes and infrastructure, where applicable. The Department of Defense Executive Agent for Space, or a designee appointed by the Secretary, shall serve as head of the program office. Such designee shall report directly to the Department of Defense Executive Agent for Space.

The conferees recognize the value of developing systems for operational experimentation, which include leveraging these systems for technology demonstrations, applying lessons learned to the acquisition of production systems, and providing militarily useful support in-theater

Central to the success of the ORS effort is controlling the cost of satellites and launch vehicles developed as operational experimentation systems as well as operationally fielded production systems. The conferees believe it should be a goal of the program office, to the maximum extent possible, to limit the cost of launch vehicles (to low earth orbit) to approximately $20.0 million in constant dollars, and to limit the cost of an integrated satellite to approximately $40.0 million in constant dollars.

The conferees direct the Secretary to create a separate program element for the activities of the ORS program office and to ensure that, to the extent applicable, relevant programs and activities for ORS are consolidated within this program element. This is not intended to preclude other agencies or organizations within the Department from budgeting for science and technology efforts related to the ORS mission. The conferees do recommend, however, that the acquisition of operational capabilities and operations support costs should be planned, programmed, and budgeted in the program element for the ORS program office.

Independent review and assessment of Department of Defense organization and management for national security in space (sec. 914)

The Senate amendment contained a provision (sec. 913) that would require the Secretary of Defense to select an entity outside the Department of Defense to conduct an independent review and assessment of the organization and management of the Department of Defense for national security in space.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to consult with the chairmen and ranking members of the Committees on Armed Services of the Senate and the House of Representatives in selecting the entity to conduct the review and assessment.

Subtitle C-Chemical Demilitarization Program

Sense of Congress on completion of destruction of United States chemical weapons stockpile (sec. 921)

The Senate amendment contained a provision (sec. 1087) that would express the sense of the Senate that: (1) the United States is committed to making every effort to safely dispose of its chemical weapons stockpile by the Chemical Weapons Convention extended deadline of April 29, 2012, or as soon thereafter as possible; (2) the Secretary of Defense should prepare a comprehensive schedule for safely destroying the U.S. chemical weapons stockpile to prevent further delays in its destruction, and should submit that schedule annually to the congressional defense committees in an annual report; and (3) the Secretary should make every effort to ensure adequate funding to complete the elimination of the U.S. chemical weapons stockpile in the shortest time possible, consistent with the requirement to protect public health, safety, and the environment.

The House bill contained no similar provision.

The House recedes with an amendment that would make the provision a sense of Congress and add an additional element stating that the Secretary of Defense should propose a credible process to gain the support of affected communities when selecting a site for the treatment or disposal of neutralized chemical agent at a location remote from where the agent is stored.

Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana (sec. 922)

The House bill contained a provision (sec. 922) that would require the Comptroller General to review and report to Congress by December 1, 2006, on the adequacy of the cost benefit analysis prepared by the Secretary of the Army comparing options to treat and dispose of the hazardous material that is a by-product of the process of neutralizing VX nerve gas stored at the Newport

Chemical Depot, Indiana. The provision would also prohibit the Secretary from proceeding with any action to transport this hazardous material, or hydrolysate, from the Newport Chemical Depot until 60 days after the Comptroller General's report is received by Congress.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the Secretary from proceeding with any action to transport this hazardous material, or hydrolysate, from the Newport Chemical Depot to the State of New Jersey until the earlier of: 60 days after the Comptroller General's report is received by Congress, or February 1, 2007.

Incentives clauses in chemical demilitarization contracts (sec. 923)

The Senate amendment contained a provision (sec. 372) that would provide the Secretary of Defense authority to include an incentives clause in any contract for the destruction of the U.S. stockpile of lethal chemical agents and munitions in order to accelerate the safe elimination of the U.S. chemical weapons stockpile and to reduce the total cost of the chemical demilitarization program by affording the contractor an opportunity to share in the life cycle cost savings that the U.S. Government would realize by early completion of destruction operations and facility closure. The provision would require that this authority be exercised consistent with the Secretary's obligation under law to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions. The authority to include an incentives clause in a contract would be subject to the availability of appropriations for that purpose.

The House bill contained no similar provision.

The House recedes.

The conferees note that this authority is intended to be available for all elements of the chemical demilitarization program, including the Chemical Stockpile Disposal Project, the Alternative Technologies and Approaches Project, and the Assembled Chemical Weapons Alternative Program.

The conferees express their disappointment in the notification from the Secretary of Defense dated April 10, 2006, that the United States will not be able to meet the Chemical Weapons Convention extended destruction deadline of April 29, 2012, for the complete destruction of the U.S. chemical weapons stockpile. The conferees note the Secretary's commitment in the notification that "The Department will continue working diligently to minimize the time to complete destruction without sacrificing safety and security. We will also continue requesting resources needed to complete destruction as close to April 2012 as

practicable." The conferees strongly concur in those sentiments and urge the Department to uphold the commitment expressed in the Secretary's notification letter.

Chemical demilitarization program contracting authority (sec. 924)

The Senate amendment contained a provision (sec. 376) that would clarify retroactively that the Secretary of Defense may carry out the chemical weapons demilitarization program through multiyear contracts.

The House bill contained no similar provision.

The House recedes.

Subtitle D-Intelligence-Related Matters

Four-year extension of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities (sec. 931)

The Senate amendment contained a provision (sec. 1031) that would extend the authority to engage in commercial activities as security for intelligence collection activities until December 31, 2008.

The House bill contained a similar provision (sec. 931).

The House recedes with an amendment that would extend the authority until December 31, 2010.

Annual reports on intelligence oversight activities of the Department of Defense (sec. 932)

The Senate amendment contained a provision (sec. 1032) that would require the Secretary of Defense to submit an annual report to the congressional defense and intelligence committees on intelligence oversight activities of the Department of Defense. The term "intelligence oversight activities of the Department of Defense" refers to any activity undertaken by an agency element or component of the Department to ensure compliance with regard to intelligence and intellgence-related activities of the Department under law or any Executive order, or Presidential directive, including Executive Order 12333.

The House bill contained no similar provision.

The House recedes with an amendment that would change the distribution of the report, remove references to "questionable activities," and add the required annual report to chapter 21, title 10, United States Code.

Collection by National Security Agency of service charges for certification or validation of information assurance products (sec. 933)

The Senate amendment contained a provision (sec. 1035) that would authorize the National Security Agency to collect service charges for the certification or validation of information assurance products.

The House bill contained no similar provision.

The House recedes.

Subtitle E-Other Matters

Department of Defense policy on unmanned systems (sec. 941)

The Senate amendment contained a provision (sec. 921) that would require the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to develop a Department-wide policy for research, development, test, and evaluation; procurement; and operation of unmanned systems.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) clarify the policy elements to be addressed; (2) require the report to the congressional defense committees to include strategy and schedule information for implementing the necessary policy; and (3) define unmanned systems for the purposes of this section.

The conferees recognize that unmanned systems are not, and will not, be capable of replacing manned systems in every case. However, the conferees encourage the Department of Defense to use an expanded vision in determining those routine and dangerous missions that could, and should, be performed by unmanned systems. Interoperability, survivability, commonality, sustainment, manufacturing, and training should be examined for seamless integration between manned and unmanned systems development, acquisition and operation in the air, on the ground, and at sea.

Executive Schedule level IV for Deputy Under Secretary of Defense for Logistics and Materiel Readiness (sec. 942)

The Senate amendment contained a provision (sec. 922) that would move the position of Deputy Under Secretary of Defense for Logistics and Materiel Readiness from Executive Schedule Level III to Level IV. The change would be applicable to future appointees to the position.

The House bill contained no similar provision

The House recedes.

Study and report on reform of Defense Travel System (sec. 943)

The Senate amendment contained a provision (sec. 926) that would prohibit the Secretary of Defense from obligating or expending any funds related to the Defense Travel System, except those funds obtained through a one-time, fixed-price service fee

per Department of Defense customer utilizing the system with an additional fixed fee for each transaction.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to provide an independent report to the congressional defense committees within 6 months of the date of the enactment of this Act. The report shall analyze the feasibility of separating the financial infrastructure of the Defense Travel System from the travel reservation system, converting the travel reservation process to a fee-for-service system, and making the use of the financial infrastructure of the Defense Travel System mandatory for all travel transactions.

The amendment would also require the Secretary to report to the congressional defense committees on the actions he plans to take to implement the recommendations of the report. The amendment prohibits the Secretary from initiating a new contract for the Defense Travel System (other than to continue current operations) until the report has been provided to the Congress.

Administration of pilot project on Civilian Linguist Reserve Corps (sec. 944)

The Senate amendment contained a provision (sec. 1033) that would transfer the administration of the pilot project on the Civilian Linguist Reserve Corps from the Director of National Intelligence (DNI) to the Secretary of Defense.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary to coordinate with the DNI in carrying out the pilot project, and extend the duration of the pilot project for an additional 2 years.

Improvement of authorities on the National Security Education Program (sec. 945)

The Senate amendment contained a provision (sec. 1034) that would amend section 1902(b)(2) of title 50, United States Code, to expand the entities in which mandated service could be performed to include the Department of Homeland Security, Department of State, or a position in the field of education. The provision would also provide authority to the Secretary of Defense to hire a program participant in a position in the Department of Defense on a temporary, interim basis, for a period not to exceed 2 years, to expedite security clearances and other personnel processes, if there is no other permanent position available for the participant.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the authority to expand the entities in which mandated service could be performed, and make clarifying changes.

Report on the posture of the United States Special Operations Command to conduct the global war on terrorism (sec. 946)

The Senate amendment contained a provision (sec. 927) that would require the Secretary of Defense to report on the types of units and capabilities that should be incorporated into the reserve components of the Armed Forces as part of the expansion of Special Forces, as outlined in the 2006 Quadrennial Defense Review Report. In addition, the Secretary would be required to report on the effort taken by the U.S. Special Operations Command (USSOCOM) to provide special forces training in high-altitude and mountainous areas within the United States.

The House bill contained no similar provision.

The House recedes with an amendment that would require that the report should assess the posture of USSOCOM to conduct the global war on terrorism, including: (1) whether the command is appropriately manned, resourced, and equipped; (2) whether there is an appropriate balance of capabilities between the active and reserve components; (3) whether there are sufficient numbers of Army Special Forces for foreign security assistance and training missions; and (4) how the special operations forces are being trained for different operational environments.

Legislative Provisions Not Adopted

United States Military Cancer Institute

The Senate amendment contained a provision (sec. 901) that would require the Secretary of Defense to establish the United States Military Cancer Institute in the Uniformed Services University of the Health Sciences.

The House bill contained no similar amendment.

The Senate recedes.

Military deputies to the assistant secretaries of the military departments for acquisition, logistics, and technology matters

The Senate amendment contained a provision (sec. 904) that would establish positions within the military departments for military deputies to the assistant secretaries for acquisition in the Departments of the Army, Navy, and Air Force. The officers serving in these positions would hold the rank of lieutenant general or vice admiral while serving and would be excluded from limits on the numbers and percentages of officers in the respective services.

The House bill contained no similar provision.

The Senate recedes.

Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps

The House bill contained a provision (sec. 905) that would amend title 10, United States Code, to redesignate the Department of the Navy as the Department of the Navy and Marine Corps. The provision would also change the titles of the Secretary of the Navy, the Assistant Secretaries of the Navy, and the General Counsel of the Navy to include both the Navy and the Marine Corps.

The Senate amendment contained no similar provision.

The House recedes.

Transfer to Secretary of the Army of responsibility for Assembled Chemical Weapons Alternatives program

The House bill contained a provision (sec. 921) that would transfer program management responsibility for the Assembled Chemical Weapons Alternatives program from the Under Secretary of Defense for Acquisition, Technology, and Logistics to the Secretary of the Army by January 1, 2007.

The Senate amendment contained no similar provision.

The House recedes.

Sense of Congress regarding the safe and expeditious disposal of chemical weapons

The House bill contained a provision (sec. 923) that would express the sense of Congress that the process used for selecting a site for remote disposal of hazardous material remaining after the initial processing of chemical munitions should be free from political influence and that a process similar to that used for base closure and realignment be considered for adoption.

The Senate amendment contained no similar provision.

The House recedes.

Sense of Senate on nomination of individual to serve as Director of Operational Test and Evaluation on a permanent basis

The Senate amendment contained a provision (sec. 924) that would express the sense of the Senate that the President should nominate a permanent Director of Operational Test and Evaluation as soon as practicable.

The House bill contained no similar provision

The Senate recedes.

Inclusion of homeland defense and civil support missions of the National Guard and Reserves in the Quadrennial Defense Review

The Senate amendment contained a provision (sec. 925) that would amend section 118 (d) of title 10, United States Code, to require the Secretary of Defense to include homeland defense and civil support missions in the Quadrennial Defense Review (QDR) report.

The House bill contained no similar provision.

The Senate recedes. The provision was incorporated into another provision elsewhere in this report.

TITLE X—GENERAL PROVISIONS

Item of Special Interest

Vietnam conflict

The conferees believe it is appropriate to commemorate the 50th anniversary of the Vietnam conflict in order to thank and honor the veterans, missing in action, and prisoners of war of that conflict and their families; to pay tribute to the sacrifices and contributions made on the home front by the people of the United States during the Vietnam conflict; to highlight advances in technology, science, and medicine related to military research conducted during the Vietnam conflict; and to recognize the contributions and sacrifices made by the allies of the United States in the Vietnam conflict.

The conferees, therefore, direct the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House of Representatives, not later than April 1, 2007, with a proposed plan on commemoration of the Vietnam conflict. At a minimum, the proposed plan should include: the recommended duration and outline of major events of the commemoration; a discussion of how the Department of Defense would coordinate, support, and facilitate this commemoration with other Federal Government agencies, State and local governments, and other entities; the estimated total expenditures necessary to carry out the commemoration program; and legislative proposals needed to implement the commemoration. The plan should also include the recommended process and guidelines for managing the financing and expenditures of the commemoration. To that end, the plan should include the establishment in the Treasury of an account to be administered by the Secretary of Defense, from which funds might be invested and from which funds could be obligated solely for purposes related to the commemoration program. The conferees also believe that the establishment of such an account should be accompanied by a recommended limitation on the expenditure of appropriated funds in support of the commemoration and that the cost of the commemoration should not be borne by a single military department.

Legislative Provisions Adopted

Subtitle A—Financial Matters

General transfer authority (sec. 1001)

The House bill contained a provision (sec. 1001) that would provide $3.75 billion in transfer authority among accounts in division A of this Act for fiscal year 2007.

The Senate amendment contained a similar provision (sec. 1001) that would provide $4.0 billion in transfer authority among accounts in division A of this Act for fiscal year 2007.

The House recedes with an amendment that would provide $4.5 billion in transfer authority.

Authorization of additional emergency supplemental appropriations for fiscal year 2006 (sec. 1002)

The House bill contained a provision (sec. 1002) that would authorize emergency supplemental appropriations pursuant to an emergency supplemental appropriations act for 2006.

The Senate amendment contained a similar provision (sec. 1002) that would authorize additional emergency supplemental appropriations for fiscal year 2006 for Iraq, Afghanistan, and the Global War on Terror, pursuant to titles I, II, and V of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

The House recedes.

Reduction in certain authorizations due to savings relating to lower inflation (sec. 1003)

The House bill contained a provision (sec. 1006) that would reduce the amount authorized to be appropriated to the Department of Defense by $1.6 billion to reflect savings from lower-than-expected inflation estimates.

The Senate amendment contained a similar provision (sec. 1003).

The Senate recedes with an amendment that would reduce the amount authorized to be appropriated to the Department of Defense by $757.1 million.

Increase in fiscal year 2006 general transfer authority (sec. 1004)

The House bill contained a provision (sec. 1003) that would provide $3.75 billion in transfer authority among accounts in division A of this Act for fiscal year 2006.

The Senate amendment contained a similar provision (sec. 1006) that would provide $5.0 billion in transfer authority for fiscal year 2006.

The House recedes.

United States contribution to NATO common-funded budgets in fiscal year 2007 (sec. 1005)

The House bill contained a provision (sec. 1004) that would authorize the U.S. contribution to North Atlantic Treaty Organization (NATO) common-funded budgets for fiscal year 2007, including the use of unexpended balances.

The Senate amendment contained an identical provision (sec. 1005).

The conference agreement includes this provision.

The conferees note that this provision is necessary because the resolution of ratification for the Protocol to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic contained a provision (section 3(2)(c)(ii))requiring a specific authorization for U.S. payments to the common-funded budgets of NATO for each fiscal year, beginning in fiscal year 1999, that payments exceed the fiscal year 1998 total.

Report on budgeting for fluctuations in fuel cost rates (sec. 1006)

The House bill contained a provision (sec. 1005) that would require the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives by January 15, 2007, on the fuel cost rate projection used in the annual Department of Defense budget.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment that would change the date of the required report to February 15, 2007, and require that the report be sent to the congressional defense committees.

Modification of date of submittal of OMB/CBO report on scoring of outlays (sec. 1007)

The Senate amendment contained a provision (sec. 1006) that would change the date of the currently required report on the Office of Management and Budget and the Congressional Budget Office outlay estimates (section 226 of title 10, United States Code) from January 15 to April 1 of each year.

The House bill contained no similar provision.

The House recedes.

Budgeting for ongoing military operations in Afghanistan and Iraq (sec. 1008)

The Senate amendment contained a provision (sec. 1085) that would require the President to submit, pursuant to section 1105(a) of title 31, United States Code, for each fiscal year after fiscal

year 2007, a request for funds for ongoing military operations in Afghanistan and Iraq. The provision would also require the President to submit an estimate of all funds expected to be required in that fiscal year for such operations and a detailed justification of the funds requested.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle B–Policy Relating to Vessels and Shipyards

Aircraft carrier force structure (sec. 1011)

The Senate amendment contained a provision (sec. 1011) that would eliminate the requirement for the naval combat forces of the Navy to include no fewer than 12 operational aircraft carriers.

The House bill contained no similar provision.

The House recedes with an amendment that would reduce the minimum number of operational aircraft carriers required by law to 11.

The conferees understand that the 2006 Quadrennial Defense Review Report concluded that a naval force including 11 aircraft carriers meets the combat capability requirements of the National Military Strategy. The conferees agree with the Navy's determination that the cost of maintaining 12 operational aircraft carriers by restoring the USS *John F. Kennedy* (CV-67) to a deployable, fully mission-capable status would significantly impact the Chief of Naval Operations' (CNO) plan to build a future naval force of 313 ships. The conferees also agree with the Navy's proposal to inactivate the USS *John F. Kennedy* (CV-67) in fiscal year 2007. However, the conferees believe that it is important to retain the ability to reactivate the USS *John F. Kennedy* (CV-67) in the event that 12 aircraft carriers are required in response to a national emergency.

The conferees expect, therefore, in conjunction with decommissioning the USS *John F. Kennedy* (CV-67), that the Secretary of Defense, in coordination with the Supreme Allied Commander, Europe and the Secretary of Homeland Security, will evaluate the feasibility of maintaining the aircraft carrier in an operational status by transferring custody and control to the North Atlantic Treaty Organization or the Department of Homeland Security. The Secretary shall provide notification of the findings to the Committees on Armed Services of the Senate and the House of Representatives prior to decommissioning the USS *John F. Kennedy* (CV-67).

The conferees further expect that, upon decommissioning from the U.S. Navy and completion of the ship's inactivation availability, the Navy will maintain CV-67 in a state of preservation (dehumidification, cathodic protection, and

configuration control) pending determination of final disposition. In the event it is determined that CV-67 is to be retired from operational status, the Secretary of the Navy shall evaluate other alternatives for final disposition, to include maintenance in a reduced mobilization status, donation as a museum article, or striking from the naval vessel registry; and report the findings with the Secretary of the Navy's recommendation to the congressional defense committees not later than October 1, 2007. Under all circumstances, the Navy shall retain custody of CV-67 at least until commissioning of CVN-77. If the aircraft carrier is transferred from the custody and control of the Navy, the Secretary of the Navy shall require as a condition of such transfer that the transferee, upon request of the Secretary of Defense, return the vessel to the United States. In such a case, unless the transferee is otherwise notified by the Secretary of the Navy, the title to the vessel shall revert immediately to the United States.

The conferees agree with the CNO statement in his letter dated August 14, 2006, to the Ranking Member of the Committee on Armed Services of the Senate, that "Naval Station Mayport and the many resources of the Jacksonville area remain vitally important to Navy readiness," and support the CNO commitment "to maintaining the infrastructure necessary to support the strategic dispersal of the Atlantic Fleet at this key east coast port."

The conferees note that the USS *John F. Kennedy* (CV-67) has served proudly in defense of freedom around the world, in times of peace and in war in the course of her 38 years of service. She has brought great honor to our Nation, to her namesake, and to the tens of thousand of sailors who "stood the watch" on her decks these many years. It is most fitting, therefore, that the Navy plan the decommissioning of the USS *John F. Kennedy* (CV-67) with ceremony befitting her distinguished history of service to our Nation.

Sense of Congress on naming the CVN-78 aircraft carrier as the USS Gerald R. Ford (sec. 1012)

The Senate amendment contained a provision (sec. 1013) that would require that the CVN-78 aircraft carrier shall be named the USS *Gerald R. Ford*.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the Navy should name the CVN-78 aircraft carrier the USS *Gerald R. Ford*.

Transfer of naval vessels to foreign nations based upon vessel class (sec. 1013)

The House bill contained a provision (sec. 1011) that would allow the transfer of a specified number of ships to a particular

nation without identification of the specific vessel by hull number or ship name.

The Senate amendment contained a similar provision (sec. 1012).

The Senate recedes.

Overhaul, repair, and maintenance of vessels in foreign shipyards (sec. 1014)

The House bill contained a provision (sec. 1012) that would clarify those commonwealths and possessions that are to be considered as part of the United States for the purposes of naval vessels to include Military Sealift Command vessels. The provision would also extend the limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 7310(a) of title 10, United States Code, to require naval vessels homeported in Guam to be overhauled, repaired, or maintained in a shipyard in the United States or Guam.

Report on options for future lease arrangement for Guam Shipyard (sec. 1015)

The House bill contained a provision (sec. 1013) that would require the Secretary of the Navy to submit a report to the Committees on Armed Services of the Senate and the House of Representatives on the Guam Shipyard. The provision would also require the Comptroller General to submit an evaluation of the Secretary of Navy's report. The provision would further require the awarding of contracts to the Guam Shipyard in an amount equal to the average amount awarded between fiscal years 1998 and 2006.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the requirement for awarding contracts to the Guam Shipyard.

Assessments of naval vessel construction efficiencies and of effectiveness of special contractor incentives (sec. 1016)

The House bill contained a provision (sec. 1014) that would establish a program to provide grants and loan guarantees to U.S. shipbuilders to make capital investments in their shipbuilding processes and facilities. The provision would also require the Secretary of the Navy to perform annual assessments of the shipbuilding industrial base to determine where and to what extent inefficiencies exist and to what extent innovative design and production technologies, processes, and infrastructure can be developed to alleviate such inefficiencies.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to conduct an assessment of naval vessel construction to determine inefficiencies that exist; innovative design and production technologies, processes, and performance incentives that are warranted to alleviate those inefficiencies; and actions the Secretary intends to take to facilitate adoption by the shipbuilding industry of the technologies, processes, and performance incentives so identified. The amendment would also require the Secretary to conduct an assessment of the effectiveness of the use in naval construction contracts of special incentives for investment by the contractor in facilities and process improvement projects, including a description of the use of such incentives, a description of the process and criteria used for evaluation of and selection among proposed projects, progress in implementing selected projects, plans for applying similar contract incentives in future shipbuilding programs, and recommendations by the Secretary for enactment of legislation that might increase the effectiveness of, or expand the use of, such contract incentives. The amendment would further require that the Secretary submit a report on these assessments to the congressional defense committees not later than April 1, 2007. The conferees direct the Secretary to provide the congressional defense committees with an interim briefing on the findings of the assessments not later than March 1, 2007.

Obtaining carriage by vessel: criterion regarding overhaul, repair, and maintenance of vessels in the United States (sec. 1017)

The House bill contained a provision (sec. 1017) that would provide that the Secretary of Defense may not award any contract for the carriage by vessel of cargo for the Department of Defense, unless the contract includes a requirement under which the contractor shall ensure that the overhaul and repair work is done in a shipyard located in the United States or the contractor must report any repair work conducted in a shipyard located outside the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to issue an acquisition policy that establishes as a criterion, required to be considered in obtaining carriage by vessel of cargo for the Department, the extent to which an offeror of such carriage had overhaul, repair, and maintenance work for the offerors' vessels performed in shipyards located in the United States. The amendment would be limited to vessels that are owned, operated, or controlled by the offeror and qualified to engage in the carriage of cargo in the coastwise or non-contiguous trades. Thus, the conferees expect that the Secretary will establish, as an evaluation criterion in the award, the past accomplishment of overhaul, repair, and maintenance work conducted in shipyards

located in the United States, similar to other considerations such as cost, schedule, capability to perform the carriage, and other independently weighted factors. The amendment would apply to the carriage of Department cargo, whether the carriage was obtained pursuant to charter or tariff. Further, the amendment would define the term “United States” to include any State of the United States and, in addition, Guam.

The conferees agree that a strong ship repair industrial base is vital to the national security interests of the United States. Accordingly, it is important that the Secretary maintain a current assessment of the Nation’s ship repair capabilities and capacity and, consistent with the Secretary’s assessment, that the Department assign value to the accomplishment of overhaul, repair, and maintenance work in the United States for the evaluation of offerors’ proposals in the awards of contracts to carry Department cargo.

To guide formulation and implementation of the Secretary’s acquisition policy, the Secretary shall conduct an assessment of the ship repair industrial base, to include: (1) a determination of ship repair requirements to support the National Military Strategy; (2) an evaluation of the repair industrial base’s critical capabilities, capacity, competitive sourcing, geographical disposition; and (3) other critical factors as measured against the determined requirements. The Secretary shall submit a report on the results of the assessment to the congressional defense committees not later than June 1, 2007.

Riding gang member requirements (sec. 1018)

The House bill contained a provision (sec. 1018) that would prohibit the Secretary of Defense from awarding a charter or a contract for carriage of defense cargo unless the charter or contract requires that each riding gang member that performs any work on the vessel during the effective period of the charter or contract holds a merchant mariner’s document issued by the United States Coast Guard. The provision would also allow the Secretary to issue regulations to exempt a riding gang member from the above requirement under limited circumstances, and then only if a background check is performed.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would incorporate by reference certain limited provisions contained in section 8106 of title 46, United States Code, relating to general restrictions on the use of riding gangs on U.S. documented vessels. The amendment would also clarify, for those vessels carrying defense cargoes, the categories of individuals who may be exempted under regulation from the requirement to hold a merchant mariner’s document issued by the United States Coast Guard. These individuals, who will be required to have either a background check or possess a merchant mariner’s document, include supercargo

personnel, force protection personnel, specialized repair technicians, and other individuals required to be aboard the vessel. The amendment would further make clear that individuals engaged in the general operation or maintenance, whether designated members of the vessel's crew or not, must possess a merchant mariner's document issued by the United States Coast Guard if the vessel is carrying defense cargoes.

Authority to transfer SS Arthur M. Huddell to the Government of Greece (sec. 1019)

The Senate amendment contained a provision (sec. 1014) that would authorize the Secretary of Transportation to transfer the ex-Liberty ship SS *Arthur M. Huddell*, by gift to the government of Greece. The provision would also authorize the Secretary to convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet for purposes of a museum exhibit.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the President to transfer the SS *Arthur M. Huddell* to the government of Greece, and to convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet, in accordance with such terms and conditions as the President may determine. As a condition of the transfer of the vessel, the President shall require, to the maximum extent practicable, that the government of Greece have such repair or refurbishment of the vessel, as is necessary for the safe transit of the vessel to its ultimate destination, be performed at a shipyard located in the United States.

Subtitle C–Counter Drug Activities

Extension of authority of Department of Defense to provide additional support for counterdrug activities of other governmental agencies (sec. 1021)

The Senate amendment contained a provision (sec. 1022) that would authorize a 5-year extension in the current authorities of the Department of Defense to assist the counterdrug activities of any other department or agency of the Federal Government or any other State, local, or foreign law enforcement agency through 2011.

The House bill contained no similar provision.

The House recedes.

Extension and expansion of Department of Defense authority to provide support for counter-drug activities of certain foreign governments (sec. 1022)

The Senate amendment contained a provision (sec. 1023) that would extend and expand certain authorities of the Department of Defense to support the counterdrug activities of other countries. The provision would: (1) extend current authorities for 2 years; (2) add 15 countries that are situated either along key drug smuggling routes or are facing an increasing threat of narco-terrorism to the list of countries eligible for support; (3) expand the types of equipment and supplies that can be provided for counterdrug support to include vehicles, aircraft, and detection and monitoring equipment; and (4) double the funding limit for counterdrug support through fiscal year 2011 from $40.0 million to $80.0 million. The provision would also require the Secretary of Defense to seek concurrence of the Secretary of State on matters of counterdrug support to foreign nations and provide a report to designated congressional committees on support provided to each foreign government.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) reduce the number of additional countries authorized to receive this support from 15 to 7; (2) reduce the funding limit to $60.0 million; (3) authorize, for calendar years 2007 and 2008 only, the transfer, to Afghanistan only, of individual and crew-served weapons of 50 caliber or less, and the ammunition for such weapons for counter-narcotics security forces only; and (4) require the Secretary of Defense to consult with, instead of seek the concurrence of, the Secretary of State.

Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia (sec. 1023)

The House bill contained a provision (sec. 1023) that would extend the authority to support the unified counterdrug and counterterrorism campaign in Colombia through fiscal year 2008, as provided in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375).

The Senate amendment contained a similar provision (sec. 1021).

The Senate recedes.

Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counter drug activities (sec. 1024)

The House bill contained a provision (sec. 1024) that would extend by 1 year the requirement for the Secretary of Defense to submit a report detailing the expenditure of funds by the Secretary during fiscal year 2006.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend the reporting requirement through fiscal year 2007, and require the

report to be submitted to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions (sec. 1025)

The House bill contained a provision (sec. 1025) that would require the Secretary of Defense to submit a report to the congressional defense committees on interagency counterdrug implementation plans for Afghanistan and 10 other countries in south and central Asia.

The Senate amendment contained no similar provision.

The Senate recedes with amendment that would add Armenia to the list of countries in the report, and clarify other matters included in the report.

Report on United States support for Operation Bahamas, Turks & Caicos (sec. 1026)

The Senate amendment contained a provision (sec. 1024) that would require the Secretary of Defense to submit a report to Congress outlining the plan for continued United States Government support to Operation Bahamas, Turks & Caicos not later than 30 days prior to implementing a decision to withdraw Department of Defense helicopters from this counterdrug program.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle D–Force Structure and Defense Policy Matters

Improvements to Quadrennial Defense Review (sec. 1031)

The Senate amendment contained a provision (sec. 1083) that would amend section 118 of title 10, United States Code, to require: (1) analysis and recommendations in the Quadrennial Defense Review (QDR) that are not constrained to comply with the President’s budget submission; (2) an identification of specific capabilities, including the general number and type of specific military platforms required to achieve strategic and warfighting objectives; (3) an independent assessment of the QDR and the submission of the results of the assessment to Congress; and (4) a more comprehensive risk assessment from the Chairman of the Joint Chiefs of Staff (CJCS) that describes the additional capabilities needed to reduce the risks identified in the CJCS risk assessment.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the appointment process for the independent panel, and expand the

scope of the review to include an assessment of the homeland defense and support to civil authorities missions of the active and reserve components of the armed forces, including the organizations and capabilities required for the active and reserve components to discharge their missions. The latter was included as a separate provision in the Senate amendment (sec. 925).

Quarterly reports on implementation of 2006 Quadrennial Defense Review Report (sec. 1032)

The House bill contained a provision (sec. 1035) that would require the Secretary of Defense to submit a quarterly report on the implementation of recommendations described in the 2006 Quadrennial Defense Review Report. The first report shall be submitted not later than January 31, 2007.

The Senate amendment contained no similar provision.

The Senate recedes.

Report on feasibility of establishing a regional combatant command for Africa (sec. 1033)

The Senate amendment contained a provision (sec. 1070C) that would require the Secretary of Defense to submit a report to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, on the feasibility and advisability of establishing a regional combatant command for Africa.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Determination of Department of Defense intratheater and intertheater airlift requirements and sealift mobility requirements (sec. 1034)

The House bill contained a provision (sec. 1043) that would require the Secretary of Defense to submit a report to the congressional defense committees not later than February 1, 2007, on the intratheater and intertheater airlift and sealift mobility requirements.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Presidential report on improving interagency support for United States 21st century national security missions and interagency operations in support of stability, security, transition, and reconstruction operations (sec. 1035)

The House bill contained a provision (sec. 1034) that would require the President to submit a report to Congress on building interagency capacity and enhancing the integration of civilian and

military capabilities to achieve U.S. national security goals and objectives. The report should include recommendations for specific legislative proposals to improve interagency coordination.

The Senate amendment contained a similar provision (sec. 1222) that would require the President to develop a plan to establish interagency operating procedures for Federal agencies to plan and conduct stabilization and reconstruction operations.

The Senate recedes with an amendment that would delete the sense of Congress, and merge the two provisions into a single report. The amendment would also make other clarifying changes.

The conferees recognize that the United States faces a more diverse set of national security challenges than those faced during the Cold War, and that the major national security institutions designed for the Cold War lack adequate capacity to address the security challenges of the 21st century. Since 2002, the administration has developed several strategy documents that set forth broad U.S. national security goals and objectives to address new and emerging security challenges. The administration has also taken initial steps to institutionalize lessons learned since the September 11, 2001, terrorist attacks on the United States, including the establishment of the Department of Homeland Security, the U.S. Northern Command, and the Office of Reconstruction and Stabilization, as well as the creation of the positions of the Assistant Secretary of Defense for Homeland Defense, the Under Secretary of Defense for Intelligence, and the Director of National Intelligence.

The conferees believe that the executive branch and Congress must take additional steps to lay the foundation and strengthen Federal institutions to ensure that interagency structures, policies, and processes support integrated planning and unified action in response to 21st century national security challenges. The conferees also believe that the United States Government should bring to bear all elements of national power to achieve its national security objectives. This will require strengthening the capacity of Federal departments and agencies to conduct interagency operations. In developing the required report, the conferees urge the executive branch to consult with State and local agencies, and other national security experts, as appropriate, on the types of interagency capabilities that the Federal Government should develop to address current and future security challenges. The report required by this section will provide the Congress with a baseline assessment of the capacities and capabilities of the Federal departments and agencies to carry out the full range of national security missions. The conferees intend to use this information in helping to develop and implement strategies that will improve the ability of the Federal departments and agencies to participate, as appropriate, in the full range of national security missions.

Further, the conferees note that United States Government lacks a standard, integrated approach to the planning and conduct of interagency operations. The conferees express the view that: (1) the President should provide clear guidance to United States Government agencies to manage complex operations and establish a standard, integrated approach to the planning and conduct of interagency operations to ensure a coherent and unified United States Government response to contingency operations; (2) civilian agencies of the United States Government should expand their capacity to participate, as appropriate, in national security missions and, more specifically, to plan, coordinate, and conduct stability, security, transition, and reconstruction operations, including their capacity to deploy rapidly, and for sustained periods of time, trained personnel to support such operations in the field; and (3) all the relevant United States Government agencies should include in their budget requests for future fiscal years adequate funding for planning and preparing to support contingency operations and, as necessary, request emergency supplemental funds for unanticipated contingency operations.

Subtitle E–Reports

Additional element in annual report on chemical and biological warfare defense (sec. 1041)

The Senate amendment contained a provision (sec. 1063) that would direct the Department of Defense to include a new element in the annual report on the Department's chemical and biological defense program, as required by section 1703 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160). The new element would be a description of the coordination and integration of the Defense Advanced Research Projects Agency (DARPA) research and development efforts on chemical and biological warfare defense with the Department's chemical and biological defense program, including the degree to which the DARPA program supports the objectives and requirements of the overall program, and the means by which the Department determines the level of coordination and support provided by DARPA to the Department's overall program.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Report on biodefense human capital requirements in support of biosafety laboratories (sec. 1042)

The Senate amendment contained a provision (sec. 1070) that would require the Secretary of Defense to study and report to Congress on the requirements for personnel and training at current and planned national biodefense laboratories at Biosafety Levels 3 and 4, including the number of personnel, by discipline, and the

training required to provide qualified personnel for such laboratories.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the report to Department of Defense personnel and training requirements, and expand the elements of the report to include recruitment and retention plans.

Report on technologies for neutralizing or defeating threats to military rotary-wing aircraft from portable air defense systems and rocket-propelled grenades (sec. 1043)

The Senate amendment contained a provision (sec. 1068) that would require the Secretary of Defense to submit a report to Congress, not later than 180 days after the date of the enactment of this Act, on technologies for neutralizing or defeating threats to military rotary-wing aircraft from portable air defense systems and rocket-propelled grenades that are being researched, developed, employed, or considered by the United States Government or the North Atlantic Treaty Organization.

The House bill contained no similar provision.

The House recedes with a technical amendment. The conferees expect the Secretary to submit a thorough classified report that includes technologies developed under classified programs.

Reports on expanded use of unmanned aerial vehicles in the National Airspace System (sec. 1044)

The Senate amendment contained a provision (sec. 1070D) that would make certain findings regarding the operational reliability of unmanned systems in support of national security missions and the potential for unmanned systems in support of border security and homeland defense missions. The provision would require the Secretary of Defense to report to Congress on efforts to support the Federal Aviation Administration (FAA) in the development of a policy on the testing and operation of unmanned vehicles in the National Airspace System.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the reporting requirement for the Department of Defense, and would require the FAA to submit a report on progress in developing a policy for testing and a plan for achieving wider access by unmanned aerial vehicles that are appropriately equipped to operate in the National Airspace System.

Report on incentives to encourage certain members and former members of the armed forces to serve in the Bureau of Customs and Border Protection (sec. 1045)

The Senate amendment contained a provision (sec. 1066) that would require, not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense to jointly submit to Congress a report assessing the desirability and feasibility of offering incentives to members of the reserve components of the armed forces and former members of the armed forces within 2 years of separation from service to encourage such persons to serve in the Bureau of Customs and Border Protection of the Department of Homeland Security. For the purposes of the report, the Secretary of Homeland Security and the Secretary of Defense would consider such incentives as the Secretaries jointly consider appropriate, including whether or not such incentives are monetary, and whether or not such incentives are currently authorized by law or regulations. The provision would require that the Secretaries give particular attention to the utility of such incentives in encouraging service by members and former members of the armed forces who provided border patrol or border security assistance as part of their duties as members of the armed forces, and leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, which is required for service with the Bureau of Customs and Border Protection. The provision would require that in assessing the incentives the Secretaries assume that any costs of such incentives would be borne by the Department of Homeland Security.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Repeal of certain report requirements (sec. 1046)

The House bill contained a provision (sec. 661) that would repeal the requirement for an annual report under section 1015 of title 37, United States Code, regarding the effects of certain recruitment and retention initiatives taken in fiscal year 2000.

The Senate amendment contained a provision (sec. 1065) that would repeal the requirement not only for the foregoing report under section 1015, but also for: (1) the annual report on aviation career incentive pay under section 301a of title 37, United States Code; (2) the report of the Secretary of Defense's recommendation on the need for Department of Defense review of proposed federal agency actions to consider possible impact on national defense; (3) the report on a pilot program to enhance military recruiting by improving military awareness of school counselors and educators; (4) the annual report on the activities of the Medical Informatics Advisory Committee and on coordination of informatics systems within the Federal Government; and (5) the reporting requirement associated with changes made by service academies in the amount of authorized charges or fees.

The House recedes with an amendment that would delete the provision regarding repeal of the report on imposition of additional charges or fees for attendance at certain academies.

Requirement for identification of recently enacted recurring reporting requirements applicable to the Department of Defense (sec. 1047)

The Senate amendment contained a provision (sec. 1067) that would require the Secretary of Defense to submit to the congressional defense committees, not later than March 1, 2007, a report on recurring reports that are required to be submitted, by the Department of Defense or any element thereof, to those committees by any provision of law enacted on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136). The provision would require that the Secretary describe each such report, assess its utility from the perspective of the Department, and give a recommendation as to the advisability of repealing the requirement for its submission.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) limit the reports covered by the provision to those enacted on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 and before February 1, 2007; (2) require the Secretary to include an assessment of the burden imposed on the Department (or an element thereof) by the preparation of the report; and (3) require the Secretary to submit his recommendations as to the modification, as well as the repeal, of individual reports.

Subtitle F–Miscellaneous Authorities and Limitations on Availability and Use of Funds

Acceptance and retention of reimbursement from non-Federal sources to defray Department of Defense costs of conferences (sec. 1051)

The Senate amendment contained a provision (sec. 1051) that would authorize the Department of Defense to accept and retain reimbursement from non-Federal sources for its conference costs. The provision would further require the Secretary of Defense to report to the congressional defense committees on the use of the authority granted by this provision.

The House bill contained no similar provision.

The House recedes with a technical amendment that would clarify that fees collected in excess of conference costs shall be deposited into the Treasury as miscellaneous receipts.

Increased flexibility in use of funds for Joint Staff exercises (sec. 1052)

The Senate amendment contained a provision (sec. 1053) that would increase the flexibility of the Chairman of the Joint Chiefs of Staff to use funds earmarked for the Chairman's joint exercise program to be available for expenses relating to self-deploying watercraft under the jurisdiction of a military department; port support activities; prepositioned watercraft; and lighterage for joint logistics and over the shore exercises.

The House bill contained no similar provision.

The House recedes.

Prohibition on parking of funds (sec. 1053)

The Senate amendment contained a provision (sec. 1007) that would prohibit any officer or employee of the Department of Defense from directing the allocation of funds in the President's budget or supporting documents with the knowledge or intent that the funds would not be used for the purpose for which they are allocated. A violation of this prohibition would be subject to the same penalties as a violation of the Anti-Deficiency Act, as codified in section 1341 of title 31, United States Code.

The House bill contained no similar provision.

The House recedes.

Modification of authorities relating to the Special Inspector General for Iraq Reconstruction (sec. 1054)

The Senate amendment contained a provision (sec. 1054) that would expand the authority of the Special Inspector General for Iraq Reconstruction (SIGIR) by considering any funds appropriated or made available in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) for relief and reconstruction in Iraq as part of the Iraqi Relief and Reconstruction Fund (IRRF), and under the jurisdiction of the SIGIR, regardless of the source of the funds.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the additional SIGIR jurisdiction is limited to U.S. funds and would provide a sunset date of October 1, 2007, for the Office of the SIGIR, with transition operations authorized to continue through December 31, 2007.

The conferees support the comprehensive audit efforts of the SIGIR and believe the office continues to perform a critical function as long as significant resources flow to Iraq reconstruction and until a transition plan is in place to return to regular order. The conferees direct the SIGIR, jointly with the Inspectors General of the Departments of State and Defense and the Inspector General of the U.S. Agency for International Development (USAID), to develop and submit such a transition plan to Congress by April 1, 2007. The plan should ensure maintenance

and accountability of all accumulated records and minimal, if any, disruption in the ability to oversee reconstruction funding or other U.S. assistance to Iraq. The plan should include a process and time line for transfer of open audits and investigations to the appropriate Departments of Defense, State or USAID office and should consider various contingency scenarios which may impact the transition time line. The conferees recognize that a significant change in the assumptions underlying this provision, such as a major new commitment of U.S. funds for Iraq reconstruction, would require changes to the transition plan and time line.

Subtitle G-Matters Involving Detainees

Provision of information to Congress on certain criminal investigations and prosecutions involving detainees (sec. 1061)

The House bill contained a provision (sec. 1039) that would amend subsection (c) of section 1093 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) to expand the reporting requirements to include: (1) a detailed and comprehensive description of investigations or prosecutions and any resulting punishments; and (2) information about any officer nominated for command or for promotion to a position requiring the advice and consent of the Senate who has been the subject of any investigation or prosecution regarding the treatment of detainees.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the requirement to provide information on any officer nominated to a position subject to confirmation by the Senate. The amendment would also require that the information on a member of the United States Armed Forces being investigated or prosecuted for allegations of mistreatment of detainees include the grade of the service member at: (1) the time of the incident resulting in the investigation or the prosecution; (2) the beginning of the investigation or the prosecution; and (3) the time of the submission of the report.

Subtitle H-Other Matters

Technical and clerical amendments (sec. 1071)

The House bill contained a provision (sec. 1037) that would make technical and clerical amendments to various provisions of law.

The Senate amendment contained a similar provision (sec. 1073).

The Senate recedes with an amendment that would incorporate the provisions of section 1073, and would make certain additional technical and clerical amendments.

Revision to authorities relating to Commission on the Implementation of the New Strategic Posture of the United States (sec. 1072)

The House bill contained a provision (sec. 1031) that would expand the scope of the commission on the implementation of the New Strategic Posture of the United States, as required in section 1051 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), to examine the strategic posture of the United States through 2025, and extend the mandate of the commission until 18 months after the date of the commission's first meeting.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend the due date for the commission's report until September 30, 2007, but not expand the scope of the study beyond 2008.

Revised deadline for submission of final report of EMP Commission (sec. 1073)

The House bill contained a provision (sec. 1040) that would direct the Electromagnetic Pulse (EMP) Attack Commission, reestablished by section 1042 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to change its final report date from June 30, 2007, to 18 months after commencement of commission activities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change the final report date from June 30, 2007, to September 30, 2007.

Extension of returning worker exemption to H-2B numerical limitation (sec. 1074)

The Senate amendment contained a provision (sec. 1091) that would amend section 402(b)(1) of the Save our Small and Seasonal Businesses Act of 2005 (8 U.S.C. 1184 note) to extend a returning worker program by 2 years, from October 1, 2006, to October 1, 2008.

The House bill contained no similar provision.

The House recedes with an amendment that would amend section 214(g)(9) of the Immigration and Nationality Act to extend the program by 1 year, to October 1, 2007, and to repeal a prior sunset provision. The amendment is effective on October 1, 2006.

Patent term extensions for the badges of the American Legion, the American Legion Women's Auxiliary, and the Sons of the American Legion (sec. 1075)

The Senate amendment contained a provision (sec. 1094) that would renew and extend for a term of 14 years the design patents for the badges of the American Legion, the American Legion Women's Auxiliary, and the Sons of the American Legion.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Use of the Armed Forces in major public emergencies (sec. 1076)

The Senate amendment contained a provision (sec. 1042) that would amend chapter 15 of title 10, United States Code, the so-called "Insurrection Act," to clarify and update the statute, and to make corresponding changes to other provisions of law. Chapter 15 contains a collection of statutes dating to the 18th and 19th centuries that authorize the use of the armed forces to put down insurrections, enforce Federal authority, and suppress conspiracies that interfere with the enforcement of Federal or State law.

The provision would amend section 333 of title 10, United States Code, to authorize the President, in any situation in which he determined that, as a result of a natural disaster, terrorist attack or incident, epidemic or other serious public health emergency, or other condition, domestic violence occurred to such an extent that the constituted authorities of the State are unable of maintaining public order, and the violence obstructed the execution of the laws of the United States or impeded the course of justice thereunder, to use the armed forces, including the National Guard in Federal service, to restore public order and enforce the laws of the United States until the State authorities are again capable of maintaining order. The President is to notify Congress of his determination to exercise this authority as soon as possible and every 15 days thereafter as long as the authority is exercised.

The provision would also amend chapter 152 of title 10, United States Code, to authorize the President, in any situation in which he determines to exercise the authority set out above, to direct the Secretary of Defense to provide supplies, services, and equipment necessary for the immediate preservation of life and property. Such supplies, services, and equipment may be provided: (1) only to the extent that the constituted authorities of the State are unable to provide them; (2) only until other departments and agencies of the United States charged with such responsibilities are able to provide them; and (3) only to the extent that their provision will not interfere with preparedness or ongoing operations. This authority is not subject to the provisions of section 403(c) of the Robert T. Stafford Disaster

Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).

The provision would further include a conforming amendment to section 12304(c) of title 10, United States Code, to remove a restriction on the use of the Presidential Selected Reserve callup authority in chapter 15 or natural disaster situations.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the conforming amendment to section 12304(c) to provide that the Presidential Selected Reserve callup authority could be used in situations arising under chapter 15 and section 12406 of title 10, United States Code, as well as in situations set out in subsection (b) of section 12304.

Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans (sec. 1077)

The House bill contained a provision (sec. 1036) that would require the Secretary of Defense to ensure that service members, military retirees, disabled veterans, and persons assisting disabled veterans are able to utilize lands under the jurisdiction of the Department of Defense that are available for hunting and fishing. The provision would also require the Secretary of Defense to submit a report to Congress, not later than 180 days after the date of the enactment of this Act, on actions necessary to increase the availability of lands under the jurisdiction of the Department to such persons for hunting and fishing activities. The provision would further require the Secretary of the Interior to cease the plan to exterminate deer and elk on Santa Rosa Island, California by helicopter, and prohibit the Secretary of the Interior from exterminating or nearly exterminating the deer and elk on the island.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees note that the Wounded Warrior Project, an organization whose mission is to raise public awareness and enlist the public's aid for the needs of severely injured service members, supports this provision.

Legislative Provision Not Adopted

Sense of the Senate on the Transformational Medical Technology Initiative

The Senate amendment contained a provision (sec. 763) that would express the sense of the Senate that the Transformational Medical Technology Initiative (TMTI) is an important effort to provide needed capability within the Department of Defense to field effective broad-spectrum countermeasures against a significant array of current and future biological warfare threats.

The House bill contained no similar provision.

The Senate recedes.

The conferees note the following: (1) the 2006 Quadrennial Defense Review Report identified the need to develop broad-spectrum medical countermeasures against the threat of genetically-engineered bioterror agents; (2) the TMTI initiative is intended to invest in cutting edge transformational medical technologies and apply them to address the challenges of known, emerging, and future bioengeneered threats; and (3) the TMTI is designed to provide such technologies in a much shorter timeframe, and at lower cost, than is required with traditional biomedical approaches. The conferees further emphasize the need for innovative technological approaches to achieve broad-spectrum medical countermeasures as a necessary component of the Department's program to provide chemical and biological defense and force protection capabilities to the armed forces.

Incorporation of classified annex

The Senate amendment contained a provision (sec. 1008) that would incorporate a classified annex.

The House bill contained no similar provision.

The Senate recedes.

Reports to Congress and notice to public on earmarks in funds available to the Department of Defense

The Senate amendment contained a provision (sec. 1009) that would require notice to Congress and the public on earmarks of funds available to the Department of Defense.

The House bill contained no similar provision.

The Senate recedes.

Transfer of operational control of certain Patrol Coastal ships to Coast Guard

The House bill contained a provision (sec. 1015) that would require the Secretary of the Navy to enter into an agreement with the Commandant of the Coast Guard for the transfer of operational control of not less than five 179 foot *Cyclone* class Patrol Coastal ships for a period extending at least through September 30, 2012.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are aware that Cyclone class Patrol Coastal ships have proven to be extremely valuable to both the Navy and the Coast Guard in the performance of their respective missions of Homeland defense and the global war on terror. The conferees agree that the assignment of the Patrol Coastal ships to the Navy and the Coast Guard must reflect a joint prioritization of the

respective mission requirements, including an assessment of alternatives to fulfill those requirements. Accordingly, the conferees direct the Secretary of the Navy, in consultation with the Secretary of the department in which the Coast Guard is operating, to submit a report to Congress, not later than March 30, 2007. The report shall:

(1) identify validated mission requirements for both Coast Guard patrol boats and Navy Patrol Coastal ships through 2012;

(2) identify a specific program plan, including alternatives to meet Coast Guard Deepwater patrol boat requirements through 2012;

(3) identify a specific program plan, including alternatives to meet Navy Patrol Coastal ship requirements through 2012;

(4) describe the impact to Navy operational requirements if the Patrol Coastal ships currently being operated by the Coast Guard remain with the Coast Guard to support the Coast Guard mission; and

(5) identify areas of overlap between the Coast Guard's patrol boat requirements and the Navy's Patrol Coastal ship requirements in terms of logistics, operations, and maintenance.

Limitation on leasing of foreign-built vessels

The House bill contained a provision (sec. 1016) that would amend section 2401 of title 10, United States Code, to prohibit the Secretary of a military department from entering into a contract for lease or charter of a vessel for a term of more than 24 months, including all options to renew or extend the contract, if the hull or superstructure of that vessel was constructed in a foreign shipyard.

The Senate amendment contained no similar provision.

The House recedes.

Restatement in title 10, United States Code, and revision of Department of Defense authority to provide for support for counterdrug activities of Federal, State, local, and foreign law enforcement

The House bill contained a provision (sec. 1021) that would codify Department of Defense authority to provide for support for counterdrug activities of Federal, state, local, and foreign law enforcement.

The Senate amendment contained no similar provision.

The House recedes.

Restatement in title 10, United States Code, and revision of Department of Defense authority to provide for support for counterdrug activities of certain foreign governments

The House bill contained a provision (sec. 1022) that would codify and expand the Department of Defense authority to provide support for counterdrug activities of certain foreign governments. The provision would: (1) add six additional countries to the list of countries authorized to receive this support; (2) allow for the transfer of individual and crew-sized weapons of 50 caliber or less to Afghanistan in fiscal years 2007 and 2008; (3) provide ammunition for the weapons provided to Afghanistan; and (4) limit the total amount of funding available to be obligated and expended to $60.0 million in fiscal years 2007 and 2008.

The Senate amendment contained no similar provision.

The House recedes.

Assignment of members of the Armed Forces to assist Bureau of Customs and Border Protection and United States Immigration and Customs Enforcement

The House bill contained a provision (sec. 1026) that would authorize the Secretary of Defense to assign members of the Armed Forces to assist the Bureau of Customs and Border Protection and the United States Immigration and Customs Enforcement with their homeland security missions.

The Senate amendment contained no similar provision.

The House recedes.

Funding for a certain intelligence program

The Senate amendment contained a provision (sec. 1036) that would: (1) increase by $450.0 million in Research, Development, Test, and Evaluation, Defense-wide and (2) decrease by $450.0 million in PE 0305159 for a classified program described on page 34 of Volume VII (Compartmented Annex) of the Fiscal Year 2007 Military Intelligence Program justification book.

The House bill contained no similar provision.

The Senate recedes.

Department of Defense operational plans for Armed Forces support for civil authorities

The House bill contained a provision (sec. 1044) that would require the Secretary of Defense, in coordination with the Secretary of Homeland Security and State governments, to develop detailed operational plans regarding the use of the Armed Forces to support to civil authorities.

The Senate amendment contained no similar provision.

The House recedes.

Temporary National Guard support for securing the southern land border of the United States

The Senate amendment contained a provision (sec. 1044) that would authorize the Governor of a State, with the approval of the Secretary of Defense, to order any units or personnel of the National Guard of such State to annual training duty or other duty under section 502 of title 32, United States Code, to carry out in any State along the southern land border of the United States specified activities for the purpose of securing the border.

The House bill contained no similar provision.

The Senate recedes.

Minimum annual purchase amounts for airlift from carriers participating in the Civil Reserve Air Fleet

The Senate amendment contained a provision (sec. 1052) that would allow the Department of Defense to guarantee higher minimum levels of business to U.S. Civil Reserve Air Fleet carriers than are currently authorized by law.

The House bill contained no similar provision.

The Senate recedes.

Report on clarification of prohibition on cruel, inhuman, and degrading treatment or punishment

The Senate amendment contained a provision (sec. 1061) that would require the President of the United States to submit a report to the congressional defense committees that sets forth unclassified legal opinions on whether certain interrogation techniques constitute cruel, inhuman, or degrading treatment, or punishment, as defined in the Detainee Treatment Act of 2005 (Public Law 109-63), not later than 90 days after the date of the enactment of this Act. The provision would require that the legal opinions be disseminated to all departments and agencies of the Federal Government.

The House bill contained no similar amendment.

The Senate recedes.

Reports on Department of Justice efforts to investigate and prosecute cases of contracting abuse in Iraq, Afghanistan, and throughout the war on terror

The Senate amendment contained a provision (sec. 1069) that would require the Attorney General to submit semiannual reports to the congressional defense committees and other relevant committees on Department of Justice efforts to investigate and prosecute cases of contracting abuse in Iraq, Afghanistan, and throughout the war on terror. Each report would be required to include: (1) a description of organized efforts of the Department to address

such cases; (2) information on the specific number of personnel, financial resources, and workdays devoted; (3) a detailed description of any internal task force; (4) a detailed description of any interagency task force; (5) the names of senior officials directly responsible for oversight; (6) specific information on the numbers of investigators and other personnel working on these cases; (7) specific information on the number of investigations, including grand jury investigations, underway; (8) specific information on the number and status of criminal cases; (9) specific information on the number and status of civil cases; (10) Specific information on resolved civil and criminal cases on the issue; and (11) the Department's best estimate of the scale of the problem.

The House bill contained no similar provision.

The Senate recedes.

The conferees direct the Attorney General to provide the relevant congressional committees, by no later than 6 months after the date of the enactment of this Act, a written assessment of the level of resources dedicated by the Department to the investigation and prosecution of alleged fraud cases arising out of contracting abuses in Iraq, Afghanistan, and the global war on terrorism.

National Foreign Language Coordination Council

The Senate amendment contained a provision (sec. 1081) that would establish a National Foreign Language Coordination Council to develop and monitor the implementation of a comprehensive national foreign language strategy.

The House bill contained no similar provision.

The Senate recedes.

Court security improvements

The Senate amendment contained a provision (sec. 1086) that would amend title 28, United States Code, to ensure consultation between the United States Marshals Service and the Judicial Conference of the United States on security requirements for the judicial branch of the United States Government; amend the Ethics in Government Act to expand protections for certain reports; establish a new federal criminal offense prohibiting retaliating against a federal judge or law enforcement officer by filing false liens or encumbrances against his property; establish a new federal criminal offense of misuse of certain personal information about judges, law enforcement officials, jurors, witnesses, or court officers; authorize grants to State and local government for witness protection programs; and expand the eligibility of State courts for certain federal grants.

The House bill contained no similar provision.

The Senate recedes.

Improved accountability for competitive contracting in hurricane recovery

The Senate amendment contained a provision (sec. 1088) that would prohibit the use of certain exceptions (including the urgent and compelling exception) to competition requirements under the Competition in Contracting Act in connection with relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season.

The House bill contained no similar provision.

The Senate recedes.

The conferees recognize that the urgent and compelling exception to competition requirements under the Competition in Contracting Act (codified in 10 U.S.C. 2304(c)(2) and section 303(c)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(2)) is vulnerable to abuse in response to natural disasters, including hurricanes. The conferees are aware of cases in which sole-source contracts have been awarded on the basis of the urgent and compelling exception months after a natural disaster takes place. In other cases, urgent and compelling circumstances arising out of a natural disaster have been used as the basis for long-term, sole-source contracts that extend beyond what can be justified on the basis of the disaster.

The potential for such problems is not unique to relief and recovery efforts related to Hurricane Katrina or to natural disasters. The conferees believe that this issue should be addressed in a systematic matter through the Federal Acquisition Regulation and other procurement guidance documents, rather than through legislation limited to a specific set of contracts.

As a general rule, the urgent and compelling exception should be used to award a contract only on the basis of an event, or series of events, that is reasonably proximate in time to the event, or series of events, justifying the award. In addition, the term of a contract awarded on the basis of the urgent and compelling exception should not ordinarily exceed the period of time the agency reasonably believes to be necessary to award a follow-on competitive contract.

The conferees direct the Secretary of Defense to: (1) issue guidance clarifying the appropriate use of the urgent and compelling exception to the Competition in Contracting Act for the Department of Defense; and (2) work with the Administrator for Federal Procurement Policy to issue appropriate regulations addressing the issue on a government-wide basis.

Protection of certain disclosures of information by Federal employees

The Senate amendment contained a provision (sec. 1089) that would amend title 5, United States Code, to expand the protections afforded to Federal employees who disclose information evidencing

violations of law; waste, mismanagement, or abuse of authority; threats to public health or safety; or certain false statements to Congress; and to make conforming amendments to other provisions of law.

The House bill contained no similar provision.

The Senate recedes.

Sense of Congress regarding the men and women of the Armed Forces of the United States in Iraq

The Senate amendment contained a provision (sec. 1090) that would express the sense of Congress that commends the men and women of the Armed Forces of the United States in Iraq for their commitment and determination to win the global war on terrorism and expresses gratitude to the families of the men and women of the Armed Forces of the United States.

The House bill contained no similar provision.

The Senate recedes.

Limitation on United States share of assessments for United Nations peacekeeping operations

The Senate amendment contained a provision (sec. 1092) that would permit the United States to pay United Nations (UN) assessments for peacekeeping at the rate assessed by the UN up to a limit of 27.1 percent.

The House bill contained no similar provision.

The Senate recedes.

Termination of program

The Senate amendment contained a provision (sec. 1093) that would establish an immediate sunset date for the Small Business Competitive Demonstration Program.

The House bill contained no similar provision.

The Senate recedes.

TITLE XI–CIVILIAN PERSONNEL MATTERS

Legislative Provisions Adopted

Accrual of annual leave for members of the uniformed services performing dual employment (sec. 1101)

The House bill contained a provision (sec. 1103) that would authorize service members who are on terminal leave and who are eligible to earn leave due to their status as a federal employee to accrue such leave with pay in accordance with section 6303(a) of title V for a retired member of a uniformed service.

The Senate amendment contained a similar provision (sec. 1101).

The Senate recedes.

Strategy for improving the senior management, functional, and technical workforce of the Department of Defense (sec. 1102)

The Senate amendment contained a provision (sec. 1102) that would require the Secretary of Defense to develop a strategic plan to shape and improve the senior management, functional, and technical workforce of the Department, as part of the Strategic Human Capital Plan required by section 1122 of the National Defense Authorization Act for Fiscal year 2006 (Public Law 109-163).

The House bill contained no similar provision.

The House recedes with a technical amendment.

Three-year extension of authority for experimental personnel management program for scientific and technical personnel (sec. 1103)

The Senate amendment contained a provision (sec. 1105) that would extend until September 30, 2011, the authority for the Defense Advanced Research Projects Agency experimental personnel management program for technical personnel, authorized in section 1101(e) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261).

The House bill contained no similar amendment.

The House recedes.

Reports on members of the Armed Forces and civilian employees of the Department of Defense serving in the legislative branch (sec. 1104)

The Senate amendment contained a provision (sec. 1062) that would require the Secretary of Defense to submit a monthly report to the congressional defense committees if a member of the Armed Forces or a civilian employee of the Department of Defense, who has been assigned to the legislative branch as a detailee or as a legislative fellow, exceeds 1 year in such an assignment. The provision would also require reporting if a military member receives such an assignment as the last tour of duty before retirement or separation from active duty.

The House bill contained no similar provision.

The House recedes with an amendment that would require quarterly, vice monthly, reports only when the conditions requiring reporting exist.

Extension of authority to waive annual limitation on total compensation paid to Federal civilian employees (sec. 1105)

The conferees agree to a provision that would extend through 2007 the authority to waive the annual limitation on total compensation paid to Federal civilian employees who are working in an overseas location that is in the area of responsibility of the Central Command. The provision would establish $212,100 as the maximum total compensation on such pay in 2007.

The conferees are disappointed that the Department of Defense failed to provide a legislative proposal to extend the authority provided in section 1105 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) to allow timely consideration by the congressional committees of jurisdiction. The conferees are further concerned that the Department appears to no longer consider utilization of authorities granted under the National Security Personnel System (NSPS) a practical means of paying the affected individuals for performance in an overseas theater of operations. Despite the Department's challenges in implementation of NSPS, pay for performance is not enjoined from implementation, and the conferees expect the Department to develop an implementation plan to facilitate inclusion of these individuals in pay for performance before 2008.

Legislative Provisions Not Adopted

Increase in authorized number of defense intelligence senior executive employees

The House bill contained a provision (sec. 1101) that would increase the number of defense intelligence senior executives from 594 to 644.

The Senate amendment contained no similar provision.

The House recedes.

A separate provision contained elsewhere in this report would require the Secretary of Defense to develop a strategic plan to shape and improve the senior management, functional, and technical workforce of the Department of Defense, including senior-level intelligence employees.

Authority to equalize allowances, benefits, and gratuities of personnel on official duty in Iraq and Afghanistan

The Senate amendment contained a provision (sec. 1103) that would extend to the heads of all agencies, for their civilian personnel serving on official duty in Iraq and Afghanistan, the same authority as the Secretary of State already has under section 413 of title I of the Foreign Service Act (22 U.S.C. 4081 et seq.) with respect to allowances, benefits, and death gratuities for Foreign Service personnel.

The House bill contained no similar provision.

The Senate recedes.

An identical provision (sec. 1603) was included in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

Death gratuity authorized for federal employees

The House bill contained a provision (sec. 1104) that would provide a death gratuity of $0.1 million to civilian employees of the United States Government in the case of a death resulting from wounds, injuries, or illnesses that are incurred in the performance of civilian duty in a contingency operation, or who die in connection with a terrorist incident during the employee's service with the Armed Forces of the United States.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are concerned that the increasing reliance on civilian employees in a theater of operation by the Department of Defense requires a comprehensive analysis of civilian benefits including, but not limited to, a death gratuity. The conferees expect the Secretary of Defense to propose policy and legislative changes for consideration in fiscal year 2008 or sooner, if appropriate, based on an assessment by the Under Secretary of Defense for Personnel and Readiness of current civilian personnel policies and the findings of the Comptroller General report, as required by Senate Report accompanying S. 1042 (S. Report 109-69) of the National Defense Authorization Act for Fiscal year 2006, entitled "*Comptroller General report on policy concerning Department of Defense civilians deployed in support of contingency operations*."

Programs for use of leave by caregivers for family members of individuals performing certain military service

The Senate amendment contained a provision (sec. 1104) that would require the Office of Personnel Management to establish a temporary program to allow Federal employees who have been designated by a member of the Armed Forces as a "caregiver" to use annual leave for the purpose of providing care for the dependents of the member when deployed in support of a contingency operation. The amendment would authorize the Secretary of Labor to establish a similar, voluntary leave program for the private sector.

The House bill contained no similar provision.

The Senate recedes.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Legislative Provisions Adopted

Subtitle A-Assistance and Training

Logistic support for allied forces participating in combined operations (sec. 1201)

The House bill contained a provision (sec. 1201) that would allow the Secretary of Defense, with the concurrence of the Secretary of State, to use up to $100.0 million of funds available to the Department of Defense for operation and maintenance in any given fiscal year to provide logistic support, supplies, and services to allied forces. To receive such support, the allied forces must be participating in an operation, such as active hostilities, a contingency, or a noncombat operation, with the Armed Forces of the United States. Also, the Secretary of Defense must determine that the support is essential to the success of the combined operation and that without such support, the foreign military forces would be unable to participate in the combined operation. Finally, the support provided must be allowable under existing export control laws and regulations.

The Senate amendment contained a similar provision (sec. 1203) that would provide the Secretary of Defense, with the concurrence of the Secretary of State, permanent authority to use up to $100.0 million from operation and maintenance funds in any fiscal year to provide logistic support, supplies, and services to allied forces participating in combined operations with the Armed Forces of the United States. The provision would also authorize the Secretary of Defense to provide up to an additional $5.0 million from operation and maintenance funds in any fiscal year to provide logistic support, supplies, and services to allied forces solely for the purposes of enhancing the interoperability of the logistical support systems of the allied forces with the logistical support systems of the Armed Forces of the United States in order to facilitate combined operations. The provision would require the Secretary of Defense to provide to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on International Relations of the House of Representatives an annual report on the use of this authority.

The Senate recedes with an amendment that would authorize the Secretary of Defense to provide up to an additional $5.0 million from operation and maintenance funds in any fiscal year to provide logistic support, supplies, and services to allied forces participating in combined operations with the Armed Forces of the United States solely for the purposes of enhancing the interoperability of the logistical support systems of the allied forces with the logistical support systems of the Armed Forces of the United States in order to facilitate such combined operations.

The Senate amendment would also require the Secretary of Defense to provide to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on International Relations of the House of Representatives an annual report on the use of this authority.

The conferees note their understanding that the term “logistic support, supplies, and services” in section 2350(1) of title 10, United States Code, includes sealift.

Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability (sec. 1202)

The House bill contained a provision (sec. 1202) that would provide the Secretary of Defense authority to lend certain military equipment, using Acquisition and Cross-Servicing Agreements (ACSA), to the military forces of foreign nations participating in combined operations with U.S. forces in Iraq and Afghanistan. The provision would limit such equipment to those items marked as significant military equipment in specified categories on the U.S. munitions list, allow the provision of such equipment under this authority for up to 1 year, and require that the equipment be used by foreign military forces solely for personnel protection or to aid in the personnel survivability of such forces. The provision would require the Secretary to determine: (1) that the U.S. forces participating in that combined operation have no unfulfilled requirements for that equipment; and (2) with the concurrence of the Secretary of State, that it is in the national security interest of the United States to lend such equipment for that purpose. The provision would stipulate that the provision of equipment under this authority shall be subject to the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations. The provision would require the Secretary of Defense, in coordination with the Secretary of State, to submit semiannual reports on the exercise of this authority to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives. This authority would expire on September 30, 2008.

The Senate amendment contained a similar provision (sec. 1205).

The Senate recedes with a clarifying amendment.

The conferees note that this authority is intended to permit the temporary loan of equipment such as armored HMMWVs or HMMWVs with add-on armor kits, counter-improvised explosive device equipment, and defusing equipment to our coalition partners in

Iraq and Afghanistan so that they can be better protected against improvised explosive devices and other weapons they are encountering in those theaters.

The conferees further note their agreement on the desirability of updating their understanding of the term “ammunition” under section 2350(1) of title 10, United States Code. The definition of “ammunition” provided in this conference report is meant to supercede the definition of “ammunition” that was provided in Senate Report 96-842 and Senate Report 96-795, both of which accompanied the legislation (H.R. 5580) that first codified ACSA authority in title 10, United States Code.

Specifically, the conferees agree that the term “ammunition" in section 2350(1) of title 10, United States Code, includes: transfers of small arms ammunition between forces on exercises when one side runs low and another has sufficient supplies with repayment in cash or kind; replacement-in-kind of ammunition expended at allied ranges; exchange unit firing to determine compatibility of ammunition between nations and its suitability for use in different weapon systems; emergency acquisition of provisions of conventional ammunition (small arms, mortar, automatic cannon, artillery, and ship gun ammunition); bombs (cluster, fuel air explosive, general purpose, and incendiary); unguided projectiles and rockets; riot control chemical ammunition; land mines (ground-to-ground and air-to-ground delivered); demolition material; grenades; flares and pyrotechnics; and all items included in the foregoing, such as explosives, propellants, cartridges, propelling charges, projectiles, warheads (with various fillers such as high explosives, illuminating, incendiary, antimaterial, and anti-personnel), fuzes, boosters, and safe and arm devices, in-bulk, combination, or separately packaged items of issue for complete round assembly; demolition munitions; training ammunition; cartridge and propellant-actuated devices; chaff and chaff dispensers; and expendable sonobuoys. Specifically excluded are the following: guided missiles; naval mines and torpedoes; nuclear ammunition and included items such as warheads, warhead sections, and projectiles; guidance kits for bombs or other ammunition; and chemical ammunition (other than riot control).

Recodification and revision to law relating to Department of Defense humanitarian demining assistance (sec. 1203)

The House bill contained a provision (sec. 1203) that would amend chapter 20 of title 10, United States Code, to recodify authorities for humanitarian demining assistance. The provision would also clarify that the Secretary concerned may carry out humanitarian demining assistance in a country if such assistance would promote either the security interests of the United States or the operational readiness skills of the Armed Forces of the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would expand the scope of the reporting requirement, and make other clarifying changes.

Enhancements to Regional Defense Combating Terrorism Fellowship Program (sec. 1204)

The Senate amendment contained a provision (sec. 1202) that would amend section 2249c of title 10, United States Code, to change the title of the "Regional Defense Counterterrorism Fellowship Program" to the "Regional Defense Combating Terrorism Fellowship Program." The provision would also increase the amount of authorized annual funding for the program from $20.0 million to $25.0 million.

The House bill contained a similar provision (sec. 1204).

The Senate recedes with a clarifying amendment that would limit the attendance of foreign officials to foreign military officers, ministry of defense officials, or security officials at military or civilian educational institutions.

The conferees recognize the critical need to provide education and training opportunities to our allies in the global war on terror and support the Regional Defense Combating Terrorism Fellowship Program as part of that effort.

The conferees expect the Department of Defense to continue to ensure that the program conforms to the spirit of statutory guidelines governing the administration of related programs, including the requirement that each candidate undergo a rigorous and thorough human rights verification and vetting process.

Participation of the Department of Defense in multinational military centers of excellence (sec. 1205)

The Senate amendment contained a provision (sec. 1207) that would authorize during fiscal year 2007 the Secretary of Defense, with the concurrence of the Secretary of State, to permit the participation of Department of Defense civilian and military personnel in multinational military centers of excellence for the purpose of enhancing the ability of participating nations to engage in joint exercises or coalition or international military operations, or to improve their interoperability. The provision would require the Secretary of Defense to enter into memoranda of understanding, with the concurrence of the Secretary of State, that would govern the terms of the Department's participation in such centers. The provision would permit the Secretary of Defense to use up to $3.0 million from funds available for operation and maintenance in fiscal year 2007 to pay the U.S. share of the expenses of such centers in which the Department participates. The provision would further authorize the use of Department

facilities and equipment to support such centers that are hosted by the Department. The provision would require the Secretary of Defense to submit a report to the congressional defense committees, not later than October 31, 2007, on the use of this authority, including a detailed report on the centers and activities in which the Department participated, and the cost of that participation.

The provision would define a center of excellence as an entity sponsored by one or more nations that is accredited and approved by the North Atlantic Treaty Organization (NATO) Military Committee as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of NATO.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Modification and extension of authorities relating to program to build the capacity of foreign military forces (sec. 1206)

The Senate amendment contained a provision (sec. 1206) that would modify section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) by permitting the Secretary of Defense to use funds available for operation and maintenance to conduct or support the activities authorized under that section, and by extending the duration of the authority provided in that section through September 30, 2008.

The provision would also provide new authority to the Secretary of Defense, with the concurrence of the Secretary of State, to authorize any commander of a geographic combatant command to respond to unanticipated changes in a security environment within that commander's area of responsibility (AOR) to build the capacity of the national military forces of a country within that AOR in order for that country to conduct counterterrorist operations or participate in or support military and stability operations. The provision would allow the Secretary of Defense to use funds available for operation and maintenance for fiscal years 2007 and 2008, up to $200.0 million in a fiscal year, for this purpose. This authority would expire on September 30, 2008.

The provision would further provide the Secretary of Defense new authority to authorize a geographic combatant commander to respond to urgent and unanticipated humanitarian relief or reconstruction requirements in a foreign country within the commander's AOR if the commander determines that the provision of such assistance will promote the security interest of the United States and of the country to which such assistance would be provided. The provision would limit the amounts available for this authority to $200,000 in any country in a fiscal year. The provision would further require the Secretary of Defense to submit to the congressional defense committees an annual report on the

provision of assistance under this authority. This authority would expire on September 30, 2008.

The House contained no similar provision.

The House recedes with an amendment that would modify section 1206 by: (1) providing the authority in that section to the Secretary of Defense, with the concurrence of the Secretary of State, rather than to the President; (2) permitting the Secretary of Defense to use up to $300.0 million from funds available for operation and maintenance in a fiscal year to conduct or support the activities authorized under that section; and (3) extending the duration of the authority provided in that section through September 30, 2008.

The conferees also agree to include elsewhere in this report a provision that would provide expanded authority under the Combatant Commanders Initiative Fund for geographic combatant commanders to provide urgent and unanticipated humanitarian relief and reconstruction assistance to countries in their respective AORs.

The conferees underscore that the authorities provided in this section are provided in the spirit of a pilot program. The conferees intend to review carefully how these authorities are implemented so as to have a basis for determining whether and, if so, in what precise manner, to reauthorize these or provide other authorities after the conclusion of the pilot program. Important factors in the conferees' future consideration of these matters will be the report that is to be provided under section 1206, and the record of implementing these authorities that is built by the Department of Defense over the next 2 years. The conferees strongly discourage further modifications to these authorities until a track record implementing the pilot program authorized in this section has been established. The conferees believe it will be important to demonstrate through experience that these expanded authorities can and will be exercised consistent with the effective coordination of U.S. foreign policy writ large. Furthermore, the conferees strongly believe that foreign assistance programs are more appropriately funded through the foreign assistance accounts, as administered by the Department of State, and urge the administration to request sufficient funding for foreign military assistance in those accounts in future years budget requests.

Authority for distribution to certain foreign personnel of education and training materials and information technology to enhance military interoperability (sec. 1207)

The Senate amendment contained a provision (sec. 1208) that would authorize the Secretary of Defense to provide electronically-distributed learning content and associated information technology for the education and training of military and civilian personnel of friendly foreign governments and

personnel of internationally-recognized nongovernmental organizations to enhance allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations. The provision would require the concurrence of the Secretary of State if the activity proposed to be undertaken is not authorized by another provision of law. The provision would further require that the provision of learning content and information technology under this authority shall be subject to the Arms Export Control Act and any other export control regime under law relating to the transfer of military technology for foreign nations.

The provision would also require the Secretary of Defense to: (1) develop and issue guidance on the procedures for the use of this authority; (2) submit a report to the congressional defense committees on that guidance no later than 30 days after it is issued; and (3) submit any modifications of the guidance to the congressional defense committees. The provision would require the Secretary of Defense to submit an annual report to the congressional defense committees on the use of the authority during the preceding fiscal year. The authority would expire on September 30, 2008.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of Defense to provide electronically-distributed learning content and associated information technology to military and civilian personnel of a friendly foreign government for their education and training for the purpose of enhancing military interoperability between the Armed Forces of the United States and military forces of friendly foreign countries.

Subtitle B-Nonproliferation Matters and Countries of Concern

North Korea (sec. 1211)

The Senate amendment contained a provision (sec. 1214) that would require the President to appoint a senior presidential envoy to act as coordinator of U.S. policy on North Korea, and to submit to Congress a semiannual report on the nuclear and missile programs of North Korea.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Report on participation of multinational partners in the United Nations Command in the Republic of Korea (sec. 1212)

The Senate amendment contained a provision (sec. 1221) that would require the Secretary of Defense, in coordination with the Secretary of State, to submit a report within 180 days of

enactment of this Act to the Committees on Armed Services of the Senate and the House of Representatives and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Intelligence on Iran (sec. 1213)

The Senate amendment contained a provision (sec. 1216) that would direct the Director of National Intelligence (DNI) to submit to Congress an updated National Intelligence Estimate (NIE) on Iran, and that would direct the President to submit to Congress a report on U.S. policy objectives and strategy regarding Iran. The provision would further direct the DNI to submit a report on the process for vetting and clearing statements of senior administration officials that are drawn from or rely on intelligence and the process for identifying significant misstatements of other public officials.

The House bill contained no similar provision.

The House recedes with an amendment that would direct the DNI to submit to Congress a comprehensive NIE on Iran, but would eliminate the requirement for the second report from the DNI.

In preparing the comprehensive NIE, the conferees urge the DNI to address the full range of issues with respect to Iran including: Iranian foreign policy and regime objectives; the current status of the Iranian nuclear program with an assessment of Iran’s intentions and motivations with respect to development of nuclear weapons to include factors that might influence such intentions; an assessment of Iran’s military capabilities; an assessment of Iran’s relationships with terrorist groups; and an assessment of the full impacts, success, and consequences of diplomacy, sanctions, military, and other actions and interactions on and with Iran by the international community. The conferees also urge the DNI to include assessments of Iranian public opinion toward the Iranian regime and programs, the United States, and the international community. The NIE should also include an assessment of the confidence level of key judgments, the quality of the sources of intelligence on Iran, the nature and scope of any intelligence gaps, and any significant alternative views.

An unclassified summary of the key judgments of the NIE should be submitted with the NIE.

Sense of Congress on United States policy on the nuclear programs of Iran (sec. 1214)

The Senate amendment contained a provision (sec. 1209) that would express the sense of Congress: 1) endorsing the policy of the United States announced May 31, 2006, to achieve a successful diplomatic outcome with respect to Iran's efforts to acquire a nuclear weapons capability; 2) calling on Iran to suspend fully and verifiably its enrichment and reprocessing activities, cooperate fully with the International Atomic Energy Agency, and enter into negotiations pursuant to the package presented to Iran by the High Representative of the European Union; and 3) urging the President and the Secretary of State to keep the Congress fully informed about the progress in this vital initiative.

The House bill contained no similar provision.

The House recedes with an amendment that would add a clause urging the United Nations Security Council to work for the adoption of appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations in the event Iran fails to comply with United Nations Security Council Resolution 1696.

Subtitle C-Other Matters

Exclusion of petroleum, oil, and lubricants from limitations on annual amount of liabilities the United States may accrue under acquisition and cross-servicing agreements (sec. 1221)

The Senate amendment contained a provision (sec. 1204) that would exclude the acquisition of petroleum, oil, and lubricants from the monetary limitations placed on acquisitions made under Acquisition and Cross-servicing Agreements with foreign allies.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to provide to the Committees on Armed Services of the Senate and the House of Representatives a report at the end of fiscal years 2007 and 2008, respectively, on the use of this authority in that fiscal year.

Modification of limitations on assistance under the American Servicemembers' Protection Act of 2002 (sec. 1222)

The Senate amendment contained a provision (sec. 1210) that would modify the limitations on the provision of military assistance under the American Servicemembers' Protection Act of 2002 (22 U.S.C. 7432(13)(A)) so that International Military Education and Training assistance could be provided to nations that are party to the International Criminal Court.

The House bill contained no similar provision.

The House recedes.

Humanitarian support for Iraqi children in urgent need of medical care (sec. 1223)

The House bill contained a provision (sec. 1222) that would express the sense of Congress that the Secretary of Defense should continue to provide space-available transportation on military aircraft for humanitarian purposes to Iraqi children in urgent need of medical care. The provision would also authorize $1.0 million in Operation and Maintenance, Defense-wide for Department of Defense support of the Peace Through Health Care Initiative.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the authorization of appropriation.

The conference outcome is reflected in the tables of this report.

Sense of Congress opposing the granting of amnesty by the government of Iraq to persons known to have attacked, killed, or wounded members of the United States Armed Forces in Iraq (sec. 1224)

The Senate amendment contained a provision (sec. 1212) that would express the sense of Congress that: (1) the Government of Iraq should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States; and (2) the President should immediately notify the Government of Iraq that the Government of the United States strongly opposes granting amnesty to persons who have attacked members of the Armed Forces of the United States.

The House bill contained no similar provision.

The House recedes with an amendment that would add an additional element to the sense of Congress that the goal of the United States and coalition partners has been to empower the Iraqi people with full sovereignty as a nation. The amendment would delete the element regarding presidential notification to the Government of Iraq.

Annual reports on United States contributions to the United Nations (sec. 1225)

The Senate amendment contained a provision (sec. 1213) that would require the President to submit an annual report to Congress regarding all assessed and voluntary contributions of the United States Government to the United Nations and United Nations affiliated agencies and related bodies for the preceding fiscal year.

The House bill contained no similar provision.

The House recedes with an amendment that would terminate this annual reporting requirement on December 31, 2010.

Comprehensive regional strategy and annual reports on Somalia (sec. 1226)

The Senate amendment contained a provision (sec. 1215) that would require the President to submit a report to Congress, not later than 90 days after the date of the enactment of this Act, on a comprehensive regional strategy toward Somalia. The strategy shall include: (1) a clearly stated U.S. policy towards Somalia; (2) a description of bilateral, regional, and multilateral efforts to coordinate and strengthen diplomatic engagement with Somalia; (3) a description of an integrated approach to counter transnational security interests in Somalia and throughout the Horn of Africa; (4) a description of an interagency framework involving relevant Federal agencies and departments to plan, coordinate, and execute U.S. policy and activities in Somalia and throughout the Horn of Africa and to oversee policy and program implementation; and (5) guidance on the implementation of the comprehensive regional strategy. The provision would also require annual reports on the status of the implementation of the comprehensive regional strategy.

The House bill contained no similar provision.

The House recedes with an amendment that would repeal the annual reporting requirement on the status of the implementation of the comprehensive regional strategy on April 1, 2010, and make other clarifying changes.

Report on the implementation of the Darfur Peace Agreement (sec. 1227)

The Senate amendment contained a provision (sec. 1224) that would require the Secretary of Defense to submit a report to the appropriate congressional committees, not later than 60 days after the date of the enactment of this Act and annually thereafter, on the role of the Department of Defense in assisting the parties to the Darfur Peace Agreement with implementation of that Agreement.

The House bill contained no similar provision.

The House recedes with an amendment that would incorporate elements of a report from another provision contained elsewhere in this report into a single report required under this section. The amendment would also make other clarifying and technical changes. The amendment would further repeal a similar reporting requirement on Darfur required by the House report accompanying H.R. 5122 (H.Rept. 109-452) of the National Defense Authorization Act for Fiscal Year 2007.

Sense of Congress concerning cooperation with Russia on issues pertaining to missile defense (sec. 1228)

The House bill contained a provision (sec. 1223) that would express the sense of Congress that cooperation between Russia and the United States with regard to missile defense is in the interest of the United States.

The Senate amendment contained no similar provision.
The Senate recedes.

Sense of Congress calling for convening of a summit for a comprehensive political agreement for Iraq (sec. 1229)

The Senate amendment contained a provision (sec. 1096) that would express the sense of Congress that the President should convene a summit, as soon as possible, with leaders of the Government of Iraq, governments that border Iraq, and the governments of each permanent member of the United Nations Security Council. The summit should also involve representatives of the Arab League, the European Union, and the North Atlantic Treaty Organization. The purpose of the summit would be to achieve a comprehensive political agreement that addresses fundamental issues, including reconstruction, economic assistance, and border security.

The House bill contained no similar provision.
The House recedes with a clarifying amendment.

Sense of Congress on the commendable actions of the Armed Forces in Iraq (sec. 1230)

The Senate amendment contained a provision (sec. 1084) that would express a sense of Congress that: (1) commends the United States Armed Forces, the intelligence community, other Federal agencies, and coalition partners for their actions that resulted in the death of Abu Musab al-Zarqawi; (2) commends the United States Armed Forces, the intelligence community, and other Federal agencies for their efforts to bring freedom, democracy, and security to the people of Iraq; (3) commends Iraqi Prime Minister Jawad al-Maliki on the finalization of the new Iraqi cabinet and urges the democratically-elected government of Iraq to defeat terrorism and put an end to ethnic and sectarian violence; and (4) affirms that Congress will continue to support the United States Armed Forces and the democratically-elected unity government of Iraq.

The House bill contained no similar provision.
The House recedes with a technical amendment.

Annual report on foreign sales of significant military equipment manufactured in the United States (sec. 1231)

The Senate amendment contained a provision (sec. 1070B) that would require the Department of Defense to submit an annual report to Congress on foreign military sales and direct sales to foreign customers of significant military equipment manufactured in the United States.

The House bill contained no similar provision.
The House recedes with a clarifying amendment.

Legislative Provisions Not Adopted

Expansion of humanitarian and civic assistance to include communications and information capacity

The Senate amendment contained a provision (sec. 1201) that would amend section 401 of title 10, United States Code, to expand the authority of the Secretary of Defense to provide humanitarian and civic assistance in conjunction with military operations to include information and communications technology as necessary to provide basic information and communications services.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that restoring basic information and communications capacity is a fundamental element of humanitarian and civic assistance, and that a functioning information and communications infrastructure is vital to the successful conduct of humanitarian missions. Accordingly, the conferees note that rudimentary construction and repair of public facilities, under section 401(e)(4) of title 10, United States Code, includes information and communications technology as necessary to provide basic information and communications services.

Capstone overseas field studies trips to People's Republic of China and Republic of China on Taiwan

The House bill contained a provision (sec. 1205) that would require the Secretary of Defense to direct that field studies trips to the People's Republic of China and the Republic of China on Taiwan be a mandatory element of the Capstone course for newly selected flag and general officers.

The Senate amendment contained no similar provision.

The House recedes.

Military educational exchanges between senior officers and officials of the United States and Taiwan

The House bill contained a provision (sec. 1206) that would would require the Secretary of Defense to undertake a program of senior military officer and senior official exchanges with Taiwan designed to improve Taiwan's defenses against the People's Liberation Army of the People's Republic of China.

The Senate amendment contained no similar provision.

The House recedes.

Procurement restrictions against foreign persons that transfer certain defense articles and services to the People's Republic of China

The House bill contained a provision (sec. 1211) that would prohibit the Secretary of Defense from procuring any goods or services from a foreign person or entity that the Secretary of Defense has determined transferred to the People's Republic of China items on the U.S. munitions list.

The Senate amendment contained no similar provision.

The House recedes.

Sense of Congress commending the Government of Iraq for affirming its position of no amnesty for terrorists who attack United States Armed Forces

The Senate amendment contained a provision (sec. 1211) that would express the sense of Congress that: (1) the goal of the United States and our coalition partners has been to empower the Iraqi nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty; (2) history records that governments derived of free elections should not grant amnesty to those who have committed war crimes or terrorists acts; and (3) the United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people who have fought once a conflict is concluded.

The House bill contained no similar provision.

The Senate recedes. Elsewhere in this report, the conferees agree to include a separate provision on a similar topic.

Reports on implementation of the Darfur Peace Agreement

The Senate amendment contained a provision (sec. 1217) that would require the President to submit a report on the implementation of the Darfur Peace Agreement.

The House bill contained no similar provision.

The Senate recedes.

Execution of the President's policy to make available to Taiwan diesel electric submarines

The House bill contained a provision (sec. 1221) that would establish that it is the policy of the United States to make available to Taiwan plans and options for design work and construction work on future diesel electric submarines under the U.S. foreign military sales process, consistent with U.S. national disclosure policy and applicable U.S. export control laws.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of certain report requirements

The Senate amendment contained a provision (sec. 1223) that would repeal two annual reports on North Atlantic Treaty Organization burdensharing that were codified in section 1003 of the Department of Defense Authorization Act, 1985 (Public Law 98-525), and in section 1313 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337), respectively.

The House bill contained no similar provision.

The Senate recedes.

TITLE XIII–COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Legislative Provisions Adopted

Specification of Cooperative Threat Reduction programs and funds (sec. 1301)

The House bill contained a provision (sec. 1301) that would define the programs that are Cooperative Threat Reduction (CTR) programs, define the funds for CTR programs as those authorized to be appropriated in section 301 of this Act, and specify that CTR funds shall remain available for obligation for three fiscal years.

The Senate amendment contained an identical provision (sec. 1301).

The conference agreement includes this provision.

Funding allocations (sec. 1302)

The House bill contained a provision (sec. 1302) that would authorize $372.1 million for the Cooperative Threat Reduction (CTR) program. The provision would also authorize specific amounts for each CTR program element, require notification to Congress 30 days before the Secretary of Defense obligates and expends fiscal year 2007 funds for purposes other than those specifically authorized, and provide limited authority to obligate amounts for a CTR program element in excess of the amount specifically authorized for that purpose.

The Senate amendment contained a similar provision (sec. 1302).

The Senate recedes.

Extension of temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia (sec. 1303)

The House bill contained a provision (sec. 1303) that would extend, until the completion of the facility, the President’s authority to waive restrictions established in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65) for continuing the construction of a chemical weapons destruction facility at Shchuch’ye, Russia.

The Senate amendment contained a similar provision (sec. 1303) that would extend, through December 31, 2011, the President’s authority to waive restrictions established in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65) for continuing the construction of a chemical weapons destruction facility at Shchuch’ye, Russia.

The Senate recedes with a clarifying amendment.

National Academy of Sciences study of prevention of proliferation of biological weapons (sec. 1304)

The House bill contained a provision (sec. 1304) that would require the Secretary of Defense to sponsor a study by the National Academy of Sciences (NAS) to analyze lessons learned, past and present challenges, and possible options in effectively managing and facilitating threat reduction and nonproliferation projects under the Cooperative Threat Reduction (CTR) program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to sponsor a study by the NAS to identify areas for further cooperation with Russia and other states of the former Soviet Union under the CTR program, specifically in the area of biological weapons proliferation prevention.

The conferees agree that it is beneficial to have an independent nongovernmental organization study certain aspects of the CTR program. The conferees agree that the study required by this section should concentrate on biological weapons proliferation prevention, given the emerging threats associated with biological weapons proliferation; the considerable challenges to preventing such proliferation; the Department's focus on biological weapons proliferation prevention in recent years and interest in possibly expanding such work; and the necessity of benefiting from the knowledge of scientific and technical experts when designing programs to promote further cooperation in the area of biological weapons proliferation prevention. The conferees note their intent to consider in future years requiring independent analyses of other remaining proliferation challenges, particularly in the area of nuclear weapons proliferation prevention, and how CTR programs might address them.

To ensure timely delivery of the study described in this section, the conferees strongly urge all U.S. Government departments or agencies that provide the NAS with access to classified material for use in the study to complete promptly, no

later than 30 calendar days after receipt, any necessary classification reviews of the study or related documents.

Legislative Provision Not Adopted

Removal of certain restrictions on provision of Cooperative Threat Reduction assistance

The Senate amendment contained a provision (sec. 1304) that would repeal certain restrictions on the provision of Cooperative Threat Reduction (CTR) assistance, including: the requirement that the President make certain certifications to the Congress regarding the proposed recipients of CTR funds; and the conditions on provision of CTR assistance for chemical weapons destruction at Shchuch'ye, Russia.

The House bill contained no similar provision.

The Senate recedes.

TITLE XIV-MATTERS RELATED TO DEFENSE AGAINST TERRORISM AND RELATED SECURITY MATTERS

Legislative Provisions Adopted

Enhancement to authority to pay rewards for assistance in combating terrorism (sec. 1401)

The House bill contained a provision (sec. 1032) that would increase the flexibility and responsiveness of the rewards protection program available to the Department of Defense. The provision would (1) delegate approval authority to commanders directly subordinate to combatant commanders; (2) direct that delegated authority must be approved by the Secretary of Defense, Deputy Secretary of Defense, or an Under Secretary of Defense; and (3) increase the current maximum reward amount from $2,500 to $10,000.

The Senate amendment contained a similar provision (sec. 1041).

The Senate recedes with an amendment that would direct that the delegated authority by a combatant commander may be made only with the approval of an Under Secretary of Defense to whom authority has been delegated under section 127b(c)(1)(A) of title 10, United States Code.

Quarterly reports on Department of Defense response to threat posed by improvised explosive devices (sec. 1402)

The House bill contained a provision (sec. 1042) that would require the Secretary of Defense to submit to Congress a report on

the status of the threat posed by improvised explosive devices (IED) and the efforts being undertaken to defeat the IED threat not later than 30 days after the date of the enactment of this Act. The provision would also require supplemental quarterly reports to account for every incident involving the detonation or discovery of an IED since the previous report was submitted.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would require the Secretary to submit the initial report 90 days after the date of the enactment of this Act. The amendment would also clarify the reporting requirements for the supplemental quarterly report on IED incidents.

Requirement that all military wheeled vehicles used in Iraq and Afghanistan outside of secure military operating bases be protected by Improvised Explosive Device (IED) jammers (sec. 1403)

The House bill contained a provision (sec. 1045) that would require the Secretary of Defense to take such steps as necessary to ensure that by the end of fiscal year 2007 all U.S. military wheeled vehicles used in Iraq and Afghanistan outside of military compounds are equipped with improvised explosive device (IED) jammers. The provision would also require the Secretary to submit to the congressional defense committees, not later than December 15, 2006, a report on the cost and schedule to comply with the requirement.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to take such steps as necessary to ensure that by the end of fiscal year 2007 all U.S. military wheeled vehicles used in Iraq and Afghanistan outside of secure military operating bases are protected by IED jammers.

The conferees understand that there is no single “silver bullet” solution to defeat IEDs, but current jamming technology allows commanders to provide a level of protection for deployed forces. However, the conferees also understand that it is critical for subordinate commanders of U.S. Central Command (USCENTCOM) to retain the flexibility to modify the jammer-to-vehicle ratio in order to match mission requirements with unit capabilities. The conferees do not intend to require that every vehicle be equipped with a jammer, but expect that battlefield commanders will develop tactics, techniques, and procedures to ensure that all vehicles remain within the protective envelope of jammers and that an individual vehicle will not be left unprotected when used outside of secure military operating bases. The conferees intend that such jammers suppress the radio-controlled IED initiation devices assessed to be used in a commander's area of responsibility.

The conferees strongly urge the Secretary to take whatever measures necessary, using the funds authorized for the Joint IED Defeat Fund in title XV of this Act, to accelerate the production of jammers so that the Commander, USCENTCOM, can deploy a jammer on every tactical wheeled vehicle used in Iraq and Afghanistan.

Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism (sec. 1404)

The House bill contained a provision (sec. 1033) that would require the Secretary of Defense to submit a report, not later than March 1, 2007, on the findings of the semiannual assessment on the global war on terrorism, as described in the annex to the National Military Strategic Plan for the War on Terrorism.

The Senate amendment contained no similar provision.

The Senate recedes.

Treatment under Freedom of Information Act of certain confidential information shared with State and local personnel (sec. 1405)

The Senate amendment contained a provision (sec. 1043) that would clarify that sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared with state and local personnel who are involved in the prevention of or response to terrorist activity does not become subject to disclosure under the Freedom of Information Act (5 U.S.C. 552) by virtue of such sharing.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Database of emergency response capabilities (sec. 1406)

The House bill contained a provision (sec. 1038) that would require the Secretary of Defense to maintain a database of emergency response capabilities resident in each State’s National Guard that could be deployed in response to a domestic natural or manmade disaster.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Legislative Provision Not Adopted

Homeland defense technology transfer

The House bill contained provisions (secs. 1401-1403) that would require the establishment of a homeland defense technology transfer consortium.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that section 1401 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314) directed the Secretary of Defense to designate a senior Federal official within the Department of Defense to coordinate the Department's efforts to identify, evaluate, deploy, and transfer technological items and equipment to Federal, State, and local first responders in support of homeland defense. The conferees commend the designation of the Assistant Secretary of Defense for Homeland Defense (ASD-HD) as the senior Federal official, and the execution of the Memorandum of Agreement (MOA) in October 2005 between ASD-HD and senior officials in the Departments of Homeland Security and Justice, which outlined their respective responsibilities for the program. While a formal process is important, the MOA places the Offices of ASD-HD and the Under Secretary of Science and Technology for Homeland Security between the Department of Defense technical community and the first responder community. As a result, these two organizations do not bridge both the Department's technical community and the first responder community for the purposes of transferring technological items and equipment in support of homeland defense. The conferees believe the Department's efforts to rapidly transfer technologies that could assist other Federal agencies, State governments, and first responders with their homeland security responsibilities would benefit by a more direct dialogue between the Department's technical community and first responders. Therefore, the conferees urge the Secretary to consider the establishment of a consortium that brings together appropriate defense entities, other Federal agencies, State and local governments, and the first responder community.

TITLE XV–AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

Overview

The House bill contained a title (title XV) that would authorize $50.0 billion for ongoing operations in Iraq and Afghanistan. The title also contained general provisions.

The Senate amendment contained a similar title (title XIV). The title also contained reporting requirements and general provisions.

The conferees agree to include a title that would authorize $70.0 billion for ongoing operations in Iraq and Afghanistan. The title would also contain reporting requirements and general provisions.

Summary table of authorization

The following table summarizes authorizations included in this report for ongoing operations in Iraq and Afghanistan for fiscal year 2007.

Reset funding

The conferees agree to authorize $23.7 billion in this title to reset –- repair, replace, or recapitalize –- Army and Marine Corps equipment used in the global war on terror. The conferees based their agreement on information provided to them by the Army on July 29, 2006, and by the Marine Corps on September 6, 2006. The conferees understand that these requirements may change, and expect the Department of Defense to fully utilize the reprogramming authorities provided in this title to best meet its requirements.

The table below summarizes the reset funding contained elsewhere in this title.

Budget Item

C-17 procurement

The budget request included $2.6 billion in Aircraft Procurement, Air Force for procurement of 12 C-17 aircraft, which would complete the current C-17 multiyear procurement contract purchase of 60 aircraft.

The House bill would authorize an increase of $299.8 million, and would also authorize the budget request of $389.6 million of settlement funding for the procurement of three additional C-17 aircraft.

The Senate amendment would authorize the budget request for 12 C-17 aircraft. Of the authorized amount, the Secretary of the Air Force may apply $400.0 million of settlement funding for the procurement of two additional C-17 aircraft, and $33.2 million of settlement funding for advance procurement for additional C-17 aircraft in the fiscal year 2008 budget request.

The conferees agree to authorize a decrease of $348.0 million in Aircraft Procurement, Air Force for C-17 production line shut-down. The conferees agree to authorize an increase of $2.1 billion in title XV of this Act for the procurement of 10 additional C-17 aircraft. The conferees authorize the Secretary to apply the fiscal year 2006 appropriation for line shut-down funding of $224.0 million towards advance procurement of these 10 additional C-17 aircraft.

The conferees are concerned that the Department of Defense has not thoroughly determined its airlift requirements for both the intra-theater and inter-theater missions and that the decision to cease production of the Department’s only strategic airlift aircraft procurement program is premature. Further, the conferees agree with the Government Accountability Office’s assessment of

the Mobility Capabilities Study (MCS), and are concerned about the validity and completeness of the MCS and its conclusions. The MCS assessed that a fleet of 292 strategic airlift aircraft is adequate to meet future airlift requirements. However, the conferees have concluded that the Department's determination was based on numerous assumptions, of which some are no longer relevant. Among the uncertainties affecting these assumptions are:

(1) defining Army modularity intra-theater and inter-theater airlift requirements;

(2) achieving success in the C-5 modernization program;

(3) defining the C-130 wing-box repair strategy; and

(4) determining the viability of the Civil Reserve Airlift Fleet to augment future airlift requirements.

The conferees support the number one priority on the Chief of Staff of the Air Force's unfunded priorities list requesting seven additional C-17 aircraft, and agree that procurement of additional C-17 aircraft would help mitigate the risk associated with the uncertainties of determining the Department's airlift requirements.

Legislative Provisions Adopted

Purpose (sec. 1501)

The House bill contained a provision (sec. 1501) that would establish a title as an authorization of appropriations for the Department of Defense for fiscal year 2007, in addition to amounts otherwise authorized in this Act, to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

The Senate amendment contained an identical provision (sec. 1401).

The conference agreement includes this provision.

Army Procurement (sec. 1502)

The House bill contained a provision (sec. 1502) that would authorize an additional $3,773.8 million in fiscal year 2007 for Army Procurement.

The Senate amendment contained a similar provision (sec. 1402) that would authorize an additional $1,755.1 million.

The Senate recedes with an amendment that would authorize an additional $9,235.7 million in fiscal year 2007 for Army Procurement.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Navy and Marine Corps procurement (sec. 1503)

The House bill contained a provision (sec. 1503) that would authorize an additional $955.4 million in fiscal year 2007 for Navy and Marine Corps Procurement.

The Senate amendment contained a similar provision (sec. 1403) that would authorize an additional $319.8 million.

The Senate recedes with an amendment that would authorize an additional $5,062.8 million in fiscal year 2007 for Navy and Marine Corps Procurement.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Air Force procurement (sec. 1504)

The House bill contained a provision (sec. 1504) that would authorize an additional $296.9 million in fiscal year 2007 for Air Force Procurement.

The Senate amendment contained a similar provision (sec. 1404) that would authorize $51.8 million.

The Senate recedes with an amendment that would authorize an additional $2,179.7 million in fiscal year 2007 for Air Force Procurement.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Defense-wide activities procurement (sec. 1505)

The House bill contained a provision (sec. 1505) that would authorize an additional $140.2 million in fiscal year 2007 for Procurement, Defense-wide.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize an additional $127.6 million in fiscal year 2007 for Procurement, Defense-wide.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Research, development, test and evaluation (sec. 1506)

The House bill contained a provision (sec. 1506) that would authorize an additional $37.5 million in fiscal year 2007 for Research, Development, Test, and Evaluation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize an additional $10.5 million in fiscal year 2007 for Research, Development, Test, and Evaluation.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Operation and maintenance (sec. 1507)

The House bill contained a provision (sec. 1507) that would authorize an additional $31,983.3 million in fiscal year 2007 for operation and maintenance programs.

The Senate amendment contained a similar provision (sec. 1405) that would authorize an additional $32,246.2 million.

The Senate recedes with an amendment that would authorize an additional $36,557.9 million in fiscal year 2007 for operation and maintenance programs.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Defense Health Program (sec. 1508)

The House bill contained a provision (sec. 1508) that would authorize an additional $950.2 million in fiscal year 2007 for Defense Health Program activities.

The Senate amendment contained a similar provision (sec 1406) that would authorize an additional $960.2 million.

The House recedes with an amendment that would authorize an additional $869.2 million in fiscal year 2007 for Defense Health Program activities.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Classified programs (sec. 1509)

The House bill contained a provision (sec. 1509) that would authorize an additional $2.5 billion in fiscal year 2007 for classified programs.

The Senate amendment contained a similar provision (sec. 1409) that would authorize an additional $3.0 billion.

The Senate recedes.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Military personnel (sec. 1510)

The House bill contained a provision (sec. 1510) that would authorize an additional $9,362.8 million in fiscal year 2007 for military personnel accounts.

The Senate amendment contained a similar provision (sec. 1407) that would authorize an additional $7,335.9 million.

The Senate recedes with an amendment that would authorize an additional $8,107.0 million in fiscal year 2007 for military personnel accounts.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Treatment as additional authorizations (sec. 1511)

The House bill contained a provision (sec. 1511) that would provide that the funds authorized in title XV of their bill for emergency contingency operations related to Operation Iraqi Freedom and Operation Enduring Freedom are in addition to the amounts otherwise authorized in this Act.

The Senate amendment contained an identical provision (sec. 1411).

The conference agreement includes this provision.

Transfer authority (sec. 1512)

The House bill contained a provision (sec. 1512) that would provide fiscal year 2007 transfer authority of $3.0 billion to the Department of Defense for the authorizations contained in title XV of their bill.

The Senate amendment contained a similar provision (sec. 1412) that would transfer authority of $2.5 billion.

The House recedes.

Availability of funds (sec. 1513)

The House bill contained a provision (sec. 1513) that would require the funds provided in title XV be made available for obligation by the end of the second quarter of fiscal year 2007.

The Senate amendment contained an identical provision (Sec. 1413).

The conference agreement includes this provision.

Joint Improvised Explosive Device Defeat Fund (sec. 1514)

The Senate amendment contained a provision (sec. 1408) that would authorize an additional $2.1 billion in fiscal year 2007 for the Joint Improvised Explosive Device Defeat Fund.

The House bill contained no similar provision.

The House recedes.

Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Iraq Freedom Fund (sec. 1515)

The Senate amendment contained a provision (sec. 1410) that would authorize an additional $2,231.0 million in fiscal year 2007 for the Iraq Freedom Fund.

The House bill contained no similar provision.

The House recedes with an amendment that would provide an additional authorization of $50.0 million in fiscal year 2007 for an Iraq Freedom Fund transfer account. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Iraq Security Forces Fund (sec. 1516)

The conferees agree to include a provision that would provide an additional authorization of $1,734.0 million in fiscal year 2007 for an Iraq Security Forces Fund transfer account. These funds would be available to the Secretary of Defense for the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and for the Iraq Security Forces. The provision would also authorize the Secretary to receive contributions of funds from any person, foreign government, or international organization for the purposes of the fund. The provision would require the Secretary to notify the congressional defense committees in writing 5 days prior to the use or transfer of funds from the Iraq Security Forces Fund, and to provide quarterly reports summarizing the details of the use or transfer of funds.

Afghanistan Security Forces Fund (sec. 1517)

The conferees agree to include a provision that would provide an additional authorization of $1,446.3 million in fiscal year 2007 for an Afghanistan Security Forces Fund transfer account. These funds would be available to the Secretary of Defense for the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and for the Afghanistan Security Forces. The provision would also authorize the Secretary to receive contributions of funds from any person, foreign government, or international organization for the purposes of the fund. The provision would require the Secretary to notify the congressional defense committees in writing 5 days prior to the use or transfer of funds from the Afghanistan Security Forces Fund, and to provide quarterly reports summarizing the details of the use or transfer of funds.

Submittal to Congress of Department of Defense supplemental and cost of war execution reports (sec. 1518)

The Senate amendment contained a provision (sec. 1418) that would add the congressional defense committees to the report distribution of global war on terror cost reports, as required by section 1221 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163).

The House bill contained no similar provision.

The House recedes.

Limitation on availability of funds for certain purposes relating to Iraq (sec. 1519)

The Senate amendment contained a provision (sec. 1419) that would prohibit the obligation or expenditure of funds within this

Act to establish a permanent United States military installation or base in Iraq or to exercise United States control over the oil resources of Iraq.

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit the obligation or expenditure of funds within this Act to establish any military installation or base for the purposes of providing for the permanent stationing of United States Armed Forces in Iraq or to exercise United States economic control of the oil resources of Iraq.

Intelligence Community Management Account (sec. 1520)

The conferees agree to include a provision that would provide an additional authorization of $19.3 million in fiscal year 2007 for an Intelligence Community Management Account.

Legislative Provision Not Adopted

Our Military Kids Youth Support Program

The Senate amendment contained a provision (sec. 1415) that would authorize a total of $2.0 million for expansion of the program Our Military Kids Youth Support Program, which provides services to the children of deployed or injured members of the guard and reserve.

The House bill contained no similar provision.

The Senate recedes.

The conference outcome is reflected in the tables of this report.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Budget Items

Explanation of funding table

Division B of this Act authorizes funding for military construction projects for the Department of Defense. It includes funding authorizations for the construction and operation of military family housing and military construction for the reserve components, the defense agencies, and the North Atlantic Treaty Organization Security Investment program. It also provides authorization for the base closure account that funds environmental cleanup and other activities associated with the implementation of base closure rounds.

The budget request included $16,698.4 million for military construction and housing programs. Of this amount, the budget request included $5,626.2 million to implement the results of the 2005 Defense Base Closure and Realignment round. The amount is included in the following table in a line designated Base Realignment and Closure V.

The House bill would authorize appropriations of $16,698.4 million.

The Senate amendment would authorize appropriations of $17,102.0 million.

The conferees agree to authorize appropriations of $17,376.8 million for the military construction and family housing programs. When the impact of $278.4 million in prior year rescissions proposed in the Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations Bill, 2007 (H.R. 5385) for both the Senate and the House of Representatives is included, the conference agreement will be consistent with the budget authority level of $17,098.4 million for military construction and family housing programs.

The following tables provide the project-level authorizations for the military construction funding authorized in division B of this Act and summarize that funding by account.

2005 Defense Base Closure and Realignment accounts authorized for appropriations in 2006

The National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) included authorization of appropriations of $1,504.5 million to carry out military construction, environmental activities, and certain operating expenses related to the results of the 2005 Defense Base Closure and Realignment (BRAC) round. Section 2404(c) of the aforementioned Act required the Secretary of Defense to submit to the congressional defense committees a report describing the specific programs, projects, and activities for which the authorized amounts would be used.

Congress imposed a 1 percent reduction upon the appropriation for the BRAC account, which resulted in an amount of $1,489.4 million being available for obligation.

On February 10, 2006, the Under Secretary of Defense for Acquisition, Technology, and Logistics submitted to the committees on Armed Services of the Senate and the House of Representatives a report detailing the planned expenditures of funds to support implementation of the Department of Defense’s BRAC requirements.

The planned expenditures included $1,160.3 million to initiate planning, design, and construction of facilities; $82.3 million for activities required by the National Environmental Policy Act and other environmental actions; $193.8 million to carry out personnel permanent changes of station, transportation of personnel property, sustainment of real property, and BRAC program management; and $52.6 million for the procurement of

collateral equipment, information technology systems, training, and other transition support services.

The following table provides the projects and other activities that were identified by the Department to be carried out by each service using amounts made available in fiscal year 2006.

The conferees continue to review the justification for the construction projects and other BRAC V activities within these accounts to ensure amounts authorized for this program are used solely to carry out the decisions of the 2005 BRAC round.

2005 Defense Base Closure and Realignment accounts

The budget request included authorization of appropriations of $5,626.2 million for fiscal year 2007 to carry out military construction, environmental activities, and certain operating expenses related to the results of the 2005 Defense Base Closure and Realignment (BRAC) round.

The House bill would authorize appropriations of $5,626.2 million for fiscal year 2007 to carry out military construction, environmental activities, and certain operating expenses related to the results of the 2005 BRAC round.

The Senate amendment would authorize appropriations of $5,526.9 million for fiscal year 2007 to carry out military construction, environmental activities, and certain operating expenses related to the results of the 2005 BRAC round.

The conferees agree to authorize appropriations of $5,626.2 million for fiscal year 2007 to carry out military construction, environmental activities, and certain operating expenses related to the results of the 2005 BRAC round.

The following table provides the projects and other activities identified by the Department of Defense to be carried out with amounts authorized for appropriation within each service’s BRAC V account.

The conferees continue to review the justification for the construction projects and other BRAC V activities within these accounts to ensure amounts authorized for this program are used solely to carry out the decisions of the 2005 BRAC round.

Legislative Provisions Adopted

Short title (sec. 2001)

The House bill contained a provision (sec. 2001) that would cite division B of this Act as the “Joel Hefley Military Construction Authorization Act for Fiscal Year 2007.”

The Senate amendment contained a provision (sec. 2001) that would cite division B of this Act as the “Military Construction Authorization Act for Fiscal Year 2007.”

The House recedes.

Recognition of Representative Joel Hefley upon his retirement from the House of Representatives (sec. 2002)

The conferees agree to include a provision that would recognize and commend the accomplishments of Representative Joel Hefley for 20 years of public service to the people of Colorado, members of the Armed Forces and their families, and the United States.

TITLE XXI–ARMY

Budget Item

Overview

The budget request included $2,059.8 million for military construction and $1,271.8 million for family housing for the Army in fiscal year 2007.

The House bill would authorize appropriations of $2,135.6 million for military construction and $1,253.4 million for family housing.

The Senate amendment would authorize appropriations of $2,180.8 million for military construction and $1,271.8 million for family housing.

The conferees agree to authorize appropriations of $2,264.0 million for military construction and $1,254.4 million for family housing for the Army in fiscal year 2007.

The conferees agree to decrease the authorization of appropriations for military construction for the Army by $31.0 million for a project to acquire a temporary administrative facility at Fort Belvoir, Virginia. The conferees acknowledge that the substantial annual cost to lease the facility could be avoided by the acquisition of the building. Therefore, the conferees direct the Secretary of the Army to review the administrative space requirements for Fort Belvoir related to the 2005 Defense Base Closure and Realignment (BRAC) round. If the Secretary determines that this temporary building will be used to satisfy BRAC requirements, the conferees direct the Secretary to carry out the acquisition of the facility in fiscal year 2007 with funds authorized for BRAC activities, consistent with BRAC statutes.

The conferees agree to decrease the authorization of appropriations for military construction for the Army by $15.4 million for two projects to construct barracks at Camp Humphreys, Republic of Korea due to a favorable bid climate in the country.

The conferees agree to decrease the authorization of appropriations for Army housing construction improvements by $16.2 million for a project to privatize housing at Fort McNair, Washington, D.C. The conferees note that the Secretary has

decided that the best course of action to restore the houses to an adequate condition is to use military construction funds to renovate 18 historic houses. The conferees are concerned that the current cost estimates to restore these houses to an acceptable condition meeting historical preservation requirements exceeds $1.0 million per house. At a time when the Army is struggling to budget funds for the recapitalization and sustainment of critical mission facilities and infrastructure, the conferees do not support the current estimated costs for these units. Understanding the need to perform critical repairs for the safety and security of the housing occupants, the conferees direct the Secretary to reassess the costs and proposed renovation or replacement actions to be carried out to these houses, and to include in the budget request for fiscal year 2008 an amount that will allow the Army to carry out minimum essential repairs required to ensure adequate living conditions.

The conferees agree to decrease the authorization of appropriations for Army housing maintenance by $1.2 million for a project to repair a housing unit at Stuggart, Germany, and direct that the Secretary consider a burden-sharing agreement with the host nation to complete the repair of this facility.

Legislative Provisions Adopted

Authorized Army construction and land acquisition projects (sec. 2101)

The House bill contained a provision (sec. 2101) that would authorize Army military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2101).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2102)

The House bill contained a provision (sec. 2102) that would authorize new construction and planning and design of family housing units for the Army in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2102).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this

conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2103)

The House bill contained a provision (sec. 2103) that would authorize improvements to existing units of Army family housing in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2103).

The conference agreement includes this provision.

Authorization of appropriations, Army (sec. 2104)

The House bill contained a provision (sec. 2104) that would authorize specific appropriations for each line item contained in the Army’s military construction budget in fiscal year 2007. The provision would also provide an overall limit on the amount the Army is authorized to spend on military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2104).

The conference agreement includes this provision.

Items of Special Interest

Impact of 2005 Defense Base Closure and Realignment decisions to the transportation infrastructure in Northern Virginia

The conferees note that the decisions of the 2005 Defense Base Closure and Realignment (BRAC) round will have a significant impact on the transportation infrastructure and national highway system in Northern Virginia supporting Fort Belvoir and Marine Corps Base Quantico. These impacts, if not studied and addressed through a long-term investment strategy, have the potential to adversely affect timely access to these two critical military installations, as well as the quality of life for military members and their families on the installations and in the local communities.

The conferees acknowledge that the Department of the Army is currently studying the impact to the environment resulting from relocation of functions and personnel to Fort Belvoir and the former Engineering Proving Grounds in Fairfax County, Virginia. The conferees direct the Secretary of the Army to work with appropriate Federal, Commonwealth, and local agencies to ensure the draft and final environmental impact statements address the following factors:

1) a description of the demographic, population, and other planning assumptions used to determine traffic infrastructure requirements;

2) an analysis of the direct and indirect impact to the transportation infrastructure resulting from the BRAC decisions;

3) a description of the standards and methodologies for the traffic impact studies contained in the study; and

4) an assessment of specific traffic infrastructure improvements and new construction projects identified to mitigate the effects of the increase of personnel, and estimates of the costs to carry out the projects.

Request for data related to unaccompanied housing requirements in the Department of the Army

The conferees note that the Department of the Army is carrying out programs to transform its force structure and global presence within the next 5 years, which will result in the permanent relocation of over 100,000 unaccompanied soldiers among Army installations. Concurrently, the Department of the Army is in the process of implementing business plans to carry out the decisions of the 2005 Defense Base Closure and Realignment (BRAC) round. In the budget justification material accompanying the fiscal year 2007 budget request for BRAC 2005, the Army included an assessment that the military construction, environmental, and related requirements, currently identified by the Army to implement its BRAC recommendations, will cost $5.7 billion more than the $9.5 billion budgeted by the Department of Defense for the Army over the Future Years Defense Program. In subsequent testimony to Congress, Army officials estimated that the shortfall may be as high as $8.0 billion.

In both BRAC and transformation initiatives, a major expense for the Army will be the construction of new unaccompanied housing facilities to support the relocation of military personnel. The conferees are concerned that the inadequate planning and scarce resources within the Department of the Army to carry out BRAC and transformation initiatives will result in too many unaccompanied junior enlisted personnel having to find adequate quarters off base due to a lack of adequate on-base facilities. The conferees recognize that local communities have limited resources to be able to accommodate the increase in demand for barracks-type housing at market rates commensurate with a military member’s Basic Allowance for Housing. The conferees are concerned that this limited availability could force military personnel to seek housing at substantial distances from military bases, detrimentally affecting both readiness and their quality of life.

To address this substantial requirement to construct unaccompanied housing on military installations, the conferees note that Congress has granted authority to the Department of the

Army to enter into agreements with eligible entities to provide for the acquisition or construction of military unaccompanied housing units on or near military installations. Similar authorities have been used to dramatically improve the quality of family housing for military personnel across all services.

In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), the conferees encouraged "the Secretary of the Army to consider the use of alternate authorities for the construction of unaccompanied housing in the development of plans for permanent facilities at installations planned for substantial increases in the number of unaccompanied personnel." The conferees acknowledge that the Department of the Army has initiated a project to acquire unaccompanied housing using alternative authorities at Fort Drum, New York. To date, no other similar projects have been initiated at other Army installations planned for a substantial population increase of military personnel.

In order to more accurately understand the Department of the Army's current status concerning the housing of unaccompanied personnel, the conferees direct the Secretary of the Army to submit to the congressional defense committees, not later than March 1, 2007, a report on the following:

(1) the current number of each rank of unaccompanied personnel living either on or off post at each major Army installation in the United States;

(2) the number of each rank of unaccompanied personnel projected to be living either on or off post at each major Army installation in the United States by 2011;

(3) a description of the Department of the Army's policy concerning the use of alternate authorities for the acquisition of unaccompanied housing; and

(4) an assessment by the Secretary of the Army of the costs, benefits, utility, and restrictions of using the alternate authorities to acquire unaccompanied housing.

TITLE XXII–NAVY

Budget Item

Overview

The budget request included $1,162.0 million for military construction and $814.2 million for family housing for the Navy in fiscal year 2007.

The House bill would authorize appropriations of $1,219.9 million for military construction and $818.1 million for family housing.

The Senate amendment would authorize appropriations of $1,268.8 million for military construction and $803.6 million for family housing.

The conferees agree to authorize appropriations of $1,291.3 million for military construction and $818.1 million for family housing for the Navy in fiscal year 2007.

The conferees agree to fully authorize the project to recapitalize Hangar 5 at Whidbey Island, Washington, but to decrease the authorization of appropriations for military construction for the Navy by $31.2 million for this project. The conferees expect the Secretary of the Navy to carry out this project in fiscal year 2007 using incremental appropriations, as was initially proposed by the Department of the Navy during the preparation of the budget request for fiscal year 2007.

The conferees agree to decrease the authorization of appropriations for military construction for the Navy by $1.4 million for a project to construct an addition to Hockmuth Hall, Marine Corps Base Quantico, Virginia due to an error in the amount included in the budget request for fiscal year 2007.

Legislative Provisions Adopted

Authorized Navy construction and land acquisition projects (sec. 2201)

The House bill contained a provision (sec. 2201) that would authorize Navy military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2201).

The conference agreement includes this provision. The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2202)

The House bill contained a provision (sec. 2202) that would authorize new construction and planning and design of family housing units for the Navy in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2202).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations

for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2203)

The House bill contained a provision (sec. 2203) that would authorize improvements to existing units of Navy family housing in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2203).

The conference agreement includes this provision.

Authorization of appropriations, Navy (sec. 2204)

The House bill contained a provision (sec. 2204) that would authorize specific appropriations for each line item contained in the Navy's military construction budget in fiscal year 2007. The provision would also provide an overall limit on the amount the Navy is authorized to spend on military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2204).

The conference agreement includes this provision.

Modification of authority to carry out certain fiscal year 2004, 2005, and 2006 projects (sec. 2205)

The House bill contained a provision (sec. 2205) that would amend section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108-136), as amended, and the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108-375), as amended, to consolidate into one project the authorities currently provided in two separate projects for the construction of an outlying landing field at Washington County, North Carolina.

The Senate amendment contained a provision (sec. 2205) that would amend section 2201 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163) to change project authorizations for Marine Corps Base, Camp Pendleton, California and Marine Corps Base, Quantico, Virginia.

The Senate recedes with an amendment that would change a project authorization for Marine Corps Base, Camp Pendleton, California.

TITLE XXIII–AIR FORCE

Budget Item

Overview

The budget request included $1,156.1 million for military construction and $1,938.2 million for family housing for the Air Force in fiscal year 2007.

The House bill would authorize appropriations of $1,233.7 million for military construction and $1,924.2 million for family housing.

The Senate amendment would authorize appropriations of $1,258.3 million for military construction and $1,937.2 million for family housing.

The conferees agree to authorize appropriations of $1,308.2 million for military construction and $1,923.2 million for family housing for the Air Force in fiscal year 2007.

The conferees agree to decrease the authorization of appropriations for military construction for the Air Force by $15.5 million for a project to construct a large vehicle inspection center and access road at Andersen Air Force Base, Guam due to the lack of a comprehensive masterplan that incorporates all proposed infrastructure and facility projects and investments required to support new missions in Guam, including the relocation of 7,000 U.S. Marines from Okinawa, Japan, to Guam.

The conferees agree to decrease the authorization of appropriations for military construction for the Air Force by $9.3 million for a project to construct a dormitory at Kunsan Air Base, Republic of Korea due to a favorable bid climate in the country.

The conferees agree to decrease the authorization of appropriations for military construction for the Air Force by $14.2 million for a project to construct a common battlefield airman training complex at an unspecified worldwide location due to concerns with the status of an environmental impact analysis.

The conferees agree to decrease the authorization of appropriations for military construction for the Air Force by $26.0 million for a project to construct a Global Hawk aircraft maintenance and operations complex at Naval Base Sigonella, Italy because approval from the host nation to proceed with the project has not yet been received.

The conferees agree to decrease the authorization of appropriations for family housing military construction for the Air Force by $1.0 million for a project to replace housing at Minot Air Force Base, North Dakota due to the cost efficiencies gained by the substantial scope of the project.

The conferees agree to decrease the authorization of appropriations for family housing military construction for the Air Force by $14.0 million for a project to replace housing at Ramstein Air Base, Germany due to errors in the budget request for fiscal year 2007 in the calculation of supporting costs for the project.

The conferees agree to decrease the authorization of appropriations for military construction for the Air Force by $8.5

million for planning and design due to excess amounts in the budget request for fiscal year 2007 identified by the Air Force, which would be available for other projects.

The conferees agree to change a project title for the Air Force at Cape Canaveral, Florida in the table entitled “Military Construction Authorizations for Fiscal Year 2006," as contained in the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), from “Satellite Processing Operations Support Facility” to “Satellite Alert Facility.”

Legislative Provisions Adopted

Authorized Air Force construction and land acquisition projects (sec. 2301)

The House bill contained a provision (sec. 2301) that would authorize Air Force military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2301).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2302)

The House bill contained a provision (sec. 2302) that would authorize new construction and planning and design of family housing units for the Air Force in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2302).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2303)

The House bill contained a provision (sec. 2303) that would authorize improvements to existing units of Air Force family housing in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2303).

The conference agreement includes this provision.

Authorization of appropriations, Air Force (sec. 2304)

The House bill contained a provision (sec. 2304) that would authorize specific appropriations for each line item contained in the Air Force's military construction budget in fiscal year 2007. The provision would also provide an overall limit on the amount the Air Force is authorized to spend on military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2304).

The conference agreement includes this provision.

Modification of authority to carry out certain fiscal year 2006 project (sec. 2305)

The Senate amendment contained a provision (sec. 2305) that would amend section 2301 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163) to decrease a project authorization for MacDill Air Force Base, Florida.

The House bill contained no similar provision.

The House recedes.

Item of Special Interest

Military construction project for Phase 1 of a Basic Expeditionary Airman Skill Training Campus at Lackland Air Force Base, Texas

The conferees note that the Chief of Staff of the Air Force recently requested additional authorization for a "critical" military construction requirement not included in the President's budget request for fiscal year 2007. The conferees agree that the construction of Phase 1 of a Basic Expeditionary Airman Skill Training Campus at Lackland Air Force Base, Texas could significantly enhance the ability of the Air Force to deploy in expeditionary environments. The conferees note that the Secretary of the Air Force currently has authorities provided by Congress to address urgent, unforeseen military construction requirements. Section 2803 of title 10, United States Code, authorizes the Secretary concerned to carry out a military construction project not otherwise authorized by law if determined to be vital to the national security or to the protection of health, safety, or the quality of the environment and urgent enough not to wait for the next budget cycle.

Therefore, the conferees encourage the Secretary of the Air Force to use this authority to carry out this military

construction project, if the Secretary of the Air Force determines it is a critical requirement, using amounts from within the total authorization of appropriations for military construction for the Air Force included in this Act.

TITLE XXIV–DEFENSE AGENCIES

Budget Item

Overview

The budget request included $1,339.2 million for military construction (including construction of chemical demilitarization facilities) and $59.8 million for family housing for defense agencies in fiscal year 2007.

The House bill would authorize appropriations of $1,283.1 million for military construction and $59.8 million for family housing.

The Senate amendment would authorize appropriations of $1,344.7 million for military construction and $59.8 million for family housing.

The conferees agree to authorize appropriations of $1,286.2 million for military construction and $59.8 million for family housing for defense agencies in fiscal year 2007.

The conferees agree to decrease the authorization of appropriations for military construction for the TRICARE Management Agency by $41.4 million for a project to replace the clinic at MacDill Air Force Base, Florida. The conferees agree to fully authorize the project and expect the Director of Health Affairs to carry out this project in fiscal year 2007 using incremental appropriations, as was initially proposed by the TRICARE Management Agency during the preparation of the budget request for fiscal year 2007.

The conferees agree to decrease the authorization of appropriations for military construction for the defense agencies by $30.0 million for a project to construct increment 2 of a regional security operations center at Fort Gordon, Georgia due to delays in the award of the construction contract.

The conferees agree to decrease the authorization of appropriations for military construction for the defense agencies by $4.5 million for the first phase of a project to upgrade utilities at the headquarters complex at Fort Meade, Maryland. The conferees support the requirement to upgrade the existing Supervisory Control and Data Acquisition system servers, workstations, and associated software to improve the energy control and management systems and encourage the Director of the National Security Agency to fund the improvements with appropriations provided for operation and maintenance.

Legislative Provisions Adopted

Authorized Defense Agencies construction and land acquisition projects (sec. 2401)

The House bill contained a provision (sec. 2401) that would authorize Defense Agencies military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2401).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2402)

The House bill contained a provision (sec. 2402) that would authorize construction and planning and design of family housing units for defense agency activities in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2402).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorizations for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

Energy conservation projects (sec. 2403)

The House bill contained a provision (sec. 2403) that would authorize the Secretary of Defense to carry out energy conservation projects.

The Senate amendment contained a similar provision (sec. 2403).

The conference agreement includes this provision.

Authorized base closure and realignment activities funded through Department of Defense Base Closure Account 2005 (sec. 2404)

The House bill contained a provision (sec. 2404) that would authorize the amount for base closure and realignment (BRAC) activities and projects in fiscal year 2007. The provision would also amend the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163) to authorize the

amount for BRAC activities and projects for fiscal year 2006.

The Senate amendment contained no similar provision.

The Senate recedes.

Authorization of appropriations, Defense Agencies (sec. 2405)

The House bill contained a provision (sec. 2405) that would authorize specific appropriations for each line item contained in the Defense Agencies' military construction budget in fiscal year 2007. The provision would also provide an overall limit on the amount the Defense Agencies are authorized to spend on military construction projects in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2404).

The conference agreement includes this provision.

Modification of authority to carry out certain fiscal year 2006 project (sec. 2406)

The House bill contained a provision (sec. 2406) that would amend the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163) to increase project authorizations for the National Security Agency for Augusta, Georgia; Kunia, Hawaii; and Menwith Hill, United Kingdom.

The Senate amendment contained a similar provision (sec. 2405).

The House recedes with an amendment that would increase the project authorization for the National Security Agency for Menwith Hill, United Kingdom.

The conferees note that the project authorizations for the National Security Agency for Augusta, Georgia and Kunia, Hawaii were amended by sections 7016 and 7017 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

TITLE XXV–NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Budget Item

Overview

The budget request included $221.0 million for the North Atlantic Treaty Organization Security Investment program.

The House bill would authorize appropriations of $201.0 million, a decrease of $20.0 million.

The Senate amendment would authorize appropriations of $206.0 million, a decrease of $15.0 million.

The conferees agree to authorize appropriations of $201.0 million, a decrease of $20.0 million.

Legislative Provisions Adopted

Authorized NATO construction and land acquisition projects (sec. 2501)

The House bill contained a provision (sec. 2501) that would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization Security Investment program in an amount equal to the sum of the amount specifically authorized elsewhere in this conference report, and the amount of recoupment due to the United States for construction previously financed by the United States.

The Senate amendment contained an identical provision (sec. 2501).

The conference agreement includes this provision.

Authorization of appropriations, NATO (sec. 2502)

The House bill contained a provision (sec. 2502) that would authorize appropriation of $200.9 million for the U.S. contribution to the North Atlantic Treaty Organization Security Investment program.

The Senate amendment contained a similar provision (sec. 2502)

The Senate recedes.

TITLE XXVI–GUARD AND RESERVE FORCES FACILITIES

Budget Item

Overview

The budget request included $858.8 million for military construction for National Guard and reserve facilities in fiscal year 2007.

The House bill would authorize appropriations of $1,012.7 million.

The Senate amendment would authorize appropriations of $1,052.9 million.

The conferees agree to authorize appropriations of $1,153.1 million for National Guard and reserve facilities in fiscal year 2007, as set forth in the following table:

Reserve Component	$ (millions)
Army National Guard	561.4
Air National Guard	294.3
Army Reserve	190.6
Naval and Marine Corps Reserve	50.0
Air Force Reserve	56.8
Total	1,153.1

The conferees agree to decrease the authorization of appropriations for military construction for the Naval and Marine Corps Reserve by $5.2 million for a project to relocate a reserve center at Camp Lejeune, North Carolina due to a notification received by the Secretary of the Navy that the project is no longer required.

Legislative Provision Adopted

Authorized Guard and Reserve construction and land acquisition projects (sec. 2601)

The House bill contained a provision (sec. 2601) that would authorize appropriations for military construction for the Guard and reserve components in fiscal year 2007.

The Senate amendment contained a similar provision (sec. 2601).

The conference agreement includes this provision.

A State list of projects contained in the table at the beginning of Division B of this conference report entitled “Military Construction Authorization for Fiscal Year 2007" provides the binding list of specific construction projects authorized at each location.

TITLE XXVII–EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Legislative Provisions Adopted

Expiration of authorizations and amounts required to be specified by law (sec. 2701)

The House bill contained a provision (sec. 2701) that would provide that authorizations for military construction projects,

repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization Security Investment program, and National Guard and reserve projects will expire on October 1, 2009, or the date of enactment of an act authorizing funds for military construction for fiscal year 2010, whichever is later. This requirement would not apply to funds obligated prior to the expiration date.

The Senate amendment contained an identical provision (sec. 2701).

The conference agreement includes this provision.

Extension of authorizations of certain fiscal year 2004 projects (sec. 2702)

The Senate amendment contained a provision (sec. 2702) that would provide for the extension of authorizations of certain fiscal year 2004 military construction projects until October 1, 2007, or the date of enactment of an act authorizing funds for military construction for fiscal year 2008, whichever is later.

The House bill contained no similar provision.

The House recedes with an amendment that would delete certain projects for which the military department concerned has notified the conferees that the extension is no longer required.

Extension of authorizations of certain fiscal year 2003 projects (sec. 2703)

The Senate amendment contained a provision (sec. 2703) that would provide for the extension of authorizations of certain fiscal year 2003 military construction projects until October 1, 2007, or the date of enactment of an act authorizing funds for military construction for fiscal year 2008, whichever is later.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Effective date (sec. 2704)

The House bill contained a provision (sec. 2702) that would provide that titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on October 1, 2006, or the date of enactment of this Act, whichever is later.

The Senate amendment contained an identical provision (sec. 2704).

The conference agreement includes this provision.

TITLE XXVIII–MILITARY CONSTRUCTION GENERAL PROVISIONS

Items of Special Interest

Incremental funding of military construction projects

The conferees note that, in a memo dated January 10, 2006, the Associate Director of National Security Programs in the Office of Management and Budget (OMB) provided guidance to the Under Secretary of Defense (Comptroller) and Chief Financial Officer about requests for incremental funding of military construction projects. OMB has stated the intent to limit incremental funding of military construction projects to an exceptional practice, as intended by OMB Circular A-11. This guidance represents a change in policy for the budgeting of certain military construction projects.

The conferees acknowledge that requesting full funding to ensure a military construction project results in a complete and useable facility, or useable improvement to an existing facility, should be the preferred practice consistent with law and current policy to ensure an accurate accounting of all obligations incurred by the Federal Government. The conferees also acknowledge that, for certain military construction projects estimated to exceed $50.0 million and where the construction period is planned to exceed 2 years, Congress has supported the use of incremental funding to address the fact that not all military construction funds appropriated by Congress for a project will be expended in the first year. In these cases, the Department of Defense has had the option of requesting only those appropriated amounts expected to be expended in the budget year, and notifying potential contractors that the project's completion is subject to subsequent appropriations. This option then allows the Department to address additional military requirements in the military construction budget request; and accelerating the completion of critical projects for military readiness, operations, and service members' quality of life. Because of the efficiencies gained by this method, the conferees' agreement includes the use of incremental funding not proposed in the budget request for certain military construction projects.

The conferees also note that the Department has requested incremental funding for single military construction projects that will construct multiple complete and useable facilities. The conferees are concerned that this practice will encourage the bundling of facility requirements into very large contracts, thereby curtailing contractor competition. Therefore, the conferees encourage the Department to avoid the use of incremental funding requests for projects with multiple complete and useable facilities, except in cases where operational requirements dictate a compelling need for facilities.

Updating foreign currency fluctuation adjustment for certain military family housing leases in Korea

The conferees note that section 2801 of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314) amended section 2828 of title 10, United States Code, to authorize the Secretaries of military departments to lease an additional 2,800 family housing units in Korea at a maximum amount of $35,000 per unit per year. This authority was in addition to existing authority to lease a certain number of family housing units at $25,000 per unit per year, which was provided by Congress in 1987. Both authorities include a statutory requirement in section 2828 to adjust the maximum amounts annually to account for foreign currency fluctuation and changes to the consumer price index.

Congress clearly intended that section 2801 provide the Secretary concerned permanent authority to lease a certain number of family housing units in Korea at a greater maximum amount that was then currently authorized by statute. Therefore, any adjustments for foreign currency fluctuation and the consumer price index to maximum lease amounts should reflect this intent.

As such, the conferees direct the Secretary of a military department, in making adjustments required by paragraph (5)(B) of section 2828(e), to the maximum lease amount provided in paragraph (4) of such section for up to 2,800 units of family housing in Korea subject to a maximum lease amount of $35,000 per unit per year, to base such adjustments on the same beginning date specified in law for adjustments required by paragraph (5)(A) of such section.

Subtitle A–Military Construction Program and Military Family Housing Changes

Legislative Provisions Adopted

Increase in maximum annual amount authorized to be obligated for emergency military construction (sec. 2801)

The House bill contained a provision (sec. 2801) that would amend section 2803 of title 10, United States Code, to increase from $45.0 million to $60.0 million the maximum amount of funds the Secretary of each military department may annually obligate using emergency construction authorities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would increase from $45.0 million to $50.0 million the maximum amount of funds the Secretary concerned may annually obligate using emergency construction authorities.

One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States (sec. 2802)

The House bill contained a provision (sec. 2810) that would extend through 2007 the authority provided by section 2808 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), which permits the Secretary of Defense to utilize operation and maintenance funds to construct facilities necessary for temporary operational requirements related to a declaration of war, national emergency, or contingency.

The Senate amendment contained a similar provision (sec. 2801) that would extend the authority by 3 years.

The Senate recedes.

Repeal of requirement to determine availability of suitable alternative housing for acquisition in lieu of construction of new family housing (sec. 2803)

The Senate amendment contained a provision (sec. 2808) that would repeal section 2823 of title 10, United States Code, which requires the Secretaries of military departments to consult with the Secretary of Housing and Urban Development on the availability of suitable alternate housing before entering into contracts to construct authorized family housing units in the United States.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Authority to continue to occupy leased family housing for United States Southern Command personnel (sec. 2804)

The Senate amendment contained a provision (sec. 2816) that would provide temporary authority to the Secretary of the Army to manage the occupancy of housing units leased under the authority of section 2828(b)(4) of title 10, United States Code, in a manner consistent with Army housing policy as it relates to allowing the family members of a member of the armed forces deployed overseas on an unaccompanied tour to continue to occupy military housing.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet (sec. 2805)

The House bill contained a provision (sec. 2808) that would amend section 2831 of title 10, United States Code, to require the Secretary of Defense to identify and consider alternative uses for general and flag officer housing units that exceed 6,000 square feet.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Modification of notification requirements related to cost variation authority (sec. 2806)

The Senate amendment contained a provision (sec. 2803) that would amend section 2853(c) of title 10, United States Code, to modify the requirement for the Secretary of a military department to notify the congressional defense committees of a variation in the cost of a military construction contract.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Consideration of local comparability of floor areas in construction, acquisition, and improvement to military unaccompanied housing (sec. 2807)

The House bill contained a provision (sec. 2802) that would amend section 2826 of title 10, United States Code, to require the Secretary concerned to ensure that floor areas in unaccompanied housing be built to standards consistent with local private construction.

The Senate amendment contained a similar provision (sec. 2804)

The House recedes with a technical amendment.

The conferees encourage the Secretary of the Navy to implement, for the future construction, acquisition, and improvement of military unaccompanied housing, a policy which provides a consistent floor area standard between the Navy and the Marine Corps, and which does not exceed the floor areas of similar local private housing.

Certification required for military construction projects for facilities designed to provide training in urban operations (sec. 2808)

The Senate amendment contained a provision (sec. 2811) that would restrict the obligation of funds for military construction projects that would provide training in urban operations, including urban assault courses, range complexes, shoot houses, and combined arms training facilities, beginning in fiscal year 2007, until the Under Secretary of Defense for Personnel and Readiness certifies to the congressional defense committees that the Department of Defense has developed a training strategy and assessed the project against that strategy.

The House bill contained no similar provision.

The House recedes with an amendment that would allow the Secretary of Defense to obligate funds for such projects, if carried out under specific emergency authorities identified in this section.

Authority to carry out military construction projects in connection with industrial facility investment program (sec. 2809)

The Senate amendment contained a provision (sec. 2802)that would authorize the Secretary of Defense to carry out a military construction project not previously authorized, using funds appropriated or otherwise made available for that purpose, to carry out activities to reengineer industrial processes in support of the goals of section 2474(a)(2) of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that this section authorizes the Secretary to include in the annual budget request for military construction an unspecified authorization for an amount to be used for projects not otherwise authorized, similar to the Energy Conservation Investment Program. The conferees expect that projects submitted by the services, which meet guidelines established for process improvements in industrial facilities, will compete for funding based on an assessment of their value and rate of economic return. The conferees intend for this authority to be used by the Secretary to encourage investment in process improvements to enhance the performance of the Department's equipment maintenance facilities.

Repeal of special requirement for military construction contracts on Guam (sec. 2810)

The House bill contained a provision (sec. 2804) that would repeal section 2864 of title 10, United States Code, which places special limitations on military construction contracts in Guam.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees note that while the Davis-Bacon law is not applicable to military construction projects in Guam, in general, federal labor laws, including the Fair Labor Standards Act and the federal minimum wage, do apply in Guam. The conferees expect the military departments, the government of Guam, the U.S. Commissioner of Immigration and Naturalization, and other federal entities as appropriate, to ensure that non-immigrant alien workers who perform construction work for the Department of Defense in Guam are treated fairly and in accordance with applicable law.

Temporary expansion of authority to convey property at military installations to support military construction (sec. 2811)

The House bill contained a provision (sec. 2806) that would amend section 2869 of title 10, United States Code, to authorize

the Secretaries of the military departments to exchange excess property at any military installation for construction projects, land, housing, or to support agreements to limit encroachments under section 2684a of title 10, United States Code.

The Senate amendment contained a provision (sec. 2807) that would repeal section 2869 to authorize the Secretary of a military department to transfer property at military installations that have been closed or are subject to closure to persons who, in exchange, construct or provide family housing, unaccompanied housing, and military construction activities.

The Senate recedes with an amendment that would establish an expiration date of September 30, 2008, to the authority granted to the Secretaries of the military departments to exchange real property, deemed excess to the requirements of the Department of Defense, in return for the construction of new facilities.

Pilot projects for acquisition or construction of military unaccompanied housing (sec. 2812)

The House bill contained a provision (sec. 2807) that would amend section 2881a of title 10, United States Code, to reduce notification and wait periods required before the Secretary of the Navy may enter into a contract for the privatization of unaccompanied housing using the authorities in section 2881a. The provision would also extend from September 30, 2007, to September 30, 2011, the expiration of the pilot authority in section 2881a and increase the number of pilot projects authorized from three to six.

The Senate amendment contained a provision (sec. 2810) that would amend section 2881a to extend the expiration date of the authorization for the pilot projects for unaccompanied housing privatization from September 30, 2007, to September 30, 2009.

The House recedes.

Subtitle B–Real Property and Facilities Administration

Congressional notice requirements, in advance of acquisition of land by condemnation for military purposes (sec. 2821)

The House bill contained a provision (sec. 2825) that would express the sense of Congress that the Secretary of Defense, when acquiring land for military purposes, should make every effort to do so by purchases from willing sellers, and that the use of condemnation, eminent domain, or seizure procedures should only be employed as a matter of last resort in cases of compelling national security requirements. The provision would also amend section 2663 of title 10, United States Code, to require prior

notification to Congress before the Secretary of Defense may begin condemnation, eminent domain, or seizure procedures to acquire property.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify the reporting requirement. The amendment would also authorize the Secretary of a military department, in cases where the requirement is vital to national security or where any delay would be detrimental to life, health, or safety, to begin legal proceedings to acquire any interest in land through the use of condemnation, eminent domain, or seizure procedures prior to congressional notification. In such cases, the Secretary concerned would be required to notify the congressional defense committees within 7 days of the commencement of legal proceedings.

Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way (sec. 2822)

The House bill contained a provision (sec. 2821) that would amend section 2668 of title 10, United States Code, to consolidate and make technical corrections to authorities available to the Secretaries of the military departments to grant real property easements.

The Senate amendment contained a similar provision (sec. 2821).

The Senate recedes.

Authority to grant restrictive easements for conservation purposes in connection with land conveyances (sec. 2823)

The House bill contained a provision (sec. 2822) that would authorize the Secretaries of the military departments to grant restrictive easements for conservation purposes to State or local governments, or qualified organizations, in connection with the conveyance of real property.

The Senate amendment contained a similar provision (sec. 2822).

The Senate recedes with a clarifying amendment that would limit the granting of such restrictive easements unless the proposed recipient of the easement consents to the receipt of the easement.

Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing (sec. 2824)

The House bill contained a provision (sec. 2823) that would amend section 2675 of title 10, United States Code, to increase

from 5 years to 10 years the maximum time period authorized for the lease of a structure required for a military purpose other than family housing in a foreign country.

The Senate amendment contained a similar provision (sec. 2826).

The Senate recedes.

Consolidation of laws relating to transfer of Department of Defense real property within the Department of Defense and to other Federal agencies (sec. 2825)

The House bill contained a provision (sec. 2824) that would amend section 2696 of title 10, United States Code, to consolidate and clarify the requirement for the Secretary of Defense to screen for use by the Department of Defense or other Federal agencies proposed transfers or conveyances of real property currently deeded to the Department.

The Senate amendment contained a similar provision (sec. 2823).

The Senate recedes with a technical amendment.

Defense access road program (sec. 2826)

The House bill contained a provision (sec. 2826) that would amend section 2837 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163) to add the consideration of transit systems to the requirement for the Secretary of Defense to conduct a study of the impact to local transportation infrastructure around military installations affected by significant personnel realignments.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Reports on Army operational ranges (sec. 2827)

The Senate amendment contained a provision (sec. 2828) that would require the Secretary of the Army to submit a report to the congressional defense committees not later than November 30, 2006, containing an analysis of any potential expansion of the Pinon Canyon Maneuver Site, Fort Carson, Colorado. The provision would also restrict the Secretary from carrying out any actions related to the expansion of the site until after 30 days of receipt of the report by the congressional defense committees. The provision would also require the Secretary to submit a report to the congressional defense committees not later than February 1, 2007, containing an assessment of training ranges operated by the Army to support major training units. The House bill contained no similar provision.

The House recedes with a technical amendment. The conferees agree to require the Secretary to include other types of Army operational ranges in the report.

Subtitle C–Base Closure and Realignment

Modification of deposit requirements in connection with lease proceeds received at military installations approved for closure or realignment after January 1, 2005 (sec. 2831)

The House bill contained a provision (sec. 2831) that would amend section 2667 of title 10, United States Code, to authorize the Secretary of Defense to deposit into the appropriate base closure and realignment account lease proceeds received at a military installation closed or realigned by the 2005 Defense Base Closure and Realignment round.

The Senate amendment contained a similar provision (sec. 2833).

The House recedes with a clarifying amendment.

Report on Air Force and Air National Guard bases affected by 2005 round of defense base closure and Realignment (sec. 2832)

The Senate amendment contained a provision (sec. 2834) that would require the Secretary of the Air Force to submit to the congressional defense committees a report not later than January 1, 2007, on planning by the Department of the Air Force for future roles and missions for each Air Force and Air National Guard installation affected by the 2005 Defense Base Closure and Realignment process.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle D–Land Conveyances

Conveyance of easement, Pine Bluff Arsenal, Arkansas (sec. 2841)

The conferees agree to include a provision that would authorize the Secretary of the Army to convey, without consideration, to Jefferson County, Arkansas an easement over approximately 38.18 acres of property adjacent to Pine Bluff Arsenal, Arkansas for the purpose of permitting the county to construct, maintain, and operate a railroad on the property encumbered by the easement. The provision would require the Secretary to determine that the conveyance, and the subsequent use of the easement by the county, would not adversely impact the mission of Pine Bluff Arsenal.

Modification of land transfer authority, Potomac Annex, District of Columbia (sec. 2842)

The Senate amendment contained a provision (sec. 2827) that would amend section 2831 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) to authorize the Secretary of the Navy to convey, without consideration other than certain reimbursement requirements, to the United States Institute of Peace administrative jurisdiction over one acre and two buildings located thereon, known as building 6 and building 7, in addition to the 3 acres originally authorized.

The House bill contained no similar amendment.

The House recedes with a technical amendment.

Land conveyance, Naval Air Station, Barbers Point, Hawaii (sec. 2843)

The House bill contained a provision (sec. 2841) that would direct the Secretary of the Navy, not later than September 30, 2008, to dispose of approximately 499 acres at the former Naval Air Station Barbers Point, Hawaii that are subject to the Ford Island Master Development Agreement for the purpose of promoting the beneficial development of the real property.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify the action required to be completed by the Secretary by September 30, 2008.

The conferees note the concurrence of the Secretary of the Navy with this directive provision. The conferees also acknowledge the special circumstances surrounding this parcel of land and reaffirm a commitment to minimize the use of legislation to direct the Secretaries of the military departments to dispose of land under their jurisdiction.

Land conveyances, Omaha, Nebraska (sec. 2844)

The Senate amendment contained a provision (sec. 2843) that would authorize the Secretaries of the Army and the Navy to convey to the Metropolitan Community College area four parcels of property consisting of approximately 12 acres currently under the control of the Army and Navy Reserve at the Fort Omaha campus of the College in Omaha, Nebraska for educational purposes.

The House bill contained no similar provision.

The House recedes.

Land conveyance, Hopkinton, New Hampshire (sec. 2845)

The Senate amendment contained a provision (sec. 2854) that would authorize the Secretary of the Army to convey to the Town of Hopkinton, New Hampshire a parcel of property consisting of approximately 90 acres known as Kast Hill for the purpose of permitting the town to use the existing sand and gravel resources on the property and to ensure perpetual conservation of the property.

The House bill contained no similar provision.

The House recedes.

Land conveyance, North Hills Army Reserve Center, Allison Park, Pennsylvania (sec. 2846)

The House bill contained a provision (sec. 2844) that would authorize the Secretary of the Army to convey to the North Allegheny School District a parcel of property consisting of approximately 11 acres and containing the North Hills Army Reserve Center in Allison Park, Pennsylvania for the purpose of permitting the school district to use the property for educational and recreational purposes and for related parking facilities.

The Senate amendment contained no similar provision.

The Senate recedes.

Transfer of jurisdiction, Fort Jackson, South Carolina (sec. 2847)

The conferees agree to include a provision that would authorize the Secretary of the Army to transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property consisting of approximately 600 acres at Fort Jackson, South Carolina for the purpose of permitting the Secretary of Veterans Affairs to establish a national cemetery on the property.

Sense of Congress regarding land conveyance involving Army Reserve Center, Marshall, Texas (sec. 2848)

The House bill contained a provision (sec. 2846) that would express the sense of Congress that the Secretary of the Army should consider the feasibility of conveying an Army Reserve Center in Marshall, Texas to the Marshall-Harrison County Veterans Association for the purpose of assisting in the erection of a veteran’s memorial, the creation of a park, and the establishment of a museum honoring the sacrifices and accomplishments of the veterans of the armed forces.

The Senate amendment contained no similar provision.

The Senate recedes.

Modifications to land conveyance authority, Engineering Proving Grounds, Fort Belvoir, Virginia (sec. 2849)

The House bill contained a provision (sec. 2845) that would amend section 2836 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107) to authorize the Secretary of the Army to carry out an alternate agreement with the Commonwealth of Virginia for the design and construction of a parkway portion as part of the conveyance of two parcels of real property totaling 182 acres at the Engineering Proving Grounds, Fort Belvoir, Virginia.

The Senate amendment contained a similar provision (sec. 2842)

The Senate recedes.

Land conveyance, Radford Army Ammunition Plant, New River Unit, Virginia (sec. 2850)

The House bill contained a provision (sec. 2843) that would authorize the Secretary of the Army to convey, without consideration, to the Commonwealth of Virginia, on behalf of the Virginia Department of Veterans Services, a parcel of property consisting of approximately 85 acres located at the Radford Army Ammunition Plant, Radford, Virginia for the purpose of establishing a veterans' cemetery.

The Senate amendment contained a similar provision (sec. 2841).

The Senate recedes with a clarifying amendment.

Subtitle E–Energy Security

Consolidation and enhancement of laws to improve Department of Defense energy efficiency and conservation (sec. 2851)

The Senate amendment contained a provision (sec. 2806) that would amend section 2865 of title 10, United States Code, to require the Secretary of Defense to designate energy performance goals consistent, where appropriate, with the Energy Policy Act of 2005 (Public Law 109-58). The provision would also expand the application of the section to include the consideration of alternate energy initiatives for vehicles and military support equipment, and make other technical clarifications. The provision would require the Secretary to ensure energy efficient products that meet the requirements of the Secretary are included in the construction of new facilities for the Department of Defense.

The House bill contained no similar provision.

The House recedes with an amendment that would revise various sections in title 10, United States Code, related to energy usage

and conservation, and would incorporate this provision within the revision. Elsewhere in this report, the conferees agree to include a separate provision on the use of energy efficient products in the construction of new facilities.

The conferees intend for the Secretary to establish energy performance goals across all aspects of military operations, training, and the Department's facilities, which can be evaluated on a consistent basis to determine progress towards achievement. The conferees also acknowledge that certain energy saving measures adopted by the Secretary may not demonstrate an immediate economic payback. Therefore, the conferees agree to expand the Secretary's flexibility to evaluate energy conservation measures to include consideration of alternate energy initiatives and energy reduction performance goals, as opposed to requiring the Secretary to assess measures based solely on a specific economic return within 10 years to justify the investment.

Department of Defense goal regarding use of renewable energy to meet electricity needs (sec. 2852)

The Senate amendment contained a provision (sec. 2829) that would establish goals for the Department of Defense for the use of renewable energy sources.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts (sec. 2853)

The House bill contained a provision (sec. 2805) that would amend section 2865 of title 10, United States Code, to require a notice and wait period for the Secretary of Defense before the award of an energy savings performance contract that contains a cancellation ceiling in excess of $7.0 million.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Use of energy efficiency products in new construction (sec. 2854)

The conferees agree to include a provision that would require the Secretary of Defense to ensure energy efficient products that meet the requirements of the Secretary are included in the construction of new facilities for the Department. These requirements were originally included in section 2806 of the Senate amendment.

Subtitle F–Other Matters

Availability of research and technical assistance under Defense Economic Adjustment Program (sec. 2861)

The Senate amendment contained a provision (sec. 2831) that would amend section 2391 of title 10, United States Code, to authorize the Secretary of Defense to award grants, conclude cooperative agreements, or enter into contracts for research and technical assistance.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the armed forces (sec. 2862)

The House bill contained a provision (sec. 2851) that would amend section 2391 of title 10, United States Code, to authorize the Secretary of Defense to award grants for the purposes of addressing encroachment upon state-owned and operated National Guard facilities subject to significant use by the armed forces.

The Senate amendment contained a similar provision (sec. 2832).

The Senate recedes with a technical amendment.

Prohibitions against making certain military airfields or facilities available for use by civil aircraft (sec. 2863)

The House bill contained a provision (sec. 2852) that would prohibit the Secretary of the Navy from entering into an agreement that would allow the regular use of property at, or conveyance of property for, civil aviation purposes at Marine Corps Air Station and Marine Corps Base Camp Pendleton, Marine Corps Air Station Miramar, and Naval Station North Island, California.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Modification of certain transportation projects (sec. 2864)

The Senate amendment contained a provision (sec. 2851) that would amend section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59) to clarify the purpose for a project numbered 4651 authorized for Rickenbacker airport, Columbus, Ohio.

The House bill contained no similar provision.

The House recedes with an amendment that would combine this provision with a similar provision (sec. 2852) and would amend sections 1702 and 1934 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public

Law 109-59) to clarify the purpose for projects numbered 4333 and 196 authorized for Detroit, Michigan.

Availability of funds for South County Commuter Rail project, Providence, Rhode Island (sec. 2865)

The Senate amendment contained a provision (sec. 1095) that would make funds authorized by paragraphs (34) and (35) of section 3034(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59) available for the purchase of commuter rail equipment for the South County Commuter Rail project, Providence, Rhode Island, upon the receipt by the Secretary of the Rhode Island Department of Transportation of an approved environmental assessment.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Fox Point Hurricane Barrier, Providence, Rhode Island (sec. 2866)

The Senate amendment contained a provision (sec. 2853) that would direct the Secretary of the Army to assume responsibility for the annual operation and maintenance of the Fox Point Hurricane Barrier, Providence, Rhode Island.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Federal funding for fixed guideway projects (sec. 2867)

The Senate amendment contained a provision (sec. 2855) that would direct certain requirements prescribed by the Federal Transit Administration for cost effectiveness ratings not to apply to the Northstar Corridor Commuter Rail project in Minnesota.

The House bill contained no similar provision.

The House recedes.

Feasibility study regarding use of General Services Administration property for Fort Belvoir, Virginia, realignment (sec. 2868)

The conferees agree to include a provision that would require the Secretary of the Army, in consultation with the Administrator of General Services, to conduct a study that considers the potential costs, benefits, feasibility, and suitability of the exchange or purchase of property under the control of the General Services Administration in Springfield, Virginia.

The conferees note that the relocation of thousands of military and civilian personnel to Fort Belvoir, Virginia may present significant transportation challenges. The conferees have

taken steps to address these concerns in three other provisions in this report.

The first provision would facilitate the construction of a segment of the Fairfax County parkway on the former Engineering Proving Grounds at Fort Belvoir.

The second provision would urge the inclusion of mass transit improvements in the defense access roads program. The third provision would require the Secretary of the Army to incorporate within an ongoing environmental impact assessment a review of traffic infrastructure requirements, in collaboration with other Federal, State, and local agencies, at Fort Belvoir related to the impact of the realignment of personnel.

The conferees believe that the Army should make every effort to proactively address the potential traffic congestion that could result from the relocation of personnel to Fort Belvoir. The conferees urge the Army to incorporate as many transportation improvements as possible into plans to support the arrival of these additional personnel.

Legislative Provisions Not Adopted

Authority to use proceeds from sale of military family housing to support military housing privatization initiative

The House bill contained a provision (sec. 2803) that would amend section 2831 of title 10, United States Code, to authorize the transfer of proceeds from the handling and disposal of family housing units into the Department of Defense Family Housing Improvement Fund, which is used to support military family housing privatization activities.

The Senate amendment contained no similar provision.

The House recedes.

Increase in thresholds for unspecified minor military construction projects

The Senate amendment contained a provision (sec. 2805) that would amend section 2805(a)(1) of title 10, United States Code, to raise the threshold of the cost of a construction project authorized by this section from $1.5 million to $2.5 million. This provision would also raise the threshold of the cost of a construction project intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening from $3.0 million to $4.0 million.

The House bill contained no similar provision.

The Senate recedes.

Repeal of temporary minor military construction program

The House bill contained a provision (sec. 2809) that would repeal section 2810 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109-163), which provides for temporary authority to expend minor construction funds at increased limits for construction of child development centers.

The Senate amendment contained no similar provision.

The House recedes.

Updating foreign currency fluctuation adjustment for certain military family housing leases in Korea

The Senate amendment contained a provision (sec. 2809) that would amend section 2828 of title 10, United States Code, to modify the adjustments made by a Secretary of a military department to maximum lease amounts for family housing in Korea to account for foreign currency fluctuations.

The House bill contained no similar provision.

The Senate recedes.

Naming of research laboratory at Air Force Rome Research Site, Rome, New York in honor of Sherwood L. Boehlert, a member of the House of Representatives

The Senate amendment contained a provision (sec. 2813) that would designate the new laboratory building at the Air Force Rome Research Site, Rome, New York as the “Sherwood L. Boehlert Engineering Center.”

The House bill contained no similar provision.

The Senate recedes.

Naming of administrative building at Joint Systems Manufacturing Center in Lima, Ohio after Michael G. Oxley, a member of the House of Representatives

The Senate amendment contained a provision (sec. 2814) that would designate the administrative building under construction at the Joint Systems Manufacturing Center in Lima, Ohio as the “Michael G. Oxley Administration and Technology Center.”

The House bill contained no similar provision.

The Senate recedes.

Naming of military family housing facility at Fort Carson, Colorado, in honor of Joel Hefley, a member of the House of Representatives

The Senate amendment contained a provision (sec. 2815) that would require the Secretary of the Army to designate one of the

military family housing areas or facilities constructed for Fort Carson, Colorado, using housing privatization authorities provided by subchapter IV of chapter 169 of title 10, United States Code, in honor of Representative Joel Hefley.

The House bill contained no similar provision.

The Senate recedes.

Authority to use excess property as exchange under agreements to limit encroachments on military training, testing, and operations

The Senate amendment contained a provision (sec. 2824) that would authorize the Secretary concerned to use land that is determined to be excess to the needs of the Department of Defense in an exchange under an agreement with eligible third parties under section 2684a of title 10, United States Code, to create buffer zones to address the use or development of real property in the vicinity of a military installation to prevent encroachment or preserve habitat that may relieve environmental restrictions on military training, testing, or operations.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that authority to use excess lands as part of the contribution to the acquisition costs of real property, or an interest in real property, as part of agreements under section 2864a is included in section 2811 of this report.

Modification of utility system authority and related reporting requirements

The Senate amendment contained a provision (sec. 2825) that would amend section 2688 of title 10, United States Code, to modify the authority provided to the Secretary of a military department for the conveyance of utility systems.

The House bill contained no similar provision.

The Senate recedes.

Naming of Navy and Marine Corps Reserve Center at Rock Island, Illinois, in honor of Lane Evans, a member of the House of Representatives

The Senate amendment contained a provision (sec. 2830) that would designate the Navy and Marine Corps Reserve Center at Rock Island, Illinois, in honor of Lane Evans, a member of the House of Representatives.

The House bill contained no similar provision.

The Senate recedes.

Modification of land acquisition authority, Perquimans County, North Carolina

The House bill contained a provision (sec. 2842) that would amend section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108-375), to increase, from 840 acres to 1,540 acres, the amount of acreage that the Secretary of the Navy is authorized to acquire.

The Senate amendment contained a similar provision (sec. 2812).

The conference agreement does not include this provision. The conferees note that the provision was included in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

Highway projects, Detroit, Michigan

The Senate amendment contained a provision (sec. 2852) that would amend sections 1702 and 1934 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59) to clarify the purpose for projects numbered 4333 and 196 authorized for Detroit, Michigan.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to include this provision in section 2864 of this Act.

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

TITLE XXXI–DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Overview

Title XXXI authorizes appropriations for atomic energy defense activities of the Department of Energy for fiscal year 2007, including: the purchase, construction, and acquisition of plant and capital equipment; research and development; nuclear weapons activities; naval nuclear propulsion; environmental cleanup; operating expenses; and other expenses necessary to carry

out the purposes of the Department of Energy Organization Act (Public Law 95-91). This title authorizes appropriations in four categories, which are: (1) National Nuclear Security Administration (NNSA); (2) defense environmental cleanup; (3) other defense activities; and (4) defense nuclear waste disposal.

The budget request included $15.8 billion for atomic energy defense activities, a 2.5 percent decrease below the fiscal year 2006 appropriated level. Of the total amount requested:

(1) $9.3 billion is for NNSA, of which

(a) $6.4 billion is for weapons activities,

(b) $1.7 billion is for defense nuclear nonproliferation activities,

(c) $795.1 million is for naval reactors, and

(d) $386.6 million is for the Office of the Administrator;

(2) $5.4 billion is for defense environmental cleanup;

(3) $717.8 million is for other defense activities; and

(4) $388.1 million is for defense nuclear waste disposal.

The budget request also included $6.1 million within energy supply.

The conferees agree to authorize $15.8 billion for atomic energy defense activities, the amount of the budget request.

Of this amount, the conferees agree to authorize:

(1) $9.3 billion for NNSA, of which

(a) $6.4 billion would be for weapons activities, an increase of $9.8 million above the budget request;

(b) $1.7 billion would be for defense nuclear nonproliferation, a decrease of $24.8 million below the budget request;

(c) $795.1 million would be for naval reactors, the amount of the budget request; and

(d) $386.6 million would be for the Office of the Administrator, the amount of the budget request;

(2) $5.4 billion would be for defense environmental cleanup activities, an increase of $45.0 million above the budget request;

(3) $717.8 million would be for other defense activities, the amount of the budget request; and

(4) $358.1 million would be for defense nuclear waste disposal, a decrease of $30.0 million below the budget request.

The conferees agree to authorize $6.1 million for energy supply, the amount of the budget request.

The following table summarizes the budget request and the authorizations:

Legislative Provisions Adopted

Subtitle A–National Security Programs Authorizations

National Nuclear Security Administration (sec. 3101)

The House bill contained a provision (sec. 3101) that would authorize $9.3 billion for the National Nuclear Security Administration (NNSA) of the Department of Energy, including funds for weapons activities, defense nuclear nonproliferation programs, naval reactor programs, and the Office of the Administrator, a decrease of $50.0 million below the budget request. The Senate amendment contained a similar provision (sec. 3101). The provision would authorize $9.3 billion, an increase of $17.5 million above the budget request.

The conferees agree to authorize $9.3 billion for NNSA, a decrease of $15.0 million below the budget request.

The budget request included $6.4 billion for weapons activities. The House bill would authorize $6.5 billion, an increase of $60.0 million above the budget request. The Senate amendment would authorize $6.5 billion, an increase of $47.5 million above the budget request. The conferees agree to authorize $6.4 billion, an increase of $9.8 million above the budget request.

Within weapons activities, the conferees agree to authorize $22.0 million for the W80 life extension program, a decrease of $80.0 million below the budget request, to be used for the orderly closeout of program activities due to the postponement of the W80 life extension by the Nuclear Weapons Council. The conferees agree to authorize an additional $20.0 million for the reliable replacement warhead to support a second warhead design competition. Within inertial confinement fusion ignition and high yield campaign, the conferees agree to authorize an increase of $10.0 million to support enhanced target production and characterization capabilities and for tests on the Omega and Z facilities. Within readiness in technical base and facilities, the conferees agree to authorize an additional $17.0 million to address deferred maintenance and repair at the Pantex Plant, an additional $15.0 million to address deferred maintenance and repair at the Y-12 National Security Complex, and an additional $10.0 million for the High Enriched Uranium Materials Facility [project 01-D-124] at the Y-12 National Security Complex. Within safeguards and security, the conferees agree to authorize an additional $11.8 million for safeguards and security requirements at the Pantex Plant and an additional $14.0 million for safeguards and security requirements at the Y-12 National Security Complex.

The budget request included $1.7 billion for defense nuclear nonproliferation. The conferees agree to authorize $1.7 billion, a decrease of $24.8 million below the budget request. The conferees agree to provide an additional $15.0 million in funding for the Second Line of Defense Megaports program to accelerate cooperation with international partners to improve their capability to detect and interdict nuclear and radiological materials that could be passing through foreign ports. The conferees agree to authorize an additional $20.0 million in funding for the Global Threat Reduction Initiative (GTRI) program. Of that amount, $5.0 million is authorized for international radiological threat reduction and $15.0 million is authorized to be used exclusively for other GTRI activities conducted outside the United States. The conferees agree to provide no funding for the Russian Surplus Fissile Materials Disposition program, a decrease of $34.7 million. The conferees agree to provide $264.4 million for construction of the U.S. Mixed Oxide Fuel Fabrication Facility, a decrease of $25.1 million below the budget request. The views of the conferees regarding the Fissile Materials Disposition program are discussed elsewhere in this conference report.

The budget request included $795.1 million for naval reactors programs and $386.6 million for the Office of the NNSA Administrator. The conferees agree to authorize these programs at the requested levels.

Defense environmental cleanup (sec. 3102)

The House bill contained a provision (sec. 3102) that would authorize $5.4 billion for the Department of Energy for defense environmental cleanup for fiscal year 2007, an increase of $50.0 million above the budget request.

The Senate amendment contained a similar provision (sec. 3102). The provision would authorize $5.4 billion for defense environmental cleanup, an increase of $40.0 million above the budget request.

The conferees agree to include a provision that would authorize $5.4 billion for defense environmental cleanup, an increase of $45.0 million above the budget request. Within this increase, the conferees agree to provide an additional $35.0 million in funding for radioactive liquid tank waste stabilization and disposition at the Savannah River Site in South Carolina and to provide an additional $10.0 million in funding for a research and development program to support tank waste cleanup technologies consistent with recommendations made in the National Research Council report entitled “Tank Waste Retrieval, Processing, and On-Site Disposal at Three Department of Energy Sites, April 2006.”

Other defense activities (sec. 3103)

The House bill contained a provision (sec. 3103) that would authorize $717.8 million for the Department of Energy for other defense activities for fiscal year 2007, the amount of the budget request.

The Senate amendment contained a similar provision (sec. 3103). The provision would authorize $624.5 million for the Department for other defense activities, a decrease of $93.3 million below the budget request.

The conferees agree to include a provision that would authorize $717.8 million, the amount of the budget request.

Defense nuclear waste disposal (sec. 3104)

The House bill contained a provision (sec. 3104) that would authorize $388.1 million for defense nuclear waste disposal, the amount of the budget request.

The Senate amendment contained a similar provision (sec. 3104). The provision would authorize $333.1 million for defense nuclear waste disposal, a decrease of $55.0 million below the budget request.

The conferees agree to include a provision that would authorize $358.1 million, a decrease of $30.0 million below the budget request. The conferees note that the Department of Energy has issued a revised schedule for the development of a geologic repository, delaying the completion of the license application for the repository until June of 2008.

Subtitle B-Program Authorizations, Restrictions, and Limitations

Plan for transformation of National Nuclear Security Administration nuclear weapons complex (sec. 3111)

The House bill contained a provision (sec. 3111) that would direct the Secretary of Energy and the Secretary of Defense to develop a plan to transform the nuclear weapons complex so as to achieve a responsive infrastructure by the year 2030 and to transmit a report to the congressional defense committees, not later than February 1, 2007, on the transformation plan.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of Energy to develop the transformation plan in consultation with the Secretary of Defense and the Nuclear Weapons Council. The amendment would also modify the objectives of the plan to acknowledge the continued utilization of Category I and II special nuclear material, beyond the year 2012, at the national security laboratory at which a pit production capability is located. The amendment would make further technical changes.

Extension of Facilities and Infrastructure Recapitalization Program (sec. 3112)

The House bill contained a provision (sec. 3112) that would extend the Facilities and Infrastructure Recapitalization Program for 2 years, until September 30, 2013.

The Senate amendment contained a similar provision (sec. 3114).

The Senate recedes.

Utilization of contributions to Global Threat Reduction Initiative (sec. 3113)

The House bill contained a provision (sec. 3113) that would provide the Secretary of Energy authority to accept international contributions to the Global Threat Reduction Initiative program.

The Senate amendment contained a similar provision (sec. 3112).

The House recedes with a technical amendment.

Utilization of contributions to Second Line of Defense program (sec. 3114)

The House bill contained a provision (sec. 3114) that would provide the Secretary of Energy authority to accept international contributions to the Second Line of Defense program.

The Senate amendment contained a similar provision (sec. 3113).

The House recedes with a technical amendment.

Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel (sec. 3115)

The House bill contained a provision (sec. 3115) that would amend section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) to extend excepted service authority for an additional two years, until September 30, 2008.

The Senate amendment contained an identical provision (sec. 3115).

The conference agreement includes this provision.

National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile (sec. 3116)

The House bill contained a provision (sec. 3116) that would direct the Secretary of Energy to enter into an arrangement with the National Research Council of the National Academy of Sciences to carry out a study of the quantification of margins and

uncertainty methodology used by the national security laboratories for assessing and certifying the safety and reliability of the nuclear stockpile. The provision would further direct the National Research Council to submit a report on the study to the Secretary of Energy and to the Committees on Armed Services of the Senate and the House of Representatives not later than 1 year after the date on which the Council enters into the arrangement for such study.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would narrow the matters to be included in the study, and would make technical changes to the funding of the study.

The conferees acknowledge the aggressive schedule directed for completion of the study and the report thereon. The conferees are aware of ongoing work on complementary topics being conducted by the Nuclear Weapons Complex Assessment Committee of the American Association for the Advancement of Science. The conferees encourage the National Research Council to seek opportunities to support mutual study objectives and to coordinate the use of any study contributors and subject matter experts between these studies, as appropriate.

Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration (sec. 3117)

The House bill contained a provision (sec. 3117) that would consolidate the counterintelligence programs of the Department of Energy and the National Nuclear Security Administration (NNSA) under the Department of Energy. The provision would also establish the Intelligence Executive Committee within the Department of Energy consisting of the Deputy Secretary of Energy, who would chair the committee, and each Under Secretary of Energy. The provision would require the Secretary of Energy to use the committee to assist in developing and promulgating the counterintelligence and intelligence policies, requirements, and priorities of the entire Department.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish, within the staff of the Administrator of the NNSA, a position of NNSA Intelligence and Counterintelligence Liaison that would be responsible for liaison between the NNSA and the Department’s Office of Intelligence and Counterintelligence. The amendment would also sunset on September 30, 2010, the transfer of functions, personnel, funds, assets, and other resources transferred to the Secretary of Energy, returning them to the control of the Administrator of the NNSA.

The conferees reluctantly provide this authority to consolidate the counterintelligence programs of the Department of Energy and NNSA, despite the ongoing skepticism of many in

Congress over the Department's ability to implement a strong security program for the Department and its laboratories. The conferees note that with the recent Departmental initiative to combine the Offices of Intelligence and Counterintelligence and with the authority provided in this provision, the intelligence and counterintelligence functions will be organized as they were when the Department experienced significant counterintelligence problems.

The conferees believe that the Department could have addressed many of the perceived issues associated with having separate counterintelligence offices for the Department and NNSA by demonstrating greater management resourcefulness. The conferees are unpersuaded that the Department fully and faithfully implemented the counterintelligence program structure called for in the National Nuclear Security Administration Act (Title 32 of the National Defense Authorization Act for Fiscal Year 2000, Public Law 106-65, as amended).

Nevertheless, the conferees note that the Department has continued -- under the leadership of two different Secretaries of Energy and two different Deputy Secretaries -- to identify the counterintelligence structure of the NNSA Act as an impediment to the smooth functioning of security operations within the Department of Energy complex. The conferees have agreed, therefore, to include a provision that would provide temporary authority for the disestablishment of the Office of Defense Nuclear Counterintelligence within NNSA and the transfer of NNSA counterintelligence personnel to the Department's Office of Counterintelligence.

Because NNSA and its programs contain the assets of greatest national security concern, the conferees would incorporate three important safeguards into the new organizational structure. First, the provision would require the establishment of an Intelligence Executive Committee within the Department of Energy consisting of the Deputy Secretary of Energy, who would chair the Committee, and each Under Secretary of Energy. One of the Under Secretaries is also the Administrator of the NNSA. Second, conferees would create, within the staff of the Administrator of the NNSA, a position of NNSA Intelligence and Counterintelligence Liaison that would be responsible for liaison between NNSA and the Department's Office of Intelligence and Counterintelligence. Third, the conferees would include a section to sunset the transfer effective September 30, 2010. This sunset would allow future Congresses to examine the effectiveness of the new, consolidated office and to take appropriate action, either to continue, modify, or reverse this organizational structure, based on that examination. Taken together, these measures are intended to ensure a continued strong voice for the NNSA in counterintelligence policy and requirements within the Department.

The conferees also wish to emphasize to the Department of Energy the existing requirement, already in law, regarding the

selection and appointment of leadership for the new organization. The conferees remind the Department that section 1014 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458) requires the Secretary of Energy to obtain the concurrence of the Director of National Intelligence before appointing an individual to fill the positions of Director of Intelligence and Director of Counterintelligence for the Department of Energy. Section 1014 further states that if the Director of National Intelligence does not concur in the recommendation, the Secretary of Energy may not appoint the individual to the position. The conferees support this requirement. The conferees further note that the recently appointed Director of Counterintelligence for the Department is detailed from the Federal Bureau of Investigation (FBI) for 2 years. The conferees believe that an individual having experience in counterintelligence matters as either a current or former agent of the FBI continues to be the most appropriate choice to lead the Department's counterintelligence efforts.

Notice-and-wait requirement applicable to certain third-party financing arrangements (sec. 3118)

The Senate amendment contained a provision (sec. 3111) that would require the Secretary of Energy to notify the congressional defense committees 30 days prior to entering into certain alternative financing arrangements.

The House bill contained no similar provision.

The House recedes.

Extension of deadline for transfer of lands to Los Alamos County, New Mexico, and of lands in trust for the Pueblo of San Ildefonso (sec. 3119)

The Senate amendment contained a provision (sec. 3116) that would amend section 632 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105-119) to extend, by five years, the deadline for completing certain land transfers by the Secretary of Energy to Los Alamos County, New Mexico and to the Secretary of the Interior of lands to be held in trust for the Pueblo of San Ildefonso.

The House bill contained no similar provision.

The House recedes.

Limitations on availability of funds for Waste Treatment and Immobilization Plant (sec. 3120)

The Senate amendment contained a provision (sec. 3117) that would prohibit the Secretary of Energy from obligating or

expending more than a percentage of the amount authorized to be appropriated for the Waste Treatment and Immobilization Plant prior to performing certain actions.

The House bill contained no similar provision.

The House recedes with an amendment that would increase the amount available to be obligated or expended from 30 percent to 90 percent of the funds appropriated or otherwise available prior to the Secretary certifying to the congressional defense committees that the earned value management system for the project has been recommended for acceptance by the Defense Contract Management Agency. The amendment would also alter the limitation related to the establishment of final seismic criteria for the project by prohibiting the obligation or expenditure of any of the amount appropriated or otherwise available for the project for construction or for procurement of critical equipment affected by the seismic criteria prior to the establishment of final seismic and ground motion criteria for the project. The conferees encourage the Department of Energy to sequence the obligation and expenditure of engineering funds on the project in a manner that minimizes the risk of incurring additional costs should the interim seismic criteria ultimately be found to be inadequate.

Report on Russian Surplus Fissile Materials Disposition Program (sec. 3121)

The Senate amendment contained a provision (sec. 3118) that would prohibit the obligation of fiscal year 2007 funds to implement the Russian Surplus Fissile Materials Disposition Program, other than continuation of the research and development associated with the Gas Turbine-Modular Helium Reactor (GT-MHR), until 30 days after the Secretary of Energy provides to the congressional defense committees written recommendations regarding whether and in what manner the program should proceed. The provision would require the recommendations to include: (1) a description of the disposition method Russia has agreed to use; (2) a description of the assistance the United States plans to provide under the program; (3) an estimate of the total cost and schedule of the U.S. assistance to the program; and (4) an explanation of how parallelism is to be defined for purposes of the program and whether such parallelism can be achieved if the U.S. mixed-oxide (MOX) approach to plutonium disposition continues on the current planned schedule without further delays.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Energy to provide a report, no later than March 1, 2007, to the congressional defense committees. The report shall include: (1) a description of the disposition method Russia has agreed to use under the program; (2) a description of the assistance the United States plans to provide under the program;

(3) an estimate of the total cost and schedule of such assistance; and (4) an explanation of how parallelism is to be defined for purposes of the program, including projected goals for the disposition of Russian weapons-grade plutonium under the 2000 Plutonium Disposition and Management Agreement, and whether such parallelism can be achieved if the U.S. MOX program continues on the current planned schedule without further delays.

The conferees note their support for the goals of the September 2000 Plutonium Management and Disposition Agreement to dispose of 34 metric tons of surplus weapons-grade plutonium in both the United States and Russia on roughly parallel paths. For the past 2 years, the Russian program has been delayed pending completion of a liability agreement between the United States and the Russian Federation, and that in turn caused a delay in the U.S. program. The National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) cut $250.0 million in funding for the U.S. MOX program due to the impasse over liability. Although the liability agreement has now been signed, Russian officials have stated that the agreement will require ratification by the Russian Duma.

In a new development arising out of U.S.-Russian negotiations on the plutonium disposition program in February 2006, Russia has now indicated that it is not prepared to proceed with the program as originally conceived. Representatives of the National Nuclear Security Administration and the Department of State have indicated that Russia no longer wishes to use MOX fuel in VVER-1000 light water reactors unless the United States and the international community agree to bear the full life cycle cost of this approach, estimated at $2.7 billion. Rather, Russia would like to explore a new two-pillar approach to the plutonium disposition program, consisting of limited disposition in an existing BN-600 reactor (disposition in such a reactor was part of the originally envisioned program), and eventually larger-scale disposition in one or more BN-800 fast breeder reactors (FBR). It is unclear how much this new approach would cost and how it would be funded. The United States has not previously supported the FBR design due to proliferation concerns.

While generally pleased with the progress of DOE programs with the Russian Federation to cooperatively reduce the nuclear threat, the conferees are troubled by the uncertainty that now surrounds the Russian Surplus Materials Disposition Program. The conferees note the July 13, 2006, Joint Statement by the Secretary of Energy and the Director of the Federal Atomic Energy Agency of the Russian Federation reaffirming the joint commitment to the 2000 Agreement to dispose of 34 metric tons of excess weapons-grade plutonium. Nevertheless, the conferees remain concerned about the lack of any plan, implementing agreement, or concrete timetable for implementing this renewed commitment. Such a plan should include the method of disposition, the amount of the Russian contribution to the disposition program, and how much and

what type of assistance the United States and the international community will be asked to provide to the program. The conferees believe that these questions must be resolved before the United States invests further in this important cooperative program. Therefore, the conferees recommend no funds for the Russian Surplus Fissile Materials Disposition Program, a reduction of $34.7 million. Of those funds available from prior fiscal years for the Russian Surplus Fissile Materials Disposition Program, no more than $20.0 million shall be available for expenditure until 30 days after the Secretary of Energy has provided to the congressional defense committees the report required by this section. The conferees note that there are adequate prior year funds available for the Russian Surplus Fissile Materials Disposition Program in the event that Russia and the United States agree on a path forward and are prepared to resume cooperative work on a plutonium disposition program that is consistent with the 2000 Agreement, and to which Russia and the United States are fully committed.

The conferees expect the GT-MHR technology cooperation efforts to proceed without interruption using the prior year funds that are unaffected by this funding restriction.

Limitation on availability of funds for construction of MOX Fuel Fabrication Facility (sec. 3122)

The Senate amendment contained a provision (sec. 3119) that would prohibit the obligation of fiscal year 2007 funds for construction of the Mixed Oxide (MOX) Fuel Fabrication Facility until 30 days after the Secretary of Energy provides to the congressional defense committees: (1) an independent cost estimate for the U.S. Surplus Fissile Materials Disposition program and facilities; and (2) a written certification that the Department of Energy intends to use the MOX Fuel Fabrication Facility for U.S. plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition program.

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit the obligation of fiscal year 2007 funds for construction of the MOX Fuel Fabrication Facility until 30 days after the Secretary of Energy provides to the congressional defense committees: (1) an independent cost estimate for the U.S. Surplus Fissile Materials Disposition program and facilities; (2) a written certification that the Department intends to use the MOX Fuel Fabrication Facility for U.S. plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition program; and (3) a corrective action plan for issues raised by the Department of Energy Inspector General (IG) in the December 2005 report titled “The Status of the Mixed Oxide Fuel Fabrication Facility.”

The conferees support the goals of the September 2000 Plutonium Management and Disposition Agreement to dispose of 34 metric tons of surplus weapons-grade plutonium in both the United states and Russia on roughly parallel paths, but note their ongoing concern regarding the implementation of this program. Under the agreement, the United States and Russia each agreed to dispose of 34 metric tons of surplus weapons-grade plutonium, and both countries planned to dispose of the plutonium by fabricating it into MOX fuel for use in existing nuclear reactors. It has been both executive branch policy and a condition of the Congress that the U.S. and Russian programs would proceed on parallel paths. This program was delayed for more than 2 years as the United States and Russia negotiated an agreement on liability protections for U.S. contractors associated with the project. Now Russia has indicated it wishes to pursue alternative disposition methods under this program, rather than relying on the MOX method that had been planned. Uncertainties surrounding the Russian program have led to questions regarding the continued relationship of that program to the U.S. Surplus Fissile Materials Disposition program, given that these two programs are required to proceed on roughly parallel paths.

The conferees are further concerned that the U.S. MOX program has experienced significant cost overruns and schedule delays, irrespective of the problems with the Russian program. A December 2005 audit by the IG concluded that while the original 2002 budget estimate for the U.S. MOX facility was $1.0 billion, the total cost is now estimated at around $3.5 billion, and the plant will not begin producing MOX fuel until 2015, 6 years later than originally planned. The IG audit was highly critical of the Department’s management of the MOX program, asserting that weaknesses in project management and limited administration of the program contributed to cost growth. More recent information suggests that the cost of the U.S. MOX program is expected to rise significantly higher than the IG estimated.

In light of these developments, the conferees believe it is necessary to have an independent cost estimate for the program; a certification from the Secretary that the Department will use the MOX facility for plutonium disposition regardless of the future direction of the Russian program; and a corrective action plan for issues raised by the IG, before fiscal year 2007 funds are obligated for construction of the MOX Fuel Fabrication Facility.

Based on preliminary discussions with the Department, the conferees are operating under the assumption that the Savannah River Site MOX project is a cost-effective and efficient method for the United States to dispose of a significant portion of its excess weapons-grade plutonium inventory as part of a broader plutonium disposition plan. Accordingly, the conferees believe that moving forward expeditiously with construction and operation of the U.S. MOX facility will significantly reduce the costs and risks associated with managing domestic weapons-grade plutonium.

The conferees direct the Department to provide to the congressional defense committees an assessment of whether, given the sunk costs to date for the U.S. MOX project and an evaluation of other alternatives for plutonium disposition, proceeding with the U.S. MOX project is the most effective means, from both a cost and technical perspective, for managing and disposing of excess U.S. weapons-grade plutonium.

The conferees reaffirm their view that proceeding with construction and operation of the U.S. MOX facility is important in order to demonstrate the continuing commitment of the United States to fulfilling its obligations under both the 2000 Plutonium Management and Disposition Agreement, and under Article VI of the Nuclear Non-Proliferation Treaty.

Education of future nuclear engineers (sec. 3123)

The Senate amendment contained a provision (sec. 3121) that would direct the Secretary of Energy to conduct a study on the feasibility and merit of establishing a scholarship or fellowship program to educate future nuclear engineers at the postsecondary and postgraduate levels and to submit a report on the study to the congressional defense committees.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Technical correction related to authorization of appropriations for fiscal year 2006 (sec. 3124)

The Senate amendment contained a provision (sec. 3120) that would strike the amount “$9,196,456" and insert “$9,196,456,000" in section 3101(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163).

The House bill contained no similar provision.

The House recedes.

TITLE XXXII-DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Legislative Provision Adopted

Authorization (sec. 3201)

The House bill contained a provision (sec. 3201) that would authorize $22.3 million for the Defense Nuclear Facilities Safety Board, the amount of the budget request.

The Senate amendment contained an identical provision (sec. 3201).

The conference agreement includes this provision. The conferees note their concern regarding the untimely resolution by the Department of Energy of technical issues raised by the Board. The conferees believe that the Board and the Department would benefit from a more structured process for issue resolution that would allow issues to be raised, evaluated, and adjudicated at logical points in the design and construction process. The conferees urge the Board to evaluate whether more frequent use of the Board's formal recommendation process would drive both parties towards this more structured process. The conferees also encourage the Board to take a constructive role in the problem-solving process by quickly evaluating corrective actions proposed by the Department and its contractors.

The conferees are encouraged by efforts between the Department and the Board to develop a process to provide for more timely identification and resolution of technical differences over design standards and other issues at the Department's nuclear facilities. Specifically, conferees support the pending revision of the Department's Order 413.3 to require critical safety determinations be made prior to Critical Decision 1 in the Department's project management system. The conferees direct the Board and the Department to continue these discussions and to report jointly to the congressional defense committees on their efforts to improve the timeliness of issue resolution, including recommendations, if any, for legislation that would strengthen and improve technical oversight of the Department's nuclear design and operational activities. Until such time as this report is submitted, the conferees further direct the Board to provide to the congressional defense committees quarterly reports to identify and report the status of significant unresolved issues.

The conferees expect the Board to exercise its existing statutory authority at all Department of Energy defense nuclear facilities. This includes the Waste Treatment and Immobilization Plant [Project 01-D-416] at the Department's Hanford site in the State of Washington.

TITLE XXXIII-NATIONAL DEFENSE STOCKPILE

Legislative Provision Adopted

Authorized uses of National Defense Stockpile funds (sec. 3301)

The House bill contained a provision (sec. 3301) that would authorize $52.1 million from the National Defense Stockpile Transaction Fund for the operation and maintenance of the National Defense Stockpile for fiscal year 2007. The provision would also permit the use of additional funds for extraordinary or emergency conditions 45 days after Congress receives notification.

The Senate amendment contained no similar provision.
The Senate recedes.

Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile (sec. 3302)

The House bill contained a provision (sec. 3302) that would authorize increased sales of certain materials in the National Defense Stockpile through the end of fiscal year 2013.
The Senate amendment contained no similar provision.
The Senate recedes with an amendment that would reduce the amount of the increased sales.

TITLE XXXIV-NAVAL PETROLEUM RESERVES

Legislative Provision Adopted

Authorization of appropriations (sec. 3401)
The House bill contained a provision (sec. 3401) that would authorize $18.8 million for the operation and maintenance of the Naval Petroleum and Oil Shale Reserves.
The Senate amendment contained no similar provision.
The Senate recedes.

Legislative Provision Not Adopted

The Senate amendment contained a provision (sec. 3401) that would require the ‘Shallow Oil Zone Provisional Recommendation of Equity Participation’ of the independent petroleum engineer for Naval Petroleum Reserve Numbered 1 to become the final recommendation, unless the Department of Energy and Chevron U.S.A. Inc. agree that the independent petroleum engineer shall not be liable for any cost or expense incurred as a result of good faith services.
The House bill contained no similar provision.
The Senate recedes.

TITLE XXXV-MARITIME ADMINISTRATION

Legislative Provisions Adopted

Authorization of appropriations for fiscal year 2007 (sec. 3501)

The House bill contained a provision (sec. 3501) that would authorize a total of $164.4 million for fiscal year 2007, an increase of $19.5 million above the budget request. Of the amount authorized, $25.7 million would be for the disposal of obsolete vessels. Within the funds included for operation and training programs, the provision would authorize $19.5 million to provide for the reimbursement of non-emergency repairs under the provisions of section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note), as amended by section 3503 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would increase the amount authorized by an additional $15.6 million. Of the additional amount authorized, $15.0 million would be for assistance to small shipyards under section 3506 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), and $0.6 million for fuel payments for the six State maritime academies to operate their training ships.

The amendment would further clarify the amount authorized for administrative expenses related to the implementation of the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) and the non-emergency repair reimbursement, and small shipyard assistance programs described above.

Amendments relating to the Maritime Security Fleet program (sec. 3502)

The House bill contained a provision (sec. 3502) that would amend section 53105(e) of the Maritime Security Act of 2003 (46 U.S.C. 53101 note) to prohibit the transfer of an operating agreement to a person that is not a citizen of the United States, as that term is used in section 2 of the Shipping Act, 1916 (46 U.S.C. 802), unless the Secretary of Defense determines that there is no citizen under that section who is interested in obtaining the operating agreement for a vessel that is otherwise eligible to be included in the Maritime Security Fleet program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that in order for a vessel to be considered eligible for an operating agreement to be transferred the vessel must meet the specific Department of Defense requirements for that operating agreement. The amendment would also amend section 53103(c)(4) of title 46, United States Code, to provide an alternative approach for operators of the Maritime Security Fleet program product tankers to meet U.S.-built replacement vessel requirements. The alternative approach would include the construction and operation of equivalent domestic trade tank vessels. The amendment would

further amend section 53106 of title 46, United States Code, to establish priority for allocation of payments to vessels, in the event that the amounts available for payments under operating agreements are not sufficient to pay the full amount authorized under each agreement.

Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards (sec. 3503)

The House bill contained a provision (sec. 3503) that would require that certain U.S. Maritime Administration vessels activated in support of Department of Defense missions be subject to section 7310 of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes.

Vessel transfer authority (sec. 3504)

The House bill contained a provision (sec. 3504) that would authorize the Secretary of Transportation to transfer any vessels that are in the National Defense Reserve Fleet to another Federal agency.

The Senate amendment contained no similar provision.

The Senate recedes.

United States Merchant Marine Academy graduates: service requirements (sec. 3505)

The House bill contained a provision (sec. 3505) that would exempt graduates of the United States Merchant Marine Academy, who serve on active duty in the Armed Forces for the 5 years following graduation, from certain commitment agreement requirements which were entered into upon admission.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include exemption of graduates of the United States Merchant Marine Academy, who serve on active duty in the Public Health Service for the 5 years following graduation, from the agreement requirements specified in this provision.

United States Merchant Marine Academy graduates: service obligation performance reporting requirement (sec. 3506)

The House bill contained a provision (sec. 3506) that would allow the Department of Defense, the United States Coast Guard, and the National Oceanic and Atmospheric Administration to verify to the Maritime Administration that academy graduates have in fact

remained on active duty or continued in a ready reserve status for the amount of their obligation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would also allow the Public Health Service to verify to the Maritime Administration that academy graduates have in fact remained on active duty or continued in a ready reserve status for the amount of their obligation.

Temporary authority to transfer obsolete combatant vessels to Navy for disposal (sec. 3507)

The House bill contained a provision (sec. 3507) that would require the Secretary of Transportation to transfer to the Secretary of the Navy for disposal by scrapping, during fiscal year 2007, no fewer than six combatant vessels of the nonretention fleet of the Maritime Administration.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would reduce the number of combatant vessels subject to transfer by the Secretary of Transportation to the Secretary of the Navy, during fiscal year 2007, to no fewer than three.

Qualifying Reserve duty for receipt of student incentive payments (sec. 3508)

The conferees agree to include a provision that would amend title 13 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)(2)) to include service in the United States Coast Guard Reserve as fulfillment of enlisted reserve requirements for receipt of student incentive payments.

Large passenger ship crew requirements (sec. 3509)

The conferees agree to include a provision that would amend section 8103 of title 46, United States Code, to establish crew requirements for large passenger vessels. Specifically, the provision would expand the pool of non-citizens that can be employed on U.S.-flag large passenger vessels to include certain non-resident alien visa holders. The provision would also establish rules, restrictions, and background check requirements for non-resident alien employees, which have been deemed necessary by the Department of Homeland Security to maintain the security and safety of passenger vessels.

The conferees direct the Commandant of the Coast Guard to closely monitor implementation of affected procedures for employment of non-citizens. The Commandant shall notify Congress of any measures, beyond changes to Coast Guard regulations, that may be required to maintain the security and safety of the subject

passenger vessels consistent with standards for U.S.-flagged vessels.

The conferees agree that the relief to employment requirements of this provision warrant documentation within the security plan for each large passenger vessel employing non-resident aliens. The Secretary of Homeland Security shall ensure that vessel security plans prohibit non-resident alien seamen from working in:

(1) any position with the authority to receive stores or provisions;

(2) any position allowing unescorted access to restricted spaces on the vessel;

(3) any position with security-related responsibilities; and

(4) any position with any operationally critical shipboard duties.

Miscellaneous Maritime Administration provisions (sec. 3510)

The conferees agree to include a provision that would make technical corrections to (1) section 1208(a) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1288(a)), (2) section 8 of the Merchant Marine Decorations and Medals Act (46 U.S.C. App. 2007), and (3) section 3509 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163). The provision would also authorize funding for an intermodal or marine facility comprising a component of the Hawaii Port Infrastructure Expansion Program.

Legislative Provision Not Adopted

Temporary requirement to maintain Ready Reserve Force

The House bill contained a provision (sec. 3508) that would require the Secretary of Defense, in consultation with the Secretary of Transportation, to submit to Congress by March 1, 2007, a report describing a 5-year plan for maintaining the capability of the Ready Reserve Force of the National Defense Reserve Fleet necessary to support Department of Defense wartime mission and support to civil authorities. The provision would also require the Secretary of Transportation to maintain 58 vessels in the Ready Reserve Force of the National Defense Reserve Fleet until 45 days after the date the report is required.

The Senate amendment contained no similar provision.

The House recedes.

The conferees request that the U. S. Transportation Command advise the congressional defense committees prior to further reductions to the Ready Reserve Force and include plans for providing capacity to meet related readiness requirements.

H.R. 5122

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Armed Services, for consideration of the House bill and the Senate amendment, and modifications committed to conference:	
Mr. Hunter	
Mr. Weldon of Pennsylvania	
Mr. Hefley	
Mr. Saxton	
Mr. McHugh	
Mr. Everett	
Mr. Bartlett of Maryland	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mr. Thornberry	
Mr. Hostettler	
~~Mr. Jones of North Carolina~~	
Mr. Ryun of Kansas	
Mr. Gibbons	
Mr. Hayes	
Mr. Calvert	
Mr. Simmons	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mrs. Drake	
Mr. Davis of Kentucky	
Mr. Skelton	
Mr. Spratt	
Mr. Ortiz	
Mr. Taylor of Mississippi	
Mr. Abercrombie	
~~Mr. Meehan~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
Mr. Reyes	
Mr. Snyder	
Mr. Smith of Washington	
Ms. Loretta Sanchez of California	
Mrs. Tauscher	
Mr. Brady of Pennsylvania	
Mr. Andrews	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X:	
Mr. Hoekstra	
Mr. LaHood	
Ms. Harman	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Education and the Workforce, for consideration of secs. 571 and 572 of the House bill, and secs. 571, 572, 1081, and 1104 of the Senate amendment, and modifications committed to conference:	
Howard P. McKeon Mr. McKeon	
John Kline Mr. Kline	
~~Mr. George Miller of California~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Energy and Commerce, for consideration of secs. 314, 601, 602, 710, 3115, 3117, and 3201 of the House bill, and secs. 332–335, 352, 601, 722, 2842, 3115, and 3201 of the Senate amendment, and modifications committed to conference:	
Joe Barton Mr. Barton of Texas	
Paul E. Gillmor Mr. Gillmor	
~~Mr. Dingell~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Government Reform, for consideration of secs. 343, 721, 811, 823, 824, 1103, 1104, and 3115 of the House bill, and secs. 371, 619, 806, 823, 922, 1007, 1043, 1054, 1088, 1089, 1101, and 3115 of the Senate amendment, and modifications committed to conference:	
Tom Davis Mr. Tom Davis of Virginia	
C H Shays Mr. Shays	
~~Mr. Waxman~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Homeland Security, for consideration of section 1026 of the House bill, and section 1044 of the Senate amendment, and modifications committed to conference:	
Mr. King of New York	
Mr. Reichert	
Mr. Thompson of Mississippi	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on International Relations, for consideration of secs. 1021–1023, 1201–1204, 1206, title XIII, secs. 3113 and 3114 of the House bill, and secs. 1014, 1021–1023, 1054, 1092, 1201–1208, 1210, 1214, title XIII, secs. 3112 and 3113 of the Senate amendment, and modifications committed to conference:	
Henry Hyde Mr. Hyde	
Jim Leach Mr. Leach	
Tom Lantos Mr. Lantos	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on the Judiciary, for consideration of section 1021 of the House bill, and secs. 666, 1044, 1086, 1089, 1091, and 1094 of the Senate amendment, and modifications committed to conference:	
~~Mr. Sensenbrenner~~	
~~Mr. Coble~~	
~~Mr. Conyers~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Resources, for consideration of secs. 601, 602, and 1036 of the House bill, and section 601 of the Senate amendment, and modifications committed to conference:	
Richard Pombo Mr. Pombo	
Greg Walden Mr. Walden of Oregon	
~~Mr. Grijalva~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Science, for consideration of secs. 312 and 911 of the House bill, and secs. 333, 874, and 1082 of the Senate amendment, and modifications committed to conference:	
Mr. Boehlert	
Mr. Sodrel	
~~Mr. Gordon~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Small Business, for consideration of secs. 874 and 1093 of the Senate amendment, and modifications committed to conference:	
Mr. Manzullo	
Mrs. Kelly	
~~Ms. Velázquez~~	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Transportation and Infrastructure, for consideration of secs. 312, 551, 601, 602, and 2845 of the House bill, and secs. 333, 584, 601, 1042, 1095, 2842, 2851–2853, and 2855 of the Senate amendment, and modifications committed to conference:	
Don Young Mr. Young of Alaska	
Phil LoBiondo Mr. LoBiondo	
Jim Oberstar Mr. Oberstar except sections 1095, 2851, 2852, 2853 of the Senate amendment	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
From the Committee on Veterans' Affairs, for consideration of secs. 666, 682, 683, 687, 721, and 923 of the Senate amendment, and modifications committed to conference:	
Mr. Buyer	
Mr. Boozman	
Ms. Herseth	

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Warner
	Mr. McCain
	Mr. Inhofe
	Mr. Roberts
	Mr. Sessions
	Ms. Collins
	Mr. Ensign
	Mr. Talent

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Chambliss
	Mr. Graham of South Carolina
	Mrs. Dole
	Mr. Cornyn
	Mr. Thune
	Mr. Levin
	Mr. Kennedy
	Mr. Byrd

H.R. 5122—Continued

Managers on the part of the HOUSE	*Managers on the part of the* SENATE
	Mr. Lieberman
	Mr. Reed
	Mr. Akaka
	Mr. Nelson of Florida
	Mr. Nelson of Nebraska
	Mr. Dayton
	Mr. Bayh
	Mrs. Clinton