103D CONGRESS
2D SESSION

S. 2211

AN ACT

To authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy; to prescribe personnel strengths for such fiscal year for the Armed Forces; to revise and streamline the acquisition laws of the Federal Government; and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Omnibus National Defense Authorization Act for Fiscal Year 1995''.

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

(a) DIVISIONS.—This Act is organized into four 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.

(4) Division D—Federal Acquisition Streamlining.

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

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Sec. 3. Congressional defense committees defined.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives.

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1995 under the provisions of this Act is $263,130,327,000, of which the total amount authorized to be appropriated for fiscal year 1995 under the provisions of—

(1) division A is $244,063,401,000;

(2) division B is $8,593,903,000; and

(3) division C is $10,473,023,000.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1995 for procurement for the Army as follows:

(1) For aircraft, $1,073,781,000.

(2) For missiles, $693,909,000.

(3) For weapons and tracked combat vehicles, $1,132,886,000.

(4) For ammunition, $870,361,000.

(5) For other procurement, $2,677,719,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1995 for procurement for the Navy as follows:

(1) For aircraft, $4,535,601,000.

(2) For weapons, including missiles and torpedoes, $2,428,539,000.

(3) For shipbuilding and conversion, $6,132,807,000.

(4) For other procurement, $3,310,217,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1995 for procurement for the Marine Corps in the amount of $528,857,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1995 for procurement for the Air Force as follows:

(1) For aircraft, $6,587,994,000.

(2) For missiles, $4,330,473,000.

(3) For other procurement, $6,961,153,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1995 for Defense-wide procurement in the amount of $1,935,616,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1995 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $85,000,000.

(2) For the Air National Guard, $270,000,000.

(3) For the Army Reserve, $75,000,000.

(4) For the Naval Reserve, $65,000,000.

(5) For the Air Force Reserve, $60,000,000.

(6) For the Marine Corps Reserve, $45,000,000.

SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated for fiscal year 1995 the amount of $590,149,000 for—

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

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

(b) LIMITATION.—Of the funds specified in subsection (a)—

(1) $363,584,000 is for operation and maintenance;

(2) $215,265,000 is for procurement; and

(3) $11,300,000 is for research and development efforts in support of the nonstockpile chemical weapons program.

(c) AUTHORITY FOR OBLIGATION OF UNAUTHORIZED APPROPRIATIONS.—The Department of Defense may obligate and expend $25,000,000 of the funds appropriated for research, development, test, and evaluation under the

heading ''CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE'' in title VI of Public Law 103–139 (107 Stat. 1436) in accordance with the appropriation for such funds in that Act.

(d) IDENTIFICATION OF FUNDS FOR PROGRAM.—Section 1412(f) of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521(f)) is amended by striking out the last sentence and inserting in lieu thereof the following: ''Funds for military construction projects necessary to carry out this section shall be set forth in the budget of the Department of Defense for any fiscal year as a separate account.''.

SEC. 107. JOINT TRAINING, ANALYSIS AND SIMULATION CENTER.

Of the funds authorized to be appropriated for other procurement for the Navy, $10,500,000 shall be available for procurement of command, control, communications and computer equipment for a Joint Training, Analysis and Simulation Center for the United States Atlantic Command.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR M1A2 TANK UPGRADES.

The Secretary of the Army may enter into multiyear procurement contracts for procurement of M1A2 Abrams

tank upgrades in accordance with section 2306(h) of title 10, United States Code.

SEC. 112. TRANSFER OF REPLACEMENT ARMY TANK TO MARINE CORPS RESERVE.

The Secretary of the Army shall transfer one M1A1 common tank to the Marine Corps Reserve not later than the latest date on which any of the additional 24 M1A2 upgrades provided for under authorizations of appropriations in this Act is accepted by the Army.

SEC. 113. REPLACEMENT SURVEILLANCE SYSTEM FOR KOREA.

(a) LEASE AUTHORIZED.—Funds available to the Army for procurement of OV–1 aircraft that remain unobligated by reason of the early retirement of OV–1 aircraft deployed in Korea may be used for leasing a moving target indicator radar or another surveillance system to replace the surveillance capability of such aircraft in Korea if—

(1) the lease provides for deployment of the system within 180 days after the date of the enactment of this Act;

(2) the Republic of Korea pays 50 percent of the cost of the lease;

(3) the lease includes an option for the Republic of Korea to purchase the leased system after the joint surveillance and target attack radar surveil-

lance system (JSTARS) program attains initial operational capability; and

(4) the lease expires within 180 days after the date on which the JSTARS system is planned, as of the date of the enactment of this Act, to attain initial operational capability.

(b) WAIVER AUTHORITY.—Section 1024(b) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1460) is amended by striking out ''section 1439(b)(2)'' and inserting in lieu thereof ''section 1439''.

SEC. 114. SMALL ARMS INDUSTRIAL BASE.

(a) FUNDING FOR PROCUREMENT.—Of the funds authorized to be appropriated pursuant to section 101(3)—

(1) $38,902,000 shall be available for procurement of MK19–3 grenade machine guns;

(2) $13,000,000 shall be available for procurement of M16A2 rifles;

(3) $24,016,000 shall be available for procurement of M249 squad automatic weapons; and

(4) $13,165,000 shall be available for procurement of M4 carbines.

(b) MULTIYEAR CONTRACTS AUTHORIZED.—(1) During fiscal year 1995, the Secretary of the Army may, in accordance with section 2306(h) of title 10, United

States Code, enter into multiyear contracts to meet the following objectives for quantities of small arms weapons to be acquired for the Army:

(A) 21,217 MK19–3 grenade machine guns;

(B) 1,002,277 M16A2 rifles;

(C) 71,769 M249 squad automatic weapons; and

(D) 132,510 M4 carbines.

(2) If the Army does not enter into contracts in fiscal year 1995 that will meet all the objectives set forth in paragraph (1), the Secretary shall, to the extent provided for in appropriations Acts, enter into multiyear contracts on or after October 1, 1995, to meet such objectives.

(3) Notwithstanding the first sentence of section 2306(h)(8) of title 10, United States Code, the period of a multiyear contract entered into under this subsection may not exceed 10 years.

(c) FOLLOW-ON WEAPONS.—The Secretary of the Army shall provide for procurement of product improvements for existing small arms weapons and may do so within multiyear contracts entered into pursuant to subsection (b).

(d) JOINT SMALL ARMS MASTER PLAN.—(1) The Secretaries of the military departments shall jointly develop a master plan for meeting the immediate and future

needs of the Armed Forces for small arms. The Secretary of the Army shall coordinate the development of the joint small arms master plan. The joint small arms master plan shall include—

(A) an examination of the relative advantages and disadvantages of improving existing small arms weapons as compared to investing in new, advanced technology weapons; and

(B) an analysis of the effects of each such approach on the small arms industrial base.

(2) Not later than April 1, 1995, the Under Secretary of Defense for Acquisition and Technology shall—

(A) review the joint small arms master plan and the results of the examination of relative advantages and disadvantages of the two courses of action described in paragraph (1); and

(B) transmit the plan, together with any comments that the Under Secretary considers appropriate, to the congressional defense committees.

(e) FUNDING FOR RDT&E.—Of the funds authorized to be appropriated under section 201(1)—

(1) $5,000,000 shall be available for the Objective Crew-Served Weapons System; and

(2) $3,000,000 shall be available for product improvements to existing small arms weapons.

SEC. 115. BUNKER DEFEAT MUNITION MISSILES.

(a) AUTHORITY.—The Secretary of the Army may acquire up to 6,000 type classified standard bunker defeat munition weapons.

(b) FUNDING.—Funds authorized to be appropriated for the Army for fiscal year 1994 shall be available for acquisition of bunker defeat munition weapons in accordance with subsection (a) as follows:

(1) Of the amount authorized to be appropriated by section 101(4), $7,761,000.

(2) Of the amount authorized to be appropriated by section 201(1), $2,600,000.

Subtitle C—Navy Programs

SEC. 121. NUCLEAR AIRCRAFT CARRIER PROGRAM.

(a) TRANSFER OF FISCAL YEAR 1994 FUNDS.—To the extent provided in appropriations Acts, $1,200,000,000 may be transferred from the National Defense Sealift Fund to the funds appropriated pursuant to the authorization in section 102(a)(3).

(b) AVAILABILITY FOR CVN–76.—The funds transferred shall be available for the CVN–76 nuclear aircraft carrier program.

(c) RELATIONSHIP TO OTHER AUTHORIZATION.—The amount of the funds transferred shall be in addition to the amount authorized to be appropriated in section

102(a)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1563).

(d) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority in paragraph (1) is in addition to any other transfer authority provided in this or any other Act.

SEC. 122. SEAWOLF SUBMARINE PROGRAM.

(a) LIMITATION OF COSTS.—Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN–21 and SSN–22 Seawolf submarines may not exceed $4,759,571,000.

(b) AUTOMATIC INCREASE OF LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (a) is increased by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws.

SEC. 123. NAVAL AMPHIBIOUS READY GROUPS.

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

(1) Extensive and compelling testimony from uniformed military and Department of Defense leadership has been received which supports a military requirement for twelve Amphibious Ready Groups.

(2) An official Department of Navy report required by the Fiscal Year 1993 National Defense Authorization Act clearly stipulates that a seventh LHD is required in order for the Navy to achieve a force structure of twelve Amphibious Ready Groups.

(3) The Department of Navy has identified funds for the purchase of LHD–7 in outyear budget projections.

(4) A significant shortfall in amphibious shipping and amphibious lift exists, both in the fiscal year 1995 budget request and in outyear force structure projections.

(5) Amphibious Assault Ships (LHDs) provide an important contingency capability and are uniquely suited to respond to world crises and to provide assistance after natural disasters.

(6) Twelve Amphibious Ready Groups are the correct number to sustain forward deployment and contingency requirements of the Navy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Navy should,

plan for, and budget to provide for, the attainment of a twelfth Amphibious Ready Group as soon as possible. Further, the Secretary of the Navy should extend the existing contract option on the LHD–7 Amphibious Assault Ship in order to achieve twelve Amphibious Ready Groups.

(c) LHD–7 CONTRACT OPTION EXTENSION.—

(1) The Secretary of the Navy is authorized to extend the existing contract option for the LHD–7 Amphibious Assault ship if the Secretary determines that the extension would be in the best interest of the United States.

(2) The Secretary of the Navy shall immediately begin negotiations to extend the existing contract option for the LHD–7 Amphibious Assault Ship Program.

(3) On and after the date that is 30 days after the date on which the Secretary notifies Congress of an intention to do so, the Secretary may use such program funds authorized to be appropriated for other Navy programs for such contract. The notification shall include a description of the intended use of the funds.

(d) REPORT REQUIREMENT.—The Secretary of the Navy shall report to the Congress, after December 31,

1994, but before March 31, 1995, Department of the Navy intentions related to contract execution of the existing contract option for the LHD–7 Amphibious Assault Ship. The report shall include an explanation of the Department's actions related to the attainment of a twelfth Amphibious Ready Group and the costs and benefits of extending the existing contract option on the LHD–7 Amphibious Assault Ship.

Subtitle D—Air Force Programs

SEC. 131. SETTLEMENT OF CLAIMS UNDER THE C–17 AIRCRAFT PROGRAM.

(a) SUPPLEMENTAL AGREEMENTS AUTHORIZED.—On or before September 30, 1995, but subject to subsection (e), the Secretary of the Air Force may enter into supplemental agreements pertaining to Air Force prime contract F33657–81–C–2108 and such other Air Force contracts relating to the C–17 aircraft program in effect on the date of enactment of this Act as the Secretary determines appropriate—

(1) to settle claims and disputes arising under such contracts as provided in the C–17 settlement agreement letter;

(2) to revise the delivery schedules under such contracts as provided in the C–17 settlement agree-

ment letter, for aircraft T–1 and P–1 through P–6; and

(3) to revise range specifications, payload specifications, and other specifications under such contracts as provided in Attachment B to the C–17 settlement agreement letter.

(b) FURTHER CONSIDERATION NOT REQUIRED.—The supplemental agreements referred to in subsection (a) may be entered into without requiring further consideration from the contractor only to the extent provided for in the C–17 settlement agreement letter.

(c) RELEASE OF CONTRACTOR CLAIMS REQUIRED.—Each supplemental agreement referred to in subsection (a) shall require the prime contractor to release and forever discharge the Government from all contractual claims, demands, requests for equitable adjustment, and any other causes of action, known or unknown, that the prime contractor may have on or before January 6, 1994 arising out of the C–17 program contracts as provided in the C–17 settlement agreement letter.

(d) CONTRACT MODIFICATIONS REGARDING CONTRACTOR COMMITMENTS.—The Secretary of the Air Force shall incorporate in each appropriate C–17 contract the prime contractor's commitment to extend the flight test program, redesign the wing, implement Computer

Aided Design/Computer Aided Manufacturing System improvements, Management Information System improvements, and Advanced Quality System improvements, implement product improvement cost reduction projects, and resolve other C–17 program issues on a nonreimbursable or cost-share basis as provided in the C–17 settlement agreement letter.

(e) NOTICE-AND-WAIT REQUIREMENT.—The Secretary of the Air Force may not enter into a supplemental agreement referred to in subsection (a) until 30 days after the date on which the Secretary of Defense certifies to Congress that the terms and conditions set forth in the C–17 settlement agreement letter, including the settlement of claims, are in the best interests of the Government.

(f) CONSTRUCTION REGARDING OTHER CONTRACTOR OBLIGATIONS.—Nothing in this section shall be construed as relieving the contractor of any obligation provided for in the C–17 settlement agreement letter.

(g) C–17 SETTLEMENT AGREEMENT LETTER.—The C–17 settlement agreement letter referred to in this section is the agreement that was proposed to the prime contractor for the C–17 aircraft program by the Under Secretary of Defense for Acquisition and Technology by letter

dated January 3, 1994, and was accepted by the prime contractor on January 6, 1994.

SEC. 132. RETIREMENT OF BOMBER AIRCRAFT.

No funds authorized to be appropriated by this Act or any other Act may be obligated or expended during fiscal year 1995 for retiring, or preparing to retire, any B–52H, B–1B, or F–111 bomber aircraft.

Subtitle E—Other Matters

SEC. 141. PRESERVING THE BOMBER INDUSTRIAL BASE.

(a) FUNDS TO PRESERVE THE BOMBER INDUSTRIAL BASE.—Of the funds authorized to be appropriated under section 103(1), not more than $150,000,000 shall be available only for the following purposes:

(1) To retain B–2 bomber production tooling in ready status.

(2) To preserve a production capability for spare parts and aircraft subsystems among lower-tier vendors.

(3) To develop detailed production plans for a derivative of the B–2 bomber that is not capable of delivering nuclear weapons.

(4) To carry out any other program, project, or activity, not prohibited by subsection (b) or (c), that the Secretary determines will help to preserve the bomber industrial base of the United States.

(b) PROHIBITION.—None of the funds made available pursuant to this section may be used to procure any major structural part for B–2 bomber aircraft or any other part for B–2 bomber aircraft that is not a part previously acquired or planned to be acquired for the B–2 bomber aircraft under the initial or sustaining spares program.

(c) NO AUTHORIZATION OF ADVANCE PROCUREMENT.—Nothing in this section shall be construed as authorizing the procurement, including long-lead procurement, of a twenty-second B–2 bomber.

(d) EXEMPTION FROM LIMITATION ON TOTAL PROGRAM COST.—Obligations of funds made available pursuant to this section for the purposes set forth in subsection (a) may not be counted for purposes of the limitation in section 131(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1569).

(e) ESTIMATES OF TOTAL COST REQUIRED—(1) Not later than January 15, 1995, the Secretary of Defense shall submit to the congressional defense committees two estimates of the total cost of acquisition of 20 additional B–2 bomber aircraft, including the cost of research, development, test and evaluation and the cost of related military construction.

(2) The Secretary shall assume for purposes of making one of the estimates that such aircraft will be procured at the rate of 2 aircraft in each of fiscal years 1997 and 1998, 3 such aircraft in each of fiscal years 1999 through 2002, and 4 such aircraft in fiscal year 2003. The Secretary shall assume for purposes of making the other estimate that such aircraft will be procured at an annual rate of 2.5 aircraft beginning in fiscal year 1997.

(3) In addition to stating the estimates in terms of estimated total actual cost, the Secretary shall state the estimates in terms of fiscal year 1995 constant dollars.

SEC. 142. DUAL-USE ELECTRIC AND HYBRID VEHICLES.

(a) FUNDING.—Of the funds authorized to be appropriated by this title, $15,000,000 shall be available for procurement of electric and hybrid vehicles for military uses and for commercialization of such vehicles for nonmilitary uses.

(b) LIMITATION.—(1) Funds made available pursuant to subsection (a) may not be expended until the Secretary of Defense and the Secretary of Energy enter into a memorandum of understanding that specifies the responsibilities of each Secretary for procurement and commercialization activities to be carried out with such funds.

(2) The provisions of the memorandum of understanding shall be consistent with the missions of the De-

partment of Defense and the Department of Energy and with the goals and requirements set forth in the Energy Policy Act of 1992 (Public Law 102–486; 42 U.S.C. 13271 et seq.) and the amendments made to the Clean Air Act (42 U.S.C. 7401 et seq.) by Public Law 101–549 (commonly known as the ''Clean Air Act Amendments of 1990''; 104 Stat. 2399).

SEC. 143. SALES AUTHORITY OF WORKING-CAPITAL FUNDED ARMY INDUSTRIAL FACILITIES.

Section 4543(a) of title 10, United States Code, is amended—

(1) in the matter above paragraph (1), by striking out ''nondefense-related commercial'';

(2) by striking out ''and'' at the end of paragraph (3);

(3) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

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

''(5) the Secretary of the Army determines that the articles or services are not available from a commercial source located in the United States;

''(6) the purchaser of an article or service agrees to hold harmless and indemnify the United

States, except in cases of willful misconduct or extreme negligence, from any claim for damages or injury to any person or property arising out of the article or service;

''(7) the article to be sold can be manufactured, or the service to be sold can be substantially performed, by the industrial facility with only incidental subcontracting and it is in the public interest to manufacture such article or perform such service; and

''(8) the sale will not interfere with performance of the military mission of the industrial facility.''.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1995 for the use of the Department of Defense for research, development, test, and evaluation, as follows:

(1) For the Army, $5,152,308,000.

(2) For the Navy, $8,796,129,000.

(3) For the Air Force, $12,329,796,000.

(4) For Defense-wide activities, $9,565,299,000, of which—

(A) $230,495,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $12,501,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1995.—Of the amounts authorized to be appropriated by section 201, $4,210,356,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research and exploratory development'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM.

Of the amounts authorized to be appropriated by section 201, $170,000,000 shall be available for the Strategic Environmental Research and Development Program.

SEC. 204. HIGH RESOLUTION IMAGING.

Of the funds authorized to be appropriated pursuant to section 201(3), $10,000,000 shall be available for high resolution imaging of space objects using excimer lasers.

Subtitle B—Programs Requirements, Restrictions, and Limitations

SEC. 211. TACTICAL ANTISATELLITE TECHNOLOGIES PROGRAM.

(a) DEMONSTRATION AND VALIDATION ACTIVITIES.—Subject to subsection (e), the Secretary of Defense shall continue the demonstration and validation of kinetic energy antisatellite technologies under the tactical antisatellite technologies program.

(b) LEVEL FUNDING.—Subject to subsection (e), of the amounts authorized to be appropriated in this title, $10,000,000 shall be available for fiscal year 1995 for engineering development under the tactical antisatellite technologies program.

(c) REQUIREMENT OF OBLIGATION OF PRIOR YEAR FUNDS.—To the extent provided in appropriations Acts, the Secretary shall obligate for engineering development under the tactical antisatellite technologies program all funds available for fiscal year 1993 and fiscal year 1994 for the Kinetic Energy Antisatellite (KE–ASAT) program

that remain available for obligation on the date of the enactment of this Act.

(d) REPORT.—The Secretary shall submit to Congress the report required by section 1363 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2560).

(e) LIMITATION.—No funds appropriated to the Department of Defense for fiscal year 1995 may be obligated for the tactical antisatellite technologies program until the Secretary of Defense certifies to Congress that there is a requirement for an antisatellite program.

SEC. 212. TRANSFER OF MILSTAR COMMUNICATIONS SATELLITE PROGRAM.

(a) TRANSFER TO NAVY.—The Secretary of Defense shall transfer responsibility for program management and funding for the MILSTAR communications satellite program from the Secretary of the Air Force to the Secretary of the Navy before October 1, 1995.

(b) FUNDING IN FUTURE YEARS DEFENSE PROGRAM.—It is the sense of Congress that the Secretary should transfer from the Air Force to the Navy sufficient proposed funding in the Future Years Defense Program to cover all costs for the MILSTAR communications satellite program and related programs, projects, and activities.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority in subsection (b) is in addition to the transfer authority provided in section 1001.

SEC. 213. TRANSFER OF FUNDS FOR SINGLE-STAGE TO ORBIT ROCKET.

The Secretary of Defense shall, to the extent provided in appropriations Acts, transfer to the National Aeronautics and Space Administration the unobligated balance of funds appropriated to the Department of Defense for the Advanced Research Projects Agency for single-stage to orbit rocket research and development.

SEC. 214. LIMITATION ON DISMANTLEMENT OF INTERCONTINENTAL BALLISTIC MISSILES.

Funds authorized to be appropriated in this Act may not be obligated or expended for deactivating or dismantling United States intercontinental ballistic missiles (ICBMs) of the United States below that number of such missiles that is necessary to support 500 deployed intercontinental ballistic missiles until 180 days after the date on which the Secretary of Defense has delivered to the congressional defense committees a report on the results of a nuclear posture review being conducted by the Secretary.

SEC. 215. LIMITATION ON OBLIGATION OF FUNDS FOR SEISMIC MONITORING RESEARCH.

Funds authorized to be appropriated by this Act that are made available for seismic monitoring of nuclear explosions may not be obligated for a project unless the project is authorized in a plan approved in advance by the Secretary of Defense and the Secretary of Energy.

SEC. 216. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) CENTERS COVERED.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1995 pursuant to an authorization of appropriations in section 201 may be obligated to procure work from a federally funded research and development center only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—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 containing—

(1) the name of each federally funded research and development center from which work is proposed to be procured for the Department of Defense for fiscal year 1995; and

(2) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1995.

The total of the proposed funding levels set forth in the report for all federally funded research and development centers may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1995 may be obligated to obtain work from a federally funded research and development center until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated to the Department of Defense for research, development, test, and evaluation for fiscal year 1995 pursuant to section 201, not more than a total of $1,300,000,000 may be obligated to procure services from the federally funded research and development centers named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to a federally funded research and development center. Whenever the Secretary proposes to make such a

waiver, the Secretary shall submit to the congressional defense committees notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies the congressional defense committees of that determination and the reasons for the determination.

(f) UNDISTRIBUTED REDUCTION.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 is hereby reduced by $52,650,000.

(g) LIMITATION ON COMPENSATION.—No employee or executive officer of a federally funded research and development center named in the report required by subsection (b) may be compensated at a rate exceeding Executive Schedule Level I by that federally funded research and development center.

Subtitle C—Missile Defense Programs

SEC. 221. COMPLIANCE OF BALLISTIC MISSILE DEFENSE SYSTEMS AND COMPONENTS WITH ABM TREATY.

(a) REQUIRED COMPLIANCE REVIEW FOR BRILLIANT EYES.—The Secretary of Defense shall review the space-based, midcourse missile tracking system known as Brilliant Eyes to determine whether, and under what conditions, the development, testing, and deployment of that system in conjunction with a theater ballistic missile defense system, with a limited national missile defense system, and with both such systems, would be in compliance with the ABM Treaty, including the interpretation of that treaty set forth in the enclosure to the July 13, 1993, ACDA letter.

(b) LIMITATION.—Of the funds appropriated pursuant to the authorizations of appropriations in section 201 that are made available for the Brilliant Eyes program, not more than $50,000,000 may be obligated until the Secretary of Defense submits to the appropriate congressional committees a report on the compliance of the Brilliant Eyes program with the ABM Treaty.

(c) COMPLIANCE REVIEW FOR NAVY UPPER TIER SYSTEM.—(1) If the funds made available for fiscal year

1995 for the theater ballistic missile program known as the ''Navy Upper Tier'' program pursuant to the authorizations of appropriations in section 201 or otherwise exceed $17,725,000, the Secretary of Defense shall review the Navy Upper Tier program to determine whether the development, testing, and deployment of that system would be in compliance with the ABM Treaty, including the interpretation of the Treaty set forth in the enclosure to the July 13, 1993, ACDA letter.

(2) In the event a compliance review is necessary under paragraph (1), not more than $17,725,000 may be obligated for the Navy Upper Tier program before the date on which the Secretary submits to the appropriate congressional committees a report on the compliance of the Navy Upper Tier program with the ABM Treaty.

(d) DEFINITIONS.—In this section:

(1) The term ''July 13, 1993, ACDA letter'' means the letter dated July 13, 1993, from the Acting Director of the Arms Control and Disarmament Agency to the chairman of the Committee on Foreign Relations of the Senate relating to the correct interpretation of the ABM Treaty and accompanied by an enclosure setting forth such interpretation.

(2) The term ''ABM Treaty'' means the Treaty between the United States of America and the

Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed in Moscow on May 26, 1972.

(3) The term ''appropriate congressional committees'' means—

(A) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

SEC. 222. REVISIONS TO THE MISSILE DEFENSE ACT OF 1991.

The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note) is amended—

(1) by striking out sections 235, 236, and 237;

(2) in section 238, by inserting before the period at the end of the second sentence the following: '', and shall submit to the Congress additional interim reports on the progress of such negotiations at six-month intervals thereafter until such time as the President notifies the congressional defense commit-

tees that such negotiations have been concluded or terminated''; and

(3) by redesignating section 238, 239, and 240 as sections 234, 235, and 236, respectively.

SEC. 223. LIMITATION.

No funds appropriated pursuant to an authorization of appropriations in this title or otherwise made available for fiscal year 1995 for programs managed by the Ballistic Missile Defense Organization may be obligated for such programs until the Secretary of Defense submits to Congress the report required by section 235(b) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1598).

SEC. 224. MANAGEMENT AND BUDGET RESPONSIBILITY FOR SPACE-BASED CHEMICAL LASER PROGRAM.

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

(1) In section 243 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1615) Congress directed the Secretary of Defense to transfer management and budget responsibility for research and development regarding far-term follow-on technologies from the Ballistic Missile Defense Organization unless the

Secretary certifies that it is in the national security interest of the United States for the Ballistic Missile Defense Organization to retain that responsibility.

(2) For purposes of section 243 of such Act, a far-term follow-on technology was defined as any technology that is not incorporated into a ballistic missile defense architecture and is not likely to be incorporated within 15 years into a weapon system for ballistic missile defense.

(3) The Secretary of Defense has recommended pursuant to section 243 of such Act that management and budget responsibility for chemical laser technology be retained in the Ballistic Missile Defense Organization.

(b) ASSIGNMENT OF RESPONSIBILITY.—Subject to subsection (c), the Ballistic Missile Defense Organization is authorized to retain management and budget responsibility for chemical laser technology programs.

(c) REQUIREMENTS.—(1) The Director of the Ballistic Missile Defense Organization shall ensure that, to the extent practicable, the conduct of research and development related to space-based chemical lasers reflects appropriate consideration of a broad range of military missions and possible nonmilitary applications for such lasers.

(2) If, as a result of budgetary limitations, the Director of the Ballistic Missile Defense Organization is unable to program sufficient funds to ensure that the space-based chemical laser program remains an option for the acquisition process within the next fifteen years, the Secretary of Defense shall—

(A) establish a new high energy laser research and development program outside of the Ballistic Missile Defense Organization;

(B) transfer $50,000,000 out of funds available for fiscal year 1995 for programs administered by the Ballistic Missile Defense Organization to the new high energy laser research and development program; and

(C) assign the duty to perform the management and budget responsibilities for the new program to the Secretary of the military department determined by the Secretary of Defense most appropriate to perform such responsibilities or, if the Secretary determines more appropriate, to the head of the Defense Agency of the Department of Defense that the Secretary determines most appropriate to perform such responsibilities.

SEC. 225. SENATE ADVICE AND CONSENT ON AGREEMENTS THAT MODIFY THE ANTI-BALLISTIC MISSILE TREATY.

(a) REQUIREMENT FOR ADVICE AND CONSENT OF SENATE.—Whenever the President negotiates an international agreement that would substantively modify the ABM Treaty, the United States shall not be bound by such agreement unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution (which includes a requirement for advice and consent of the Senate).

(b) ABM TREATY DEFINED.—In this section, the term ''ABM Treaty'' means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on May 26, 1972, with related protocol, signed in Moscow on July 3, 1974.

Subtitle D—Defense Conversion, Reinvestment, and Transition Assistance Matters

SEC. 231. FUNDING OF DEFENSE TECHNOLOGY REINVESTMENT PROGRAMS FOR FISCAL YEAR 1995.

(a) FUNDS AVAILABLE.—Of the amount authorized to be appropriated under section 201 for Defense-wide activities, $625,000,000 shall be available for activities described in the defense reinvestment program element of

the budget of the Department of Defense for fiscal year 1995.

(b) ALLOCATION OF FUNDS.—The funds made available under subsection (a) shall be allocated as follows:

(1) $245,000,000 shall be available for defense dual-use critical technology partnerships under section 2511 of title 10, United States Code.

(2) $80,000,000 shall be available for commercial-military integration partnerships under section 2512 of such title.

(3) $80,000,000 shall be available for defense regional technology alliances under section 2513 of such title.

(4) $30,000,000 shall be available for defense advanced manufacturing technology partnerships under section 2522 of such title.

(5) $50,000,000 shall be available for support of manufacturing extension programs under section 2523 of such title.

(6) $25,000,000 shall be available for defense manufacturing engineering education grants under section 2196 of such title.

(7) $30,000,000 shall be available for the advanced materials synthesis and processing partnership program.

(8) $35,000,000 shall be available for the agile manufacturing/enterprise integration program.

(9) $40,000,000 shall be available for the maritime technology program, as provided for in section 1352(c)(2) of the National Shipbuilding and Shipyard Conversion Act of 1993 (subtitle D of title XIII of Public Law 103–160; 107 Stat. 1809; 10 U.S.C. 2501 note).

(10) $10,000,000 shall be available for grants under section 2198 of title 10, United States Code, to United States institutions of higher education and other United States not-for-profit organizations to support the management training program in Japanese language and culture.

(c) AVAILABILITY OF FUNDS FOR FISCAL YEAR 1994 PROJECTS.—Funds made available under subsection (a) may also be used to make awards to projects of the types that were solicited under programs referred to in subsection (b) in fiscal year 1994.

SEC. 232. FINANCIAL COMMITMENT REQUIREMENTS FOR SMALL BUSINESS CONCERNS FOR PARTICIPATION IN TECHNOLOGY REINVESTMENT PROJECTS.

(a) DEFENSE DUAL-USE CRITICAL TECHNOLOGY PARTNERSHIPS.—Section 2511(c) of title 10, United

States Code, is amended by adding at the end the following new paragraph:

''(3) The Secretary shall consider a partnership proposal submitted by a small business concern without regard to the ability of the small business concern to immediately meet its share of the anticipated partnership costs. Upon the selection of a partnership proposal submitted by a small business concern, the Secretary shall extend to the small business concern a period of not less than 120 days within which to arrange to meet its financial commitment requirements under the partnership from sources other than a person of a foreign country. If the Secretary determines upon the expiration of that period that the small business concern will be unable to meet its share of the anticipated partnership costs, the Secretary may revoke the selection of the partnership proposal submitted by the small business concern.''.

(b) COMMERCIAL-MILITARY INTEGRATION PARTNERSHIPS.—Section 2512(c)(3) of such title is amended by adding at the end the following new subparagraph:

''(C) The Secretary shall consider a partnership proposal submitted by a small business concern without regard to the ability of the small business concern to immediately meet its share of the anticipated partnership costs. Upon the selection of a partnership proposal submitted by

a small business concern, the Secretary shall extend to the small business concern a period of not less than 120 days within which to arrange to meet its financial commitment requirements under the partnership from sources other than a person of a foreign country. If the Secretary determines upon the expiration of that period that the small business concern will be unable to meet its share of the anticipated partnership costs, the Secretary may revoke the selection of the partnership proposal submitted by the small business concern.''.

(c) REGIONAL TECHNOLOGY ALLIANCES ASSISTANCE PROGRAM.—Section 2513(e) of such title is amended by adding at the end the following new paragraph:

''(4) The Secretary shall consider a proposal for a regional technology alliance that is submitted by a small business concern without regard to the ability of the small business concern to immediately meet its share of the anticipated costs of the alliance. Upon the selection of a proposal submitted by a small business concern, the Secretary shall extend to the small business concern a period of not less than 120 days within which to arrange to meet its financial commitment requirements under the regional technology alliance from sources other than a person of a foreign country. If the Secretary determines upon the expiration of that period that the small business concern

will be unable to meet its share of the anticipated costs, the Secretary may revoke the selection of the proposal submitted by the small business concern.''.

(d) DEFINITION OF PERSON OF A FOREIGN COUNTRY.—Section 2491 of such title is amended by adding at the end the following new paragraph:

''(16) The term 'person of a foreign country' has the meaning given such term in section 3502(d) of the Primary Dealers Act of 1988 (22 U.S.C. 5342(d)).''.

SEC. 233. CONDITIONS ON FUNDING OF DEFENSE TECHNOLOGY REINVESTMENT PROJECTS.

(a) BENEFITS TO UNITED STATES ECONOMY.—In providing for the establishment or financial support of partnerships and other cooperative arrangements under chapter 148 of title 10, United States Code, using funds made available under section 231, the Secretary of Defense shall ensure that the principal economic benefits of such partnerships and other arrangements accrue to the economy of the United States.

(b) USE OF COMPETITIVE SELECTION PROCEDURES.—Funds made available under subsection (a) of section 231 for defense reinvestment programs described in subsection (b) of such section shall be provided only to projects selected using competitive procedures pursuant

to a solicitation incorporating cost-sharing requirements for the non-Federal Government participants in the projects.

SEC. 234. FEDERAL DEFENSE LABORATORY DIVERSIFICATION AND NAVY REINVESTMENT IN THE TECHNOLOGY AND INDUSTRIAL BASE.

(a) REQUIREMENT FOR PROGRAMS.—(1) Subchapter III of chapter 148 of title 10 is amended by inserting at the end thereof the following:

''SEC. 2519. FEDERAL DEFENSE LABORATORY DIVERSIFICATION PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall conduct a program in accordance with this section for the purpose of promoting cooperation between Department of Defense laboratories and industry on research and development of dual-use technologies in order to further the national security objectives set forth in section 2501(a) of this title.

''(b) PARTNERSHIPS.—(1) The Secretary shall provide for the establishment under the program of cooperative arrangements (hereinafter in this section referred to as 'partnerships') between a Department of Defense laboratory and eligible firms and nonprofit research corporations referred to in section 2511(b) of this title. A partnership may also include one or more additional Federal lab-

oratories, institutions of higher education, agencies of State and local governments, and other entities, as determined appropriate by the Secretary.

''(2) For purposes of this section, a federally funded research and development center shall be considered a Department of Defense laboratory if the center is sponsored by the Department of Defense.

''(c) ASSISTANCE AUTHORIZED.—(1) The Secretary may make grants, enter into contracts, enter into cooperative agreements and other transactions pursuant to section 2371 of this title, and enter into cooperative research and development agreements under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) in order to establish partnerships.

''(2) Subject subsection (d), the Secretary may provide a partnership with technical and other assistance in order to facilitate the achievement of the purpose of this section.

''(d) FINANCIAL COMMITMENT OF NON-FEDERAL GOVERNMENT PARTICIPANTS.—(1) The Secretary shall ensure that the non-Federal Government participants in a partnership make a substantial contribution to the total cost of partnership activities. The amount of the contribution shall be commensurate with the risk undertaken by

such participants and the potential benefits of the activities for such participants.

''(2) The regulations prescribed pursuant to section 2511(c)(2) of this title shall apply to in-kind contributions made by non-Federal Government participants in a partnership.

''(e) SELECTION PROCESS.—Competitive procedures shall be used in the establishment of partnerships.

''(f) SELECTION CRITERIA.—The criteria for the selection of a proposed partnership for establishment under this section shall include the criteria set forth in section 2511(f) of this title.

''(g) REGULATIONS.—The Secretary shall prescribe regulations for the purposes of this section.

"SEC. 2520. NAVY REINVESTMENT PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary of the Navy shall conduct a program in accordance with this section for the purpose of promoting cooperation between the Department of the Navy and industry on research and development of dual-use technologies in order to further the national security objectives set forth in section 2501(a) of this title.

''(b) PARTNERSHIPS.—The Secretary shall provide for the establishment under the program of cooperative arrangements (hereinafter in this section referred to as

‘partnerships’) between Department of the Navy entities and eligible firms and nonprofit research corporations referred to in section 2511(b) of this title. A partnership may also include one or more Federal laboratories, institutions of higher education, agencies of State and local governments, and other entities, as determined appropriate by the Secretary.

‘‘(c) PROGRAM REQUIREMENTS AND ADMINISTRATION.—Subsections (c) through (f) of section 2519 of this title shall apply in the administration of the program.

‘‘(d) SELECTION CRITERIA.—In addition to the selection criteria referred to in section 2519(f) of this title, the criteria for the selection of a proposed partnership for establishment under this section shall include the potential effectiveness of the partnership in the further development and application of each technology proposed to be developed by the partnership for Navy acquisition programs.

‘‘(e) REGULATIONS.—The Secretary shall prescribe regulations for the purposes of this section.’’.

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

2519. Federal Defense Laboratory Diversification Program.
2520. Navy Reinvestment Program.

(b) CLARIFYING AMENDMENT.—Section 2491(5) of title 10, United States Code, is amended by inserting before the period at the end the following: ‘‘, and includes

a federally funded research and development center sponsored by a Federal agency''.

(c) FUNDING.—(1) Of the amount authorized to be appropriated in section 201(4), $56,600,000 shall be available for the Federal Defense Laboratory Diversification Program under section 2519 of title 10, as added by subsection (a)(1).

(2) Of the amount authorized to be appropriated in section 201(2), $50,000,000 shall be available for the Navy Reinvestment Program under section 2520 of title 10, as added by subsection (a)(1).

SEC. 235. SMALL BUSINESS DEFENSE CONVERSION GUARANTEED LOANS.

(a) AUTHORIZATIONS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subsection (l), as added by section 405(3) of the Small Business Credit and Business Opportunity Enhancement Act of 1992—

(A) by striking ''(l) There'' and inserting ''(3) There'' and indenting appropriately; and

(B) by striking ''subsection (k)'', and inserting ''paragraphs (1) and (2)'';

(2) by redesignating subsection (k), as added by section 405(3) of the Small Business Credit and Business Opportunity Act of 1992, as subsection (l);

(3) in subsection (l), as so redesignated, by inserting after paragraph (1), the following new paragraph:

''(2) The Administration is authorized to make not more than $1,000,000,000 in loans on a guaranteed basis, in accordance with section 7(a)(21), such amount to remain available until expended.'';

(4) in subsection (n)—

(A) by striking ''(n) There'' and inserting ''(3) There'' and indenting appropriately; and

(B) by striking ''subsection (m)'' and inserting ''paragraphs (1) and (2)'';

(5) in subsection (m), by inserting after paragraph (1), the following new paragraph:

''(2) The Administration is authorized to make not more than $1,000,000,000 in loans on a guaranteed basis, in accordance with section 7(a)(21), such amount to remain available until expended.'';

(6) by redesignating subsection (o) as subsection (n); and

(7) in subsection (p)—

(A) by striking ''(p) There'' and inserting ''(2) There'', and indenting appropriately; and

(B) by striking ''subsection (o)'' and inserting ''paragraph (1)''.

(b) TECHNICAL CLARIFICATION.—Section 7(a)(21)(A) of the Small Business Act (15 U.S.C. 636(a)(21)(A)) is amended by striking ''under the'' and inserting ''on a guaranteed basis under the''.

(c) JOB CREATION AND COMMUNITY BENEFIT.—Section 7(a)(21) of the Small Business Act (15 U.S.C. 636(a)(21)) is amended by adding at the end the following new subparagraph:

''(E) In providing assistance under this paragraph, the Administration shall develop procedures to ensure, to the maximum extent practicable, that such assistance is used for projects that have substantial potential for stimulating new economic activity in communities most impacted by reductions in Federal defense expenditures.''.

(d) AUTHORITY TO TRANSFER APPROPRIATIONS.—Of the amount authorized to be appropriated pursuant to section 201(4), $27,400,000 may be transferred by the Secretary of Defense, to the extent provided in an act appropriating funds for the Department of Defense, to the Small Business Administration for the purpose of providing loan guarantees under section 7(a)(21)(A) of the Small Business Act, such amount to remain available until expended.

Subtitle E—Other Matters

SEC. 241. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS WITH NATO ORGANIZATIONS.

(a) APPLICABILITY OF EXISTING AUTHORITY TO NATO ORGANIZATIONS.—Section 2350a of title 10, United States Code, is amended in subsections (a), (e)(2), and (i)(1) by inserting ''or NATO organizations'' after ''major allies of the United States'' each place it appears.

(b) NATO ORGANIZATION DEFINED.—Subsection (i) of such section is amended by adding at the end the following new paragraph:

''(4) The term 'NATO organization' means any North Atlantic Treaty Organization subsidiary body referred to in section 2350(2) of this title and any other organization of the North Atlantic Treaty Organization.''.

SEC. 242. DEFENSE WOMEN'S HEALTH RESEARCH PROGRAM.

(a) CONTINUATION OF PROGRAM.—The Secretary of Defense shall continue the Defense Women's Health Research Program established in response to the enactment of section 251 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1606).

(b) PARTICIPATION BY ALL MILITARY DEPARTMENTS.—The Departments of the Army, Navy, and Air Force shall each participate in the activities under the program.

(c) ARMY TO BE EXECUTIVE AGENT.—The Secretary of Defense shall designate the Secretary of the Army to be the executive agent for administering the program.

(d) PROGRAM ACTIVITIES.—The program shall include the following activities regarding health risks and health care for women in the Armed Forces:

(1) The coordination and support activities described in section 251 of Public Law 103–160.

(2) Epidemiologic research regarding women deployed for military operations, including research on patterns of illness and injury, environmental and occupational hazards (including exposure to toxins), side-effects of pharmaceuticals used by women so deployed, psychological stress associated with military training, deployment, combat and other traumatic incidents, and other conditions of life, and human factor research regarding women so deployed.

(3) Development of a data base to facilitate long-term research studies on issues related to the health of women in military service, and continued

development and support of a women's health information clearinghouse to serve as an information resource for clinical, research, and policy issues affecting women in the Armed Forces.

(4) Research on policies and standards issues, including research supporting the development of military standards related to training, operations, deployment, and retention and the relationship between such activities and factors affecting women's health.

(5) Research on interventions having a potential for addressing conditions of military service that adversely affect the health of women in the Armed Forces.

(e) IMPLEMENTATION PLAN.—If, before October 1, 1995, the Secretary of Defense changes the implementation plan for the program that the Secretary submitted to the Committees on Armed Services of the Senate and the House of Representatives on May 2, 1994, the Secretary shall submit the modified plan to such committees before executing the changes.

(f) FUNDING.—Of the amount authorized to be appropriated pursuant to section 201, $40,000,000 shall be available for the Defense Women's Health Research Program referred to in subsection (a).

SEC. 243. REQUIREMENT FOR SUBMISSION OF ANNUAL REPORT OF THE SEMICONDUCTOR TECHNOLOGY COUNCIL TO CONGRESS.

Section 273(b)(2)(I) of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (15 U.S.C. 4603) is amended by inserting ''and submit to Congress by March 31 of each year after ''Publish''.

SEC. 244. REPORT ON OCEANOGRAPHIC SURVEY AND RESEARCH REQUIREMENTS TO SUPPORT LITTORAL WARFARE.

(a) REPORT REQUIRED.—Not later than March 1, 1995, the Secretary of the Navy shall submit to Congress a report on the oceanographic survey and research and development requirements needed to support Navy operations in littoral regions.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) An identification of unique properties, including acoustics, bathymetry, bottom type, and ocean dynamics that affect shallow water operations in littoral regions.

(2) A list of the principal littoral regions that—

(A) designates each region as high, medium, or low priority based on the probable need for Navy operations in such regions; and

(B) for each region, is annotated to identify—

(i) the date of the most recent detailed survey; and

(ii) the extent to which that survey provides insight into the region's properties identified pursuant to paragraph (1).

(3) An assessment of the Navy's current and projected access to each region for surveying purposes.

(4) An assessment of the ability of current oceanographic survey and research assets to develop the information identified in paragraph (1).

SEC. 245. LANSCE/LAMPF UPGRADES.

Of the amounts authorized to be appropriated by section 201(4), $20,000,000 shall be available to complete the Los Alamos Neutron Scattering Experiment/Los Alamos Meson Physics Facility upgrades at the Los Alamos National Laboratory, Los Alamos, New Mexico.

SEC. 246. STUDY REGARDING LIVE-FIRE SURVIVABILITY TESTING OF F–22 AIRCRAFT.

(a) REQUIREMENT.—The Secretary of Defense shall request the National Research Council of the National Academy of Sciences to conduct a study regarding the desirability of waiving for the F–22 aircraft program the

survivability tests required by section 2366(c) of title 10, United States Code, and to submit to the Secretary and Congress, within 180 days after the date of the enactment of this Act, a report containing the conclusions of the Council regarding the desirability of waiving such tests.

(b) CONTENT OF REPORT.—The report shall contain the following matters:

(1) Conclusions regarding the practicality of full-scale, full-up testing for the F–22 aircraft program.

(2) A discussion of the implications regarding the affordability of the F–22 aircraft program of conducting and of not conducting the survivability tests, including an assessment of the potential life cycle benefits that could be derived from full-scale, full-up live fire testing in comparison to the costs of such testing.

(3) A discussion of what, if any, changes of circumstances affecting the F–22 aircraft program have occurred since completion of the milestone II program review to cause the program manager to request a waiver of the survivability tests for the F–22 aircraft program that was not requested at that time.

(4) The sufficiency of the F–22 aircraft program testing plans to fulfill the same requirements and purposes as are provided in subsection (e)(3) of section 2366 of title 10, United States Code, for realistic survivability testing for purposes of subsection (a)(1)(A) of such section.

(5) Any recommendations regarding survivability testing for the F–22 aircraft program that the Council considers appropriate on the basis of the study.

SEC. 247. UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Of the amounts authorized to be appropriated under section 201, $10,000,000 shall be available for the University Research Initiative Support Program established pursuant to section 802 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701; 10 U.S.C. 2358 note).

SEC. 248. MANUFACTURING SCIENCE AND TECHNOLOGY PROGRAM.

(a) PROGRAM AUTHORIZED.—(1) Section 2525 of title 10, United States Code, is amended to read as follows:

"SEC. 2525. MANUFACTURING SCIENCE AND TECHNOLOGY PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish a Manufacturing Science and Technology Program to further the national security objectives of section 2501(a) of this title. The Under Secretary of Defense for Acquisition and Technology shall administer the program.

''(b) PURPOSE.—The purpose of the program is to enhance the capability of industry to meet the manufacturing needs of the Department of Defense.

''(c) EXECUTION.—The Secretary may carry out projects under the program through the Secretaries of the military departments and the heads of Defense Agencies.

''(d) COMPETITION AND COST SHARING.—(1) Competitive procedures shall be used for awarding all grants and entering into all contracts, cooperative agreements, and other transactions under the program.

''(2) A grant may not be awarded under the program, and a contract, cooperative agreement, or other transaction may not be entered into under the program, on any basis other than a cost-sharing basis unless the Secretary of Defense determines that the grant, contract, cooperative agreement, or other transaction, as the case may be, is for a program that—

''(A) is not likely to have any immediate and direct commercial application; or

''(B) is of sufficiently high risk to discourage cost sharing by non-Federal Government sources.''.

(2) The item relating to section 2525 in the table of sections at the beginning of subchapter IV of chapter 148 of such title is amended to read as follows:

''2525. Manufacturing Science and Technology Program.''.

(b) FUNDING.—Of the amounts appropriated pursuant to section 201, not more than $125,000,000 shall be available for the Manufacturing Science and Technology Program under section 2525 of title 10, United States Code (as amended by subsection (a)), of which—

(1) not more than $30,000,000 shall be available for the Army;

(2) not more than $35,000,000 shall be available for the Navy;

(3) not more than $50,000,000 shall be available for the Air Force; and

(4) not more than $10,000,000 shall be available for the Defense Logistics Agency.

SEC. 249. DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

(a) PROGRAM REQUIRED.—The Secretary of Defense, acting through the Director of Defense Research and Engineering, shall carry out a Defense Experimental

Program to Stimulate Competitive Research (DEPSCoR) as part of the university research programs of the Department of Defense.

(b) PROGRAM OBJECTIVES.—The objectives of the program are as follows:

(1) To enhance the capabilities of institutions of higher education in eligible States to develop, plan, and execute science and engineering research that is competitive under the peer-review systems used for awarding Federal research assistance.

(2) To increase the probability of long-term growth in the competitively awarded financial assistance that institutions of higher education in eligible States receive from the Federal Government for science and engineering research.

(c) PROGRAM ACTIVITIES.—In order to achieve the program objectives, the following activities are authorized under the program:

(1) Competitive award of research grants.

(2) Competitive award of financial assistance for graduate students.

(d) ELIGIBLE STATES.—(1) The Director of the National Science Foundation shall designate which States are eligible States for the purposes of this section and shall

notify the Director of Defense Research and Engineering of the States so designated.

(2) The Director of the National Science Foundation shall designate a State as an eligible State if, as determined by the Director—

(A) the institutional average amount of Federal financial assistance for research and development received by the institutions of higher education in the State for the fiscal year preceding the fiscal year for which the designation is effective, or for the last fiscal year for which statistics are available, is less than the amount equal to 50 percent of the national institutional average amount of Federal financial assistance for research and development received by the institutions of higher education in the United States for such preceding or last fiscal year, as the case may be;

(B) the State has demonstrated a commitment to developing research bases in the State and to improving science and engineering research and education programs at institutions of higher education in the State; and

(C) the State is an eligible State for purposes of the Experimental Program to Stimulate Competi-

tive Research conducted by the National Science Foundation.

(e) COORDINATION WITH SIMILAR FEDERAL PROGRAMS.—(1) The Secretary shall consult with the Director of the National Science Foundation and the Director of the Office of Science and Technology Policy in the planning, development, and execution of the program and shall coordinate the program with the Experimental Program to Stimulate Competitive Research conducted by the National Science Foundation and with similar programs sponsored by other departments and agencies of the Federal Government.

(2) All solicitations under the Defense Experimental Program to Stimulate Competitive Research shall be made to, and all awards shall be made through, the State committees established for purposes of the Experimental Program to Stimulate Competitive Research conducted by the National Science Foundation.

(3) A State committee referred to in paragraph (2) shall ensure that activities carried out in the State of that committee under the Defense Experimental Program to Stimulate Competitive Research are coordinated with the activities carried out in the State under other similar initiatives of the Federal Government to stimulate competitive research.

SEC. 250. STUDY ON BEAMING HIGH POWER LASER ENERGY TO SATELLITES.

(a) STUDY.—(1) The Secretary of Defense and the Administrator of the National Aeronautics and Space Administration shall jointly carry out a study to determine the cost, feasibility, and advisability of the development and utilization of a system to deliver energy to satellites by beaming high power laser energy from ground sources.

(2) In determining the cost, feasibility, and advisability of the system referred to in paragraph (1), the Secretary and the Administrator shall take into account the impact on the environment of the development and utilization of the system and the effect, if any, of the development and utilization of the system on the arms control efforts or obligations of the United States.

(3) In carrying out the study, the Secretary and the Administrator shall consider the development of a space energy laser (SELENE) system using a free electron laser at the Naval Air Weapons Station, China Lake, California.

(b) REPORT.—The Secretary and the Administrator shall jointly submit to the congressional defense committees a report on the study required under subsection (a). The Secretary and the Administrator shall submit the report not later than July 1, 1995.

SEC. 251. ADVANCED THREAT RADAR JAMMER.

(a) LIMITATION REGARDING JOINT DEVELOPMENT PROGRAM WITH CERTAIN FOREIGN ENTITIES.—The Secretary of Defense may not negotiate or enter into any agreement with, nor accept funds from, a foreign government or an entity controlled by a foreign government for a joint program for the development of an advanced threat radar jammer for combat helicopters until 30 days after the Secretary, in consultation with the Secretary of State, the Secretary of the Army, and the Director of the Defense Security Assistance Agency, conducts a comprehensive review of the program and submits a report on the results of that review to the congressional defense committees.

(b) MATTERS COVERED BY REVIEW AND REPORT.—The matters relating to the program referred to in subsection (a) that are required to be covered by the review and report are as follows:

(1) The legal basis for seeking for the program funds that are neither authorized to be appropriated nor appropriated.

(2) The consistency of the program with the Department of Defense policy that no foreign military sale of a defense system, and no commitment to foreign military sale of a defense system, be made before operational test and evaluation of the system

is successfully completed and the Under Secretary of Defense for Acquisition and Technology has specifically approved the system for sale to a foreign government.

(3) The mission requirement for an advanced threat radar jammer for combat helicopters.

(4) An assessment of each threat for which an advanced threat radar jammer would be developed, particularly with regard to each threat to a foreign country with which the United States would jointly develop an advanced threat radar jammer.

(5) The potential for sensitive electronic warfare technology to be made available to potential adversaries of the United States as a result of United States participation in the program.

(6) The availability of other nondevelopmental items and less sophisticated technologies for countering the emerging radar detection threats to United States combat helicopters and combat helicopters of United States allies.

(7) A capability assessment of similar technologies available from other foreign countries and the consequences of proliferation of such technologies in regions of potential conflict.

(c) INAPPLICABILITY TO MAJOR ALLIES OF THE UNITED STATES.—This section does not apply with respect to a major ally of the United States.

(d) DEFINITIONS.—In this section:

(1) The term ''entity controlled by a foreign government'' includes—

(A) any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign government; and

(B) any individual acting on behalf of a foreign government,

as determined by the Secretary of Defense. Such term does not include an organization or corporation that is owned, but is not controlled, either directly or indirectly, by a foreign government if the ownership of that organization or corporation by that foreign government was effective before October 23, 1992.

(2) The term ''major ally of the United States'' has the meaning given such term in section 2350a(i)(2) of title 10, United States Code.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1995 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, $17,542,914,000.

(2) For the Navy, $21,326,470,000.

(3) For the Marine Corps, $2,096,695,000.

(4) For the Air Force, $18,789,023,000.

(5) For Defense-wide activities, $9,994,325,000.

(6) For Medical Programs, Defense, $9,854,459,000.

(7) For the Army Reserve, $1,253,709,000.

(8) For the Naval Reserve, $828,319,000.

(9) For the Marine Corps Reserve, $81,462,000.

(10) For the Air Force Reserve, $1,478,990,000.

(11) For the Army National Guard, $2,452,148,000.

(12) For the Air National Guard, $2,780,178,000.

(13) For the National Board for the Promotion of Rifle Practice, $2,544,000.

(14) For the Defense Inspector General, $140,798,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $714,200,000.

(16) For the United States Court of Appeals for the Armed Services, $6,126,000.

(17) For Environmental Restoration, Defense, $2,180,200,000.

(18) For Humanitarian Assistance, $71,900,000.

(19) For Former Soviet Union Threat Reduction, $400,000,000.

(20) For the Contributions for International Peacekeeping and Peace Enforcement Activities Fund, $300,000,000.

(21) For support for the 1996 Summer Olympics, $10,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1995 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 Business Operations Fund, $798,400,000.

(2) For the National Defense Sealift Fund, $227,800,000.

SEC. 303. ARMED FORCES RETIREMENT HOME FUNDING.

There is hereby authorized to be appropriated for fiscal year 1995 from the Armed Forces Retirement Home Trust Fund the sum of $59,317,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. NATIONAL SECURITY EDUCATION TRUST FUND OBLIGATIONS.

During fiscal year 1995, $14,300,000 is authorized to be obligated from the National Security Education Trust Fund established by section 804(a) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1904(a)).

SEC. 305. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $250,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1995 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(4) For Defense-wide activities, $100,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 306. SUPPORT FOR THE 1995 SPECIAL OLYMPICS WORLD GAMES.

(a) AUTHORITY TO PROVIDE SUPPORT.—The Secretary of Defense may provide logistical support and personnel services in connection with the 1995 Special Olympics World Games to be held in New Haven, Connecticut.

(b) PAY AND NONTRAVEL-RELATED ALLOWANCES.—(1) Except as provided in paragraph (2), the costs for pay and nontravel-related allowances of members of the Armed Forces for the support and services referred to in subsection (a) may not be charged to appropriations made pursuant to the authorization of appropriations in subsection (c).

(2) Paragraph (1) does not apply in the case of members of a reserve component called or ordered to active duty to provide logistical support and personnel services for the 1995 Special Olympics World Games.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 for the Department of Defense for fiscal year 1995 to carry out subsection (a).

SEC. 307. AIR NATIONAL GUARD FIGHTER AIRCRAFT.

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

(1) The Bottom-Up Review force structure proposal would accomplish most of the remaining reduc-

tions in the total number of Air Force general purpose fighter wings by reducing the Air National Guard and Air Force Reserve fighter force from 10 wings to 7 wings.

(2) The current plan for implementing the reduction referred to in paragraph (1) is to reduce the number of fighter aircraft in each Air National Guard fighter unit from 24 or 18 primary aircraft authorized to 15 primary aircraft authorized and to convert some Air National Guard fighter units to other purposes.

(3) The number of Air National Guard Combat Readiness Training Centers in operation during fiscal year 1995 should not be less than the number of such centers in operation at the end of fiscal year 1994.

(4) The Commission on Roles and Missions of the Armed Forces established by section 952 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 111 note; 107 Stat. 1738) is required to submit to Congress a report under section 954(b) of such Act on possible changes to existing allocations among the Armed Forces of military roles, missions, and functions.

(5) The Commission is not expected to submit the report until the middle of fiscal year 1995.

(6) The report of the Commission should contain a review of and recommendations on the assignment of roles and missions to units of the Air National Guard and the Air Force Reserve in relation to active component units that are the counterparts to such units and on requirements for resources for training of such units.

(b) REQUIREMENT.—After submission of the report referred to in paragraph (3), the Secretary of Defense shall review its findings on the role and requirements for general purpose fighter units of the Air National Guard, and shall complete within 30 days a study which recommends the appropriate level of primary aircraft authorized (PAA) for such units, following which, if the Secretary determines changes in that level are appropriate, he may notify the Congress of his determination and he may seek any reprogramming of funds that he considers appropriate to ensure that such changes are implemented.

Subtitle B—Defense Business Operations Fund

SEC. 311. PERMANENT AUTHORITY FOR USE OF FUND FOR MANAGING WORKING CAPITAL FUNDS AND CERTAIN ACTIVITIES.

Section 316(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S.C. 2208 note) is amended by striking out ''During'' and all that follows through ''December 31, 1994, the'' and inserting in lieu thereof ''The''.

SEC. 312. IMPLEMENTATION OF IMPROVEMENT PLAN.

(a) PROGRESS REPORT ON IMPLEMENTATION.—Not later than February 1, 1995, the Secretary of Defense shall submit to the congressional defense committees a report on the progress made in implementing the Defense Business Operations Fund Improvement Plan, dated September, 1993. The report shall describe the progress made in reaching the milestones established in the plan and provide an explanation for the failure to meet any of the milestones. The Secretary shall submit a copy of the report to the Comptroller General of the United States at the same time the Secretary submits the report to the congressional defense committees.

(b) RESPONSIBILITIES OF THE COMPTROLLER GENERAL.—(1) The Comptroller General shall monitor and

evaluate the progress of the Department of Defense in developing and implementing the improvement plan referred to in subsection (a).

(2) Not later than March 1, 1995, the Comptroller General shall submit to the congressional defense committees a report containing the following:

(A) The findings and conclusions of the Comptroller General resulting from the monitoring and evaluation conducted under paragraph (1).

(B) An evaluation of the progress report submitted to the congressional defense committees by the Secretary of Defense pursuant to subsection (a).

(C) Any recommendations for legislation or administrative action concerning the Fund that the Comptroller General considers appropriate.

SEC. 313. LIMITATION ON OBLIGATIONS AGAINST THE CAPITAL ASSET FUND.

The Secretary of Defense may not incur obligations against funds in the capital asset subaccount of the Defense Business Operations Fund during fiscal year 1995 in a total amount in excess of $1,500,000.

SEC. 314. LIMITATION ON OBLIGATIONS AGAINST THE SUPPLY MANAGEMENT DIVISIONS.

(a) LIMITATION.—(1) The Secretary of Defense may not incur obligations against the supply management divi-

sions of the Defense Business Operations Fund during fiscal year 1995 in a total amount in excess of 65 percent of the total amount derived from sales from such divisions during that fiscal year.

(2) For purposes of determining the amount of obligations incurred against, and sales from, such divisions during fiscal year 1995, the Secretary shall exclude obligations and sales for fuel, commissary and subsistence items, retail operations, repair of equipment and spare parts in support of repair, direct vendor deliveries, foreign military sales, initial outfitting requiring equipment furnished by the Federal Government, and the cost of operations.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (a) if the Secretary determines that such waiver is necessary in order to maintain the readiness and combat effectiveness of the Armed Forces. The Secretary shall immediately notify Congress of any such waiver and the reasons for such waiver.

(c) DETERMINATIONS OF EFFECTS OF LIMITATION ON READINESS AND COMBAT EFFECTIVENESS.—Not later than 60 days after the date of the enactment of this Act, the secretaries of the military departments and the Director of the Defense Logistics Agency shall each submit to the Secretary of Defense a report containing the views of such official on the effects of the limitation in

subsection (a) on the ability of the Department of Defense to maintain the readiness and combat effectiveness of the Armed Forces. If the Secretary of Defense determines, after considering the reports, that the limitation will impair the readiness and combat effectiveness of any of the Armed Forces, the Secretary shall exercise the waiver authority provided in subsection (b).

Subtitle C—Environmental Matters

SEC. 321. PROHIBITION ON THE PURCHASE OF SURETY BONDS AND OTHER GUARANTEES FOR THE DEPARTMENT OF DEFENSE.

No funds appropriated or otherwise made available to the Department of Defense for fiscal year 1995 may be obligated or expended for the purchase of surety bonds or other guarantees of financial responsibility in order to guarantee the performance of any direct function of the Department of Defense.

SEC. 322. EXTENSION OF PROHIBITION ON USE OF ENVIRONMENTAL RESTORATION FUNDS FOR PAYMENT OF FINES AND PENALTIES.

None of the funds appropriated for fiscal year 1995 pursuant to the authorization of appropriations provided in section 301(17) may be used for the payment of a fine or penalty imposed against the Department of Defense un-

less the act or omission for which the fine or penalty is imposed arises out of activities funded by the account.

SEC. 323. PARTICIPATION OF INDIAN TRIBES IN AGREEMENTS FOR DEFENSE ENVIRONMENTAL RESTORATION.

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

(1) by striking out ''SERVICE OF OTHER AGENCIES.—The Secretary'' and inserting in lieu thereof the following: ''SERVICE OF OTHER AGENCIES.—

''(1) IN GENERAL.—The Secretary'';

(2) in paragraph (1), as so designated, by inserting ''any Federally recognized Indian tribe or'' before ''any State or local government agency,''; and

(3) by adding at the end the following:

''(2) DEFINITION.—For purposes of this subsection, the term 'Indian tribe' has the meaning given such term in section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9701(36)).''.

SEC. 324. EXTENSION OF AUTHORITY TO ISSUE SURETY BONDS FOR CERTAIN ENVIRONMENTAL PROGRAMS.

Section 2701(j) of title 10, United States Code, is amended by striking out ''December 31, 1995'' and inserting in lieu thereof ''December 31, 1999''.

Subtitle D—Matters Relating to Department of Defense Civilian Employees

SEC. 331. EXTENSION OF CERTAIN TRANSITION ASSISTANCE AUTHORITIES.

(a) REDUCTION-IN-FORCE NOTIFICATION REQUIREMENTS.—Section 4433(b)(2) of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (division D of Public Law 102–484; 106 Stat. 2721; 5 U.S.C. 3502 note) is amended by striking out ''February 1, 1998'' and inserting in lieu thereof ''February 1, 2000''.

(b) SEPARATION PAY.—(1) Section 5597(e) of title 5, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1999''.

(2) Section 4436(d)(2) of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (5 U.S.C. 8348 note) is amended by striking out ''January 1, 1998'' and inserting in lieu thereof ''January 1, 2000''.

(c) RESTORATION OF CERTAIN LEAVE.—Section 6304(d)(3) of title 5, United States Code, is amended by striking out ''the closure of an installation'' and inserting in lieu thereof ''the closure of an installation of the Department of Defense pursuant to 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) during any period, and the closure of any other installation''.

(d) CONTINUED HEALTH BENEFITS.—Section 8905a(d)(4)(B) of title 5, United States Code, is amended—

(1) by striking out ''October 1, 1997'' each place it appears and inserting in lieu thereof ''October 1, 1999''; and

(2) in clause (ii), by striking out ''February 1, 1998,'' and inserting in lieu thereof ''February 1, 2000,''.

SEC. 332. EXTENSION AND EXPANSION OF AUTHORITY TO CONDUCT PERSONNEL DEMONSTRATION PROJECTS.

(a) CHINA LAKE DEMONSTRATION PROJECT.—(1) Section 6 of the Civil Service Miscellaneous Amendments Act of 1983 (Public Law 98–224; 98 Stat. 49) is amended by striking out ''September 30, 1995,''.

(2) In the event of a reorganization of the organization carrying out the personnel demonstration project referred to in section 6 of Public Law 98–224, such section shall apply with respect to the successor to that organization.

(b) DEFENSE LABORATORIES PERSONNEL DEMONSTRATION PROJECTS.—(1) The Secretary of Defense may carry out personnel demonstration projects at Department of Defense laboratories designated by the Secretary as Department of Defense science and technology reinvention laboratories.

(2) Each personnel demonstration project carried out under the authority of paragraph (1) shall be similar to the personnel demonstration project that is authorized by section 6 of Public Law 98–224 to be continued at the Naval Weapons Center, China Lake, California, and at the Naval Ocean Systems Center, San Diego, California.

(3) If the Secretary carries out a demonstration project at a laboratory pursuant to paragraph (1), section 4703 (other than subsection (d)) of title 5, United States Code, shall apply to such demonstration project, except that the authority of the Secretary to carry out the demonstration project is that which is provided in paragraph (1) rather than the authority that is provided in such section 4703.

SEC. 333. LIMITATION ON PAYMENT OF SEVERANCE PAY TO CERTAIN EMPLOYEES TRANSFERRING TO EMPLOYMENT POSITIONS IN NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) IN GENERAL.—Section 5595 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) Severance pay under this section may not be paid to—

''(A) a person described in paragraph (4)(A) during any period in which the person is employed in a defense nonappropriated fund instrumentality; or

''(B) a person described in paragraph (4)(B) during any period in which the person is employed in a Coast Guard nonappropriated fund instrumentality.

''(2)(A) Except as provided in subparagraph (B), payment of severance pay to a person referred to in paragraph (1) may be resumed upon any involuntary separation of the person from the position of employment in a nonappropriated fund instrumentality, not by removal for cause on charges of misconduct, delinquency, or inefficiency.

''(B) Payment of severance pay may not be resumed under subparagraph (A) in the case of a person who, upon separation, is entitled to immediate payment of retired or retainer pay as a member or former member of the uniformed services or to an immediate annuity under—

''(i) a retirement system for persons retiring from employment by a nonappropriated fund instrumentality;

''(ii) subchapter III of chapter 83 of this title;

''(iii) subchapter II of chapter 84 of this title; or

''(iv) any other retirement system of the Federal Government for persons retiring from employment by the Federal Government.

''(3) Upon resumption of payment of severance pay under paragraph (2)(A) in the case of a person separated as described in such paragraph, the amount of the severance pay so payable for a period shall be reduced (but not below zero) by the portion (if any) of the amount of any severance pay payable for such period to the person by the nonappropriated fund instrumentality that is attributable to credit for service taken into account under subsection (c) in the computation of the amount of the severance pay so resumed.

''(4) Paragraph (1) applies to a person who, on or after January 1, 1987, moves without a break in service—

''(A) from employment in the Department of Defense that is not employment in a defense nonappropriated fund instrumentality to employment in a defense nonappropriated fund instrumentality; or

''(B) from employment in the Coast Guard that is not employment in a Coast Guard nonappropriated fund instrumentality to employment in a Coast Guard nonappropriated fund instrumentality.

''(5) The Secretary of Defense, in consultation with the Secretary of Transportation, shall prescribe regulations to carry out this subsection.

''(6) In this subsection:

''(A) The term 'defense nonappropriated fund instrumentality' means a nonappropriated fund instrumentality of the Department of Defense.

''(B) The term 'Coast Guard nonappropriated fund instrumentality' means a nonappropriated fund instrumentality of the Coast Guard.

''(C) The term 'nonappropriated fund instrumentality' means a nonappropriated fund instrumentality described in section 2105(c) of this title.''.

(b) APPLICABILITY.—Subsection (h) of section 5595 of title 5, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act and apply with respect to pay periods that begin on or after such date.

SEC. 334. RETIREMENT CREDIT FOR CERTAIN SERVICE IN NONAPPROPRIATED FUND INSTRUMENTALITIES BEFORE JANUARY 1, 1987.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study to determine the level of interest among employees of the Department of Defense referred to in subsection (b) in obtaining credit under the Civil Service Retirement and Disability System or the Federal Employees' Retirement System for former service described in such subsection as an employee of a nonappropriated fund instrumentality of the United States.

(b) EMPLOYEES CONCERNED.—The employees referred to in subsection (a) are employees who, for at least 12 months during the period beginning on January 1, 1966, and ending on December 31, 1986, performed service as an employee described in section 2105(c) of title 5, United States Code, conducting a program described in section 8332(b)(16)(A) of such title.

(c) CONDUCT OF STUDY.—In carrying out the study under subsection (a), the Secretary shall—

(1) provide an opportunity for all employees referred to in that subsection to express interest in obtaining retirement credit for the former service in a nonappropriated fund instrumentality of the United States; and

(2) inform such employees that deposits to the Civil Service Retirement and Disability Fund would be required of the interested employees under section 8334(c) of title 5, United States Code, or section 8411(f) of such title.

(d) REPORT.—Not later than February 1, 1995, the Secretary shall submit to Congress a report on the results of the study required by subsection (a). The report shall contain the following matters:

(1) An analysis of the issues, to include existing legal rights of the employees described in paragraph (b) above under the Civil Service Retirement Disability System or the Federal Employees' Retirement System.

(2) An Analysis of the inequities, if any, that may have been caused by conversion from employment by nonappropriated fund instrumentalities of

the United States to employment by the Department of Defense.

(3) The number of full time and part time employees described in paragraph (b) above that are affected by any inequities described in paragraph (2).

(4) The Department of Defense recommendations, if any, to redress any inequities described in paragraph (2), and

(5) The cost to the Federal Government of any recommendation described in paragraph (4).

SEC. 335. TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES OF EMPLOYEES TRANSFERRING TO THE UNITED STATES POSTAL SERVICE.

(a) IN GENERAL.—(1) Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following:

"§ 5735. Travel, transportation, and relocation expenses of employees transferring to the United States Postal Service

''(a) IN GENERAL.—Notwithstanding any other provision of law, employees of the Department of Defense described in subsection (b) may be authorized travel, transportation, and relocation expenses and allowances in connection with appointments referred to in such subsection

under the same conditions and to the same extent authorized by this subchapter for transferred employees.

''(b) COVERED EMPLOYEES.—Subsection (a) applies to any employee of the Department of Defense who—

''(1) is scheduled for separation from the Department, other than for cause;

''(2) is selected for appointment to a continuing position with the United States Postal Service; and

''(3) accepts the appointment.''.

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

''5735. Travel, transportation, and relocation expenses of employees transferring to the United States Postal Service.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply to persons separated from employment by the Department of Defense on or after such date.

SEC. 336. FOREIGN EMPLOYEES COVERED BY THE FOREIGN NATIONAL EMPLOYEES SEPARATION PAY ACCOUNT.

Section 1581 of title 10, United States Code, is amended—

(1) by striking out ''foreign national employees of the Department of Defense'' each place it appears in subsections (a) and (b) and inserting in lieu

thereof ''foreign nationals referred to in subsection (e)''; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

''(e) EMPLOYEES COVERED.—This section applies only with respect to separation pay of foreign nationals employed by the Department of Defense, and foreign nationals employed by a foreign government for the benefit of the Department of Defense, under any of the following agreements that provide for payment of separation pay:

''(1) A contract.

''(2) A treaty.

''(3) A memorandum of understanding with a foreign nation.

SEC. 337. INCREASED AUTHORITY TO ACCEPT VOLUNTARY SERVICES.

(a) EXPANSION OF AUTHORITY.—The text of section 1588 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY TO ACCEPT SERVICES.—Subject subsection (b) and notwithstanding section 1342 of title 31, the Secretary concerned may accept from any person the following services:

''(1) Voluntary medical services, dental services, nursing services, or other health-care related services.

''(2) Voluntary services to be provided for a museum or a natural resources program.

''(3) Voluntary services to be provided for programs providing services to members of the armed forces and the families of such members, including the following programs:

''(A) Family support programs.

''(B) Child development and youth services programs.

''(C) Library and education programs.

''(D) Religious programs.

''(E) Housing referral programs.

''(F) Programs providing employment assistance to spouses of such members.

''(b) REQUIREMENTS AND LIMITATIONS.—(1) The Secretary concerned shall notify the person of the scope of the services accepted.

''(2) With respect to a person providing voluntary services accepted under subsection (a), the Secretary concerned—

''(A) shall—

''(i) supervise the person to the same extent as the Secretary would supervise a compensated employee providing similar services; and

''(ii) ensure that the person is licensed, privileged, has appropriate credentials, or is otherwise qualified under applicable law or regulations to provide such services; and

''(B) may not—

''(i) place the person in a policy-making position; or

''(ii) except as provided subsection (e), compensate the person for the provision of such services.

''(c) AUTHORITY TO RECRUIT AND TRAIN PERSONS PROVIDING SERVICES.—The Secretary concerned may recruit and train persons to provide voluntary services accepted under subsection (a).

''(d) STATUS OF PERSONS PROVIDING SERVICES.—(1) Subject to paragraph (3), while providing voluntary services accepted under subsection (a) or receiving training under subsection (c) a person, other than a person referred to in paragraph (2), shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

''(A) Subchapter I of chapter 81 of title 5, relating to compensation for work-related injuries.

''(B) Section 2733 of this title and section 2733 of title 28, relating to claims for damages or loss.

''(C) Section 522a of title 5, relating to maintenance of records on individuals.

''(D) Chapter 11 of title 18, relating to conflicts of interest.

''(2) Subject to paragraph (3), while providing a nonappropriated fund instrumentality of the United States with voluntary services accepted under subsection (a), or receiving training under subsection (c) to provide such an instrumentality with services accepted under subsection (a), a person shall be considered an employee of that instrumentality only for the following purposes:

''(A) Subchapter II of chapter 81 of title 5, relating to compensation of nonappropriated fund employees for work-related injuries.

''(B) Section 2733 of this title and section 2733 of title 28, relating to tort claims.

''(3) A person providing voluntary services accepted under subsection (a) shall be considered to be an employee of the Federal Government under paragraph (1) or (2) only with respect to services that are within the scope of the services so accepted.

''(4) For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5 (pursuant to this subsection) to a person providing voluntary services accepted under subsection (a), the monthly pay of the person for such services shall be deemed to be the amount determined by multiplying—

''(A) the average monthly number of hours that the person provided the services, by

''(B) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

''(e) REIMBURSEMENT OF INCIDENTAL EXPENSES.—The Secretary concerned may provide for reimbursement of a person for incidental expenses incurred by the person in providing voluntary services accepted under subsection (a). The Secretary shall determine which expenses are eligible for reimbursement under this subsection. Any such reimbursement may be made from appropriated or nonappropriated funds.''.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 8171(a) of title 5, United States Code, is amended by inserting '', or to a volunteer providing such an instrumentality with services accepted under section 1588 of title 10,'' after ''described by section 2105(c) of this title''.

(2) Subchapter II of chapter 81 of such title is amended—

(A) in section 8171—

(i) in subsection (a)—

(I) by striking out ''Chapter 18 of title 33'' in the first sentence and inserting in lieu thereof ''The Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.)'';

(II) by striking out ''section 902(2) of title 33'' in the first sentence and inserting in lieu thereof ''section 2(2) of such Act (33 U.S.C. 902(2))''; and

(III) by striking out ''section 903(a) of title 33 which follows the first comma'' in the second sentence and inserting in lieu thereof ''section 3(a) of such Act (33 U.S.C. 903(3)) which follows the second comma'';

(ii) in subsection (b), by striking out ''section 902(4) of title 33'' and inserting in lieu thereof ''section 2(4) of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 902(4))'';

(iii) in subsection (c)(1), by striking out ''section 939(b) of title 33'' and inserting in lieu thereof ''39(b) of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 939(b))''; and

(iv) in subsection (d), by striking out ''sections 918 and 921 of title 33'' and inserting in lieu thereof ''sections 18 and 21 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 18 and 21, respectively)''; and

(B) by striking out ''section 902(2) of title 33'' in sections 8172 and 8173 and inserting in lieu thereof ''section 2(2) of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 2(2))''.

Subtitle E—Other Matters

SEC. 341. CHANGE OF SOURCE FOR PERFORMANCE OF DEPOT-LEVEL WORKLOADS.

The text of section 2469 of title 10, United States Code, is amended to read as follows:

''(a) REQUIREMENT FOR COMPETITION.—The Secretary of Defense shall ensure that the performance of a depot-level maintenance workload described in subsection (b) is not changed to performance by a contractor or by another depot-level maintenance activity of the Department of Defense unless the change is made using—

''(1) merit-based selection procedures for competitions among all depot-level maintenance activities of the Department of Defense; or

''(2) competitive procedures for competitions among private and public sector entities.

''(b) SCOPE.—Subsection (a) applies to any depot-level maintenance workload that has a value of not less than $3,000,000 and is being performed by a depot-level activity of the Department of Defense.

''(c) INAPPLICABILITY OF OMB CIRCULAR A–76.—Office of Managment and Budget Circular A–76 does not apply to a performance change to which subsection (a) applies.''.

SEC. 342. CIVIL AIR PATROL.

(a) PROVISION OF FUNDS.—Subsection (b) of section 9441 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (9), (10), (11), and (12), respectively; and

(2) by inserting after paragraph (7) the following new paragraph (8):

''(8) provide funds for the national headquarters of the Civil Air Patrol, including funds for the payment of staff compensation and benefits, administrative expenses, travel, per diem and allow-

ances, rent and utilities, and other operational expenses;''.

(b) LIAISONS.—Such section is further amended by adding at the end the following new subsection:

''(d)(1) The Secretary of the Air Force may authorize the Civil Air Patrol to employ, as administrators and liaison officers, persons retired from service in the Air Force whose qualifications are approved under regulations prescribed by the Secretary and who request such employment.

''(2) A person employed pursuant to paragraph (1) may receive the person's retired pay and an additional amount for such employment that is not more than the difference between the person's retired pay and the pay and allowances the person would be entitled to receive if ordered to active duty in the grade in which the person retired from service in the Air Force. The additional amount shall be paid to the Civil Air Patrol by the Secretary from funds appropriated for that purpose.

''(3) A person employed pursuant to paragraph (1) may not, while so employed, be considered to be on active duty or inactive-duty training for any purpose.''.

SEC. 343. ARMED FORCES RETIREMENT HOME.

(a) INCREASED MAXIMUM LIMITATION ON DEDUCTIONS FROM PAY.—Section 1007(i) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out ''50 cents'' and inserting in lieu thereof ''$2.00''; and

(2) in paragraph (3), by adding at the end the following: ''The amount fixed for a grade or length of service may not be increased by more than 50 cents during any 12-month period.''.

(b) MODIFICATION OF FEES PAID BY RESIDENTS.—(1) Paragraph (2) of section 1514(c) of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 414(c)) is amended to read as follows:

''(2) The fee shall be fixed as a percentage of the monthly income and monthly payments (including Federal payments) received by a resident, subject to such adjustments in the fee as the Retirement Home Board may make under paragraph (1). The percentage shall be the same for each establishment of the Retirement Home.''.

(2)(A) Subsections (d) and (e) of section 1514 of such Act are repealed.

(B) Such section is further amended by adding after subsection (c) the following new subsection (d):

''(d) APPLICATION OF FEES.—Subject to such adjustments in the fee as the Retirement Home Board may

make under subsection (c), each resident of the Retirement Home shall be required to pay a monthly fee equal to the amount determined by multiplying the total amount of all monthly income and monthly payments (including Federal payments) received by the resident by a percentage as follows:

''(1) In the case of a permanent health care resident—

''(A) in fiscal year 1998, 35 percent;

''(B) in fiscal year 1999, 45 percent; and

''(C) in fiscal year 2000, 65 percent.

''(2) In the case of a resident who is not a permanent health care resident—

''(A) in fiscal year 1998, 30 percent;

''(B) in fiscal year 1999, 35 percent; and

''(C) in fiscal year 2000, 40 percent.

(c) MODERNIZATION OF FACILITIES.—(1) The Chairman of the Armed Forces Retirement Home Board shall carry out a study to identify and evaluate alternatives for modernization of the facilities at the United States Soldiers' and Airmen's Home.

(2) The Chairman shall submit an interim report and a final report on the results of the study to the Committees on Armed Services of the Senate and House of Representatives. The Chairman shall submit the interim re-

port not later than April 1, 1995, and the final report not later than December 31, 1995.

(d) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall take effect on January 1, 1995, and apply to years that begin on or after that date.

(2) The amendments made by subsection (b) shall take effect October 1, 1997.

SEC. 344. CLARIFICATION OF AUTHORITY TO PROVIDE MEDICAL TRANSPORTATION UNDER NATIONAL GUARD PILOT PROGRAM.

Paragraph (1) of section 376(h) of the National Defense Authorization Act for Fiscal Year 1993 (32 U.S.C. 501 note) is amended to read as follows:

''(1) The term 'health care' includes the following services:

''(A) Medical care services.

''(B) Dental care services.

''(C) Transportation, by air ambulance or other means, for medical reasons.''.

SEC. 345. ARMS INITIATIVE LOAN GUARANTEE PROGRAM.

(a) PROGRAM AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may carry out a loan guarantee program to encourage commercial firms to use ammunition manufacturing facilities pursuant to section 193 of the Armament Retooling and Manufacturing Support

Act of 1992 (subtitle H of title I of Public Law 102–484; 106 Stat. 2348). Under such program, the Secretary may guarantee the repayment of any loan made to a commercial firm to fund, in whole or in part, the establishment of a commercial activity under the Act.

(b) ADVANCED BUDGET AUTHORITY.—Loan guarantees under this section may not be committed except to the extent that appropriations of budget authority to cover their costs are made in advance, as required by section 504 of the Federal Credit Reform Act of 1990 (title V of the Congressional Budget Act of 1974; 2 U.S.C. 661c).

(c) PROGRAM ADMINISTRATION.—(1) The Secretary may enter into agreements with the Administrator of the Small Business Administration, the Administrator of the Farmers Home Administration, and the Administrator of the Rural Development Administration under which such Administrators may, under this section—

(A) process applications for loan guarantees;

(B) guarantee repayment of loans; and

(C) provide any other services to the Secretary to administer the loan guarantee program.

(2) Each Administrator may guarantee loans under this section to commercial firms of any size, notwithstanding any size limitations imposed on other loan guarantee programs that the Administrator administers.

(3) To the extent practicable, each Administrator shall use the same procedures for processing loan guarantee applications under this section as the Administrator uses for processing loan guarantee applications under other loan guarantee programs that the Administrator administers.

(d) LOAN LIMITS.—Loan guarantees under this section may not exceed—

(1) $20,000,000 for any borrower; and

(2) $65,000,000 for all borrowers.

(e) TRANSFER OF FUNDS.—The Secretary of the Army may transfer to an Administrator providing services under subsection (c), and an Administrator may accept, such funds as may be necessary to administer the loan guarantee program under this section.

(f) REPORTING REQUIREMENT.—Not later than July 1 of each year in which a guarantee issued under this section is in effect, the Secretary shall submit to the congressional defense committees a report containing the amounts of loans guaranteed under this section during the preceding calendar year. No report is required after fiscal year 1997.

(g) AUTHORIZATION FOR USE OF EXISTING BUDGET AUTHORITY.—Funds appropriated for the Armament Retooling and Manufacturing Support Initiative by title III

of Public Law 102–396 under the heading ''PROCUREMENT OF AMMUNITION, ARMY'' (106 Stat. 1887) may be made available for loan guarantees under this section only to the extent provided in an appropriations Act enacted after the date of the enactment of this Act.

(h) EXTENSION OF AUTHORITY.—Section 193(a) of the Armament Retooling and Manufacturing Support Act of 1992 (subtitle H of title I of Public Law 102–484; 106 Stat. 2348) is amended by striking out ''During fiscal years 1993 and 1994,'' and inserting in lieu thereof ''During fiscal years 1993 through 1996,''.

SEC. 346. REAUTHORIZATION OF DEPARTMENT OF DEFENSE DOMESTIC ELEMENTARY AND SECONDARY SCHOOLS FOR DEPENDENTS.

(a) CONTINUED AUTHORITY.—Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2164. Department of Defense domestic dependent elementary and secondary schools

''(a) AUTHORITY OF SECRETARY.—If the Secretary of Defense makes a determination that appropriate educational programs are not available through a local educational agency for dependents of members of the armed forces and dependents of civilian employees of the Federal Government residing on a military installation in the Unit-

ed States (including territories, commonwealths, and possessions of the United States), the Secretary may provide for the elementary or secondary education of the dependents of such members of the armed forces and, to the extent authorized in subsection (c), the dependents of such civilian employees.

''(b) FACTORS FOR SECRETARY TO CONSIDER.—(1) Factors to be considered by the Secretary of Defense in making a determination under subsection (a) shall include the following:

''(A) The extent to which such dependents are eligible for free public education in the local area adjacent to the military installation.

''(B) The extent to which the local educational agency is able to provide a comparable educational program for such dependents.

''(2) For purposes of paragraph (1)(B), an appropriate educational program is a program that, as determined by the Secretary, is comparable to a program of free public education provided for children in the following communities:

''(A) In the case of a military installation located in a State (other than an installation referred to in subparagraph (B)), similar communities in the State.

''(B) In the case of a military installation with boundaries contiguous to two or more States, similar communities in the contiguous States.

''(C) In the case of a military installation located in a territory, commonwealth, or possession, the District of Columbia, except that an educational program determined comparable under this subparagraph may be considered appropriate for the purposes of paragraph (1)(B) only if the program is conducted in the English language.

''(c) ELIGIBILITY OF DEPENDENTS OF FEDERAL EMPLOYEES.—(1) A dependent of a Federal employee residing on a military installation at any time during the school year may enroll in an educational program provided by the Secretary of Defense pursuant to subsection (a) for dependents residing on such installation.

''(2)(A) Except as provided in subparagraph (B), a dependent of a Federal employee who is enrolled in an educational program provided by the Secretary pursuant to subsection (a) and who is not residing on a military installation may be enrolled in the program for not more than five consecutive school years.

''(B) A dependent referred to in subparagraph (A) may be enrolled in the program for more than five consecutive school years if the Secretary determines that, in

the interest of the dependent's educational well-being, there is good cause to extend the enrollment for more than the five-year period described in such subparagraph. Any such extension may be made for only one school year at a time.

''(3) A dependent of a Federal employee may continue enrollment in a program under this subsection for the remainder of a school year notwithstanding a change during such school year in the status of the Federal employee that, except for this paragraph, would otherwise terminate the eligibility of the dependent to be enrolled in the program. The preceding sentence does not limit the authority of the Secretary to remove the dependent from enrollment in the program at any time for good cause determined by the Secretary.

''(d) SCHOOL BOARDS.—(1) The Secretary of Defense shall provide for the establishment of a school board for each Department of Defense elementary or secondary school established for a military installation under this section.

''(2) The school board shall be composed of the number of members, not less than three, prescribed by the Secretary.

''(3) The parents of the students attending the school shall elect the school board in accordance with procedures which the Secretary shall prescribe.

''(4) The elected school board shall be considered a local civic group with a function of rendering a public service of providing counsel through oversight of school expenditures and operations. The Secretary shall prescribe the oversight procedures and audit standards applicable to the functions of the school board.

''(5) Meetings conducted by the school board shall be open to the public.

''(6) A school board need not comply with the provisions of the Federal Advisory Committee Act (5 U.S.C. App.), but may close meetings in accordance with such Act.

''(e) ADMINISTRATION AND STAFF.—(1) The Secretary of Defense may enter into such arrangements as may be necessary to provide educational programs at the school.

''(2) The Secretary may, without regard to the provisions of any other law relating to the number, classification, or compensation of employees—

''(A) establish such positions for civilian employees in schools established under this section;

''(B) appoint individuals to such positions; and

''(C) fix the compensation of such individuals for service in such positions.

''(3)(A) Except as provided in subparagraph (B), in fixing the compensation of employees appointed for a school pursuant to paragraph (2), the Secretary shall consider—

''(i) the compensation of comparable employees of the local educational agency in the capital of the State where the military installation is located;

''(ii) the compensation of comparable employees in the local educational agency that provides public education to students who reside adjacent to the military installation; or

''(iii) the average compensation for similar positions in not more than three other local educational agencies in the State in which the military installation is located.

''(B) In fixing the compensation of employees in schools established in the territories, commonwealths, and possessions pursuant to the authority of this section, the Secretary shall determine the level of compensation required to attract qualified employees. For employees in such schools, the Secretary, without regard to the provisions of title 5, may provide for the tenure, leave, hours of work, and other incidents of employment to be similar

to that provided for comparable positions in the public schools of the District of Columbia. For purposes of the first sentence, a school shall be considered to have been established pursuant to the authority of this section if the school was established pursuant to other similar authority before the date on which this section takes effect.

''(f) SUBSTANTIVE AND PROCEDURAL RIGHTS AND PROTECTIONS FOR CHILDREN.—(1) The Secretary shall provide the following substantive rights, protections, and procedural safeguards (including due process procedures) in the educational programs provided for under this section:

''(A) In the case of children with disabilities aged 3 to 5, inclusive, all substantive rights, protections, and procedural safeguards (including due process procedures) available to children with disabilities aged 3 to 5, inclusive, under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(B) In the case of infants and toddlers with disabilities, all substantive rights, protections, and procedural safeguards (including due process procedures) available to infants and toddlers with disabilities under part H of such Act (20 U.S.C. 1471 et seq.).

''(C) In the case of all other children with disabilities, all substantive rights, protections, and procedural safeguards (including due process procedures) available to children with disabilities who are 3 to 5 years old under part B of such Act.

''(2) Paragraph (1) may not be construed as diminishing for children with disabilities enrolled in day educational programs provided for under this section the extent of substantive rights, protections, and procedural safeguards that were available under section 6(a) of Public Law 81–874 (20 U.S.C. 241(a)) to children with disabilities as of October 7, 1991.

''(3) In this subsection:

''(A) The term 'children with disabilities' has the meaning given the term in section 602(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(1)).

''(B) The term 'children with disabilities aged 3 to 5, inclusive' means such term as used in such Act (20 U.S.C. 1400 et seq.).

''(C) The term 'infants and toddlers with disabilities' has the meaning given the term in section 672(1) of such Act (20 U.S.C. 1472(1)).

''(g) REIMBURSEMENT.—When the Secretary of Defense provides educational services under this section to

an individual who is a dependent of an employee of a Federal agency outside the Department of Defense, the head of the other Federal agency shall, upon request of the Secretary of Defense, reimburse the Secretary for those services at rates routinely prescribed by the Secretary for those services. Any payments received by the Secretary under this subsection shall be credited to the account designated by the Secretary for the operation of educational programs under this section.''.

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

''2164. Department of Defense domestic dependent elementary and secondary schools.''.

SEC. 347. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) AVAILABILITY OF FUNDS.—Of the amounts authorized to be appropriated pursuant to section 301(5)—

(1) $50,000,000 shall be available for providing assistance to local educational agencies under subsection (b) of section 386 of Public Law 102–484; and

(2) $8,000,000 shall be available for making payments to local educational agencies under subsection (d) of such section.

(b) NOTIFICATION AND DISBURSAL.—(1) On or before June 30, 1995, the Secretary of Defense (with respect to assistance provided in subsection (b) of section 386 of Public Law 102–484) and the Secretary of Education (with respect to payments made under subsection (d) of such section) shall notify each local educational agency eligible for assistance under subsections (b) and (d) of such section, respectively, for fiscal year 1995 of such agency's eligibility for such assistance and the amount of such assistance.

(2) The Secretary of Defense (with respect to funds made available under subsection (a)(1)) and the Secretary of Education (with respect to funds made available under subsection (a)(2)) shall disburse such funds not later than 30 days after notification to eligible local education agencies.

SEC. 348. DISPOSITION OF PROCEEDS FROM OPERATION OF THE NAVAL ACADEMY LAUNDRY.

Section 6971 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out ''(a)''; and

(B) in the first sentence, by striking out ''and the Academy dairy'' and inserting in lieu thereof ''the Academy dairy, and the Academy laundry''; and

(2) by striking out subsection (b).

SEC. 349. REPEAL OF ANNUAL LIMITATION ON EXPENDITURES FOR EMERGENCY AND EXTRAORDINARY EXPENSES OF THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL.

Section 127(c) of title 10, United States Code, is amended—

(1) by striking out ''(1)'' after ''(c)''; and

(2) by striking out paragraph (2).

SEC. 350. EXTENSION OF AUTHORITY FOR PROGRAM TO COMMEMORATE WORLD WAR II.

Section 378 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2387; 10 U.S.C. 113 note) is amended by striking out ''1995'' each place it appears in subsections (a) and (b) and inserting in lieu thereof ''1996''.

SEC. 351. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510), as amended by section 370(b) of Public Law 103–160 (107 Stat. 1634), is further amended by striking out ''September 30, 1994'' and inserting in lieu thereof ''September 30, 1995''.

SEC. 352. TRANSFER OF CERTAIN EXCESS DEPARTMENT OF DEFENSE PROPERTY TO EDUCATIONAL INSTITUTIONS AND TRAINING SCHOOLS.

(a) AUTHORITY TO TRANSFER.—Subsection (b)(1) of section 2535 of title 10, United States Code, is amended by striking out subparagraph (G) and inserting in lieu thereof the following:

''(G) notwithstanding title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) and any other provision of law, authorize the transfer to a nonprofit educational institution or training school, on a nonreimbursable basis, of any such property already in the possession of such institution or school whenever the program proposed by such institution or

school for the use of such property will contribute materially to national defense; and''.

(b) TREATMENT OF PROPERTY LOANED BEFORE DECEMBER 31, 1993.—Except for property determined by the Secretary to be needed by the Department of Defense, property loaned before December 31, 1993, to an educational institution or training school under section 2535(b) of title 10, United States Code, or section 4(a)(7) of the Defense Industrial Reserve Act (as in effect before October 23, 1992) shall be regarded as surplus property. Upon certification by the Secretary to the Administrator of General Services that the property is being used by the borrowing educational institution or training school for a purpose consistent with that for which the property was loaned, the Administrator may authorize the conveyance of all right, title, and interest of the United States in such property to the borrower if the borrower agrees to accept the property. The Administrator may require any additional terms and conditions in connection with a conveyance so authorized that the Administrator considers appropriate to protect the interests of the United States.

SEC. 353. SHIPS' STORES.

Section 371 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1634; 10 U.S.C. 7604 note) is amended—

(1) by striking out subsections (a), (b), and (d); and

(2) in subsection (c), by striking out ''(c) CODIFICATION.—Section 7604'' and inserting in lieu thereof ''Effective as of November 30, 1993, section 7604''.

SEC. 354. HUMANITARIAN PROGRAM FOR CLEARING LANDMINES.

(a) PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a program for humanitarian purposes to provide for the instruction, education, training, and advising of personnel of other nations in the various procedures that have been determined effective for detecting and clearing landmines.

(b) FORMS OF ASSISTANCE.—Under the program the Secretary may provide personnel to conduct the instruction, education, or training or to furnish advice. In addition or alternatively, the Secretary may provide financial assistance or in-kind assistance in support of such instruction, education, or training.

(c) LIMITATIONS ON ACTIONS OF UNITED STATES PERSONNEL.—The Secretary of Defense shall ensure that no member of the Armed Forces of the United States—

(1) while providing assistance under subsection (a), engages in the physical detection, lifting, or de-

stroying of landmines unless the member does so for the concurrent purpose of supporting a United States military operation; or

(2) provides such assistance as part of a military operation that does not involve the Armed Forces of the United States.

(d) FUNDING.—Of the funds authorized to be appropriated in section 301, not more than $10,000,000 shall be available for a program carried out under subsection (a).

SEC. 355. ASSISTANCE TO RED CROSS FOR EMERGENCY COMMUNICATIONS SERVICES FOR MEMBERS OF THE ARMED FORCES AND THEIR FAMILIES.

(a) FISCAL YEAR 1995.—Of the funds authorized to be appropriated by section 301(5), $14,500,000 shall be available for obtaining emergency communications services for members of the Armed Forces and their families from the American National Red Cross.

(b) FISCAL YEARS 1996 AND 1997.—Of the amounts authorized to be appropriated for the Department of Defense for fiscal years 1996 and 1997 for operation and maintenance for Defense-wide activities, $14,500,000 shall be available for each such fiscal year for obtaining emergency communications services for members of the

Armed Forces and their families from the American National Red Cross.

SEC. 356. MARITIME PREPOSITIONING SHIP ENHANCEMENT.

Section 2218 of title 10, United States Code, is amended by adding at the end of subsection (f) the following new paragraph:

''(3) Not more than three vessels built in foreign shipyards may be purchased for the Marine Corps maritime prepositioning ship program with funds in the National Defense Sealift Fund. Vessels purchased under the authority of this paragraph may not be counted for purposes of the limitation in paragraph (1).''.

SEC. 357. ROLL-ON/ROLL-OFF VESSELS FOR THE READY RESERVE FORCE.

(a) TRANSFER AUTHORIZED.—To the extent provided in appropriations Acts, in order to provide for purchase of up to seven roll-on/roll-off vessels for the Ready Reserve Force of the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), the Secretary of Defense may transfer to the Maritime Administration not more than $43,000,000 out of funds authorized by this Act to be appropriated to the Department of Defense for

fiscal year 1995, other than funds for procurement of national defense features for vessels.

(b) USE BY MARITIME ADMINISTRATION.—Funds transferred to the Maritime Administration pursuant to subsection (a) shall be used only for the purpose set forth in such subsection.

SEC. 358. PAYMENT OF CERTAIN STIPULATED CIVIL PENALTIES.

Of the funds authorized to be appropriated by section 301(17), the Secretary of Defense may pay not more than $500,000 to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) as payment of stipulated civil penalties assessed under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 359. SALE OF ARTICLES AND SERVICES OF INDUSTRIAL FACILITIES OF THE ARMED FORCES TO PERSONS OUTSIDE DEPARTMENT OF DEFENSE.

(a) AUTHORITY TO SELL OUTSIDE DOD.—The Secretary of Defense may sell in accordance with this section to persons outside the Department of Defense articles and services produced in working-capital funded industrial fa-

cilities of the Armed Forces that are not available from any United States commercial source.

(b) DESIGNATION OF PARTICIPATING INDUSTRIAL FACILITIES.—The Secretary may designate up to three facilities referred to in subsection (a) as the facilities from which articles and services produced in such facilities may be sold under this section.

(c) CONDITIONS FOR SALES.—A sale of articles or services may be made under this section only if—

(1) the Secretary of Defense determines that the articles or services are not available from a commercial source in the United States;

(2) the purchaser agrees to hold harmless and indemnify the United States, except in cases of willful misconduct or extreme negligence, from any claim for damages or injury to any person or property arising out of the articles or services;

(3) the articles or services can be substantially performed by the industrial facility concerned with only incidental subcontracting and that performance is in the public interest;

(4) the Secretary determines that the sale of the articles or services will not interfere with the military mission of the industrial facility concerned; and

(5) the sale of the goods and services is made on the basis that it will not interfere with performance of work by the industrial facility concerned for the Department of Defense.

(d) METHODS OF SALE.—(1) The Secretary shall permit a purchaser of articles or services under this section to use advance incremental funding to pay for the articles or services.

(2) In the sale of articles and services under this section, the Secretary shall—

(A) charge the purchaser, at a minimum, the variable costs, capital improvement costs, and equipment depreciation costs that are associated with the articles or services sold;

(B) enter into a firm, fixed-price contract or, if agreed by the purchaser, a cost reimbursement contract for the sale; and

(C) develop and maintain (from sources other than appropriated funds) working capital to be available for paying design costs, planning costs, procurement costs, and other costs associated with the articles or services sold.

(e) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to sell articles and services in accordance with this section to the commander of each in-

dustrial facility designated pursuant to subsection (b) in accordance with regulations prescribed by the Secretary.

(f) DEPOSIT OF PROCEEDS.—Proceeds from sales of articles and services under this section shall be credited to the funds, including working capital funds and operation and maintenance funds, incurring the costs of performance.

(g) RELATIONSHIP TO ARMS EXPORT CONTROL ACT.—Nothing in this section shall be construed to affect the application of the export controls provided for in section 38 of the Arms Export Control Act (22 U.S.C. 2778) to items which incorporate or are produced through the use of an article sold under this section.

(h) DEFINITIONS.—In this section:

(1) The term ''advance incremental funding'', with respect to a sale of articles or services, means a series of partial payments for the articles or services that includes—

(A) one or more partial payments before the commencement of work or the incurring of costs in connection with the production of the articles or the performance of the services, as the case may be; and

(B) subsequent progress payments that result in full payment being completed as the required work is being completed.

(2) The term ''variable costs'', with respect to sales of articles or services, means the costs that are expected to fluctuate directly with the volume of sales and—

(A) in the case of articles, the volume of production necessary to satisfy the sales orders; or

(B) in the case of services, the extent of the services sold.

SEC. 360. STUDY OF ESTABLISHMENT OF LAND MANAGEMENT AND TRAINING CENTER AT FORT RILEY, KANSAS.

(a) STUDY.—The Secretary of the Army shall carry out a study of the feasibility and advisability of establishing at Fort Riley, Kansas, a center for the land management activities and land management training activities of the Department of Defense.

(b) REPORT.—The Secretary shall submit to the congressional defense committees a report on the study required under subsection (a). The Secretary shall submit the report not later than May 1, 1996.

SEC. 361. PROCUREMENT OF PORTABLE VENTILATORS FOR THE DEFENSE MEDICAL FACILITY OFFICE, FORT DETRICK, MARYLAND.

Of the funds authorized to be appropriated by section 301(5), $2,500,000 shall be available for the procurement of portable ventilators for the Defense Medical Facility Office, Fort Detrick, Maryland.

SEC. 362. REVIEW BY DEFENSE INSPECTOR GENERAL OF COST GROWTH IN CERTAIN CONTRACTS.

(a) REVIEW.—The Inspector General of the Department of Defense shall carry out a review of a representative sample of existing contracts for the performance of commercial activities which resulted from a cost comparison study conducted by the Department of Defense under Office of Management and Budget Circular A-76 (or any other successor administrative regulation or policy) to determine the extent to which the cost incurred by a contractor under any such contract has exceeded the cost of the contract at the time the contract was entered into.

(b) REPORT.—Not later than April 1, 1995, the Inspector General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the review carried out under subsection (a).

SEC. 363. COST COMPARISON STUDIES FOR CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410l. Contracts for advisory and assistance services: cost comparison studies

''(a) REQUIREMENT.—(1)(A) Before the Secretary of Defense enters into a contract described in subparagraph (B), the Secretary shall determine whether Department of Defense personnel have the capability to perform the services proposed to be covered by the contract.

''(B) Subparagraph (A) applies to any contract of the Department of Defense for advisory and assistance services which contract will have a value in excess of $100,000.

''(2) If the Secretary determines that such personnel have that capability, the Secretary shall conduct a study comparing the cost of performing the services with Department of Defense personnel and the cost of performing the services with contractor personnel.

''(b) WAIVER.—The Secretary of Defense may, pursuant to guidelines prescribed by the Secretary, waive the requirement under subsection (a)(2) to perform a cost comparison study based on factors that are not related to cost.''.

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

''2410l. Contracts for advisory and assistance services: cost comparison studies.''.

(b) PROCEDURES FOR CONDUCT OF STUDIES.—The Secretary of Defense shall prescribe the following procedures:

(1) Procedures for carrying out a cost comparison study under subsection (a)(2) of section 2410l of title 10, United States Code, as added by subsection (a), which may contain a requirement that the cost comparison study include consideration of factors that are not related to cost, including the quality of the service required to be performed, the availability of Department of Defense personnel, the duration and recurring nature of the services to be performed, and the consistency of the workload.

(2) Procedures for reviewing contracts entered into after a waiver under subsection (b) of such section to determine whether the contract is justified and sufficiently documented.

(c) EFFECTIVE DATE.—Section 2410l of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1995, as follows:

(1) The Army, 510,000.

(2) The Navy, 441,641.

(3) The Marine Corps, 174,000.

(4) The Air Force, 400,051.

SEC. 402. EXTENSION OF TEMPORARY VARIATION OF END STRENGTH LIMITATIONS FOR MARINE CORPS MAJORS AND LIEUTENANT COLONELS.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 402 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1639; 10 U.S.C. 523 note) is amended by striking out ''and 1995'' and inserting in lieu thereof ''through 1997''

(b) LIMITATION.—The table in subsection (b) of such section is amended to read as follows:

''Fiscal year:	Number of officers who may be serving on active duty in the grade of:	
	Major	Lieutenant colonel
1994	3,023	1,578
1995	3,157	1,634
1996	3,157	1,634
1997	3,157	1,634.''.

(c) CLERICAL AMENDMENT.—The caption of subsection (b) of such section is amended by striking out ''AND 1995.—'' and inserting in lieu thereof ''THROUGH 1997.—''.

SEC. 403. RETENTION OF AUTHORIZED STRENGTH OF GENERAL OFFICERS ON ACTIVE DUTY IN THE MARINE CORPS FOR FISCAL YEARS AFTER FISCAL YEAR 1995.

Section 526(a)(4) of title 10, United States Code, is amended by striking out ''before October 1, 1995,'' and all that follows through ''that date''.

SEC. 404. EXCEPTION TO LIMITATION ON NUMBER OF GENERAL OFFICERS AND FLAG OFFICERS SERVING ON ACTIVE DUTY.

Section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5)(A) Subject to subparagraph (C), an officer while serving in a position referred to in subparagraph (B), if serving in the grade of general or admiral, is in addition to the number that would otherwise be permitted for that officer's armed force for that grade under paragraph (1) or (2).

''(B) Subparagraph (A) applies to the following positions:

''(i) Commander in Chief of a combatant command.

''(ii) Commander, United States Forces, Korea.

''(iii) Deputy Commander in Chief, United States European Command, but only while the Commander in Chief of such command is also the Supreme Allied Commander Europe.

''(C) Subparagraph (A) does not apply to an officer serving in a position referred to in subparagraph (B) unless the Secretary of Defense, when considering that officer for recommendation to the President for appointment to such position, concurrently considered one officer from each of the other armed forces (other than the Coast Guard) for recommendation to the President for appointment to the position.

''(D) The Chairman of the Joint Chiefs of Staff may recommend officers to the Secretary of Defense for consideration by the President for appointment to any of the positions referred to in subparagraph (B).

''(E) This paragraph shall cease to be effective at the end of September 30, 1997.''.

SEC. 405. TEMPORARY EXCLUSION OF SUPERINTENDENT OF NAVAL ACADEMY FROM COUNTING TOWARD NUMBER OF SENIOR ADMIRALS AUTHORIZED TO BE ON ACTIVE DUTY.

(a) GRADE RELIEF.—If the next officer appointed to serve as Superintendent of the United States Naval Academy after April 1, 1994, is an officer described in subsection (b), that officer, while so serving, shall not be counted for purposes of the limitations contained in section 525(b)(2) of title 10, United States Code.

(b) QUALIFYING OFFICER.—Subsection (a) applies in the case of a retired officer who—

(1) holds the grade of admiral on the retired list;

(2) is ordered to active duty pursuant to section 688 of title 10, United States Code, to serve as Superintendent of the United States Naval Academy; and

(3) is appointed pursuant to section 601 of that title to have the grade of admiral while serving on active duty in that position.

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, 1995, as follows:

(1) The Army National Guard of the United States, 400,000.

(2) The Army Reserve, 242,000.

(3) The Naval Reserve, 109,000.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 115,581.

(6) The Air Force Reserve, 78,706.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may increase the end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be reduced proportionately 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, 1995, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,650.

(2) The Army Reserve, 11,940.

(3) The Naval Reserve, 17,510.

(4) The Marine Corps Reserve, 2,285.

(5) The Air National Guard of the United States, 9,098.

(6) The Air Force Reserve, 648.

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) IN GENERAL.—For fiscal year 1995, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 69,420.

(2) The Navy, 43,064.

(3) The Marine Corps, 25,377.

(4) The Air Force, 36,840.

(b) SCOPE.—The average military training student load authorized for an armed force under subsection (a) applies to the active and reserve components of that armed force.

(c) ADJUSTMENTS.—The average military training student loads authorized in subsection (a) shall be adjusted consistent with the end strengths authorized in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1995 a total of $70,790,397,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1995.

Subtitle E—Other Matters

SEC. 441. REPEAL OF REQUIRED REDUCTION IN RECRUITING PERSONNEL.

Section 431 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2400) is repealed.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. SERVICE ON SUCCESSIVE SELECTION BOARDS.

(a) SERVICE ON SUCCESSIVE BOARDS AUTHORIZED.—Section 628 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) A special selection board convened under this section shall be composed in accordance with section 612 of this title or, in the case of a warrant officer, composed in accordance with section 573 of this title and regulations prescribed by the Secretary of the military department concerned, except that the prohibitions on service on successive selection boards set forth in sections 612(b) and 573(e) of this title do not apply to service on successive selection boards authorized under paragraph (2).

''(2) An officer may serve on a selection board convened under section 611(a) of this title or, in the case of a warrant officer, section 573(a) of this title and on a successive special selection board convened under this section if the service on the successive board is approved by the Secretary of the military department concerned and the successive board does not consider any officer who was considered by the first board.''.

(b) CONFORMING AMENDMENT.—Subsections (a)(1) and (b)(1) of section 628 of such title are amended by striking out ''(composed in accordance with'' and all that follows through ''concerned)'' and inserting in lieu thereof ''(composed as provided in subsection (f))''.

SEC. 502. PROMOTION AND OTHER CAREER MANAGEMENT MATTERS RELATING TO WARRANT OFFICERS ON ACTIVE-DUTY LISTS.

(a) EXCEPTION FROM MANDATORY CONSIDERATION BY PROMOTION SELECTION BOARD.—Section 575(d) of such title is amended by inserting ''(except for warrant officers precluded from consideration under regulations prescribed by the Secretary concerned under section 577 of this title)'' after ''under consideration''.

(b) SECRETARIAL SUBMISSION OF PROMOTION SELECTION BOARD REPORT.—Section 576(f)(1) of such title is amended by striking out the second sentence.

(c) PROMOTION FORMALITIES DEEMED COMPLETED.—Section 578 of such title is amended by adding at the end the following new subsections:

''(e) A warrant officer who is appointed to a higher grade under this section is considered to have accepted such appointment on the date on which the appointment is made unless the officer expressly declines the appointment.

''(f) A warrant who has served continuously as an officer since the officer took the oath of office set forth under section 3331 of title 5 is not required to take a new oath upon appointment to a higher grade under this section.''.

(d) WARRANT OFFICERS SUBJECT TO MANAGEMENT AUTHORITIES.—Section 582(2) of such title is amended by inserting before the period at the end the following: ''(other than such officers recalled to active duty before February 1, 1992, who have served continuously on active duty since such date)''.

SEC. 503. ENLISTMENT OR RETIREMENT OF NAVY AND MARINE CORPS LIMITED DUTY OFFICERS HAVING TWICE FAILED OF SELECTION FOR PROMOTION.

(a) AUTHORITY.—Subsection (f) of section 6383 of title 10, United States Code, is amended to read as follows:

''(f)(1) An officer subject to discharge under subsection (b), (d), or (e) who is not eligible for retirement or for retention under paragraph (2) may, upon the officer's request and in the discretion of the Secretary of the Navy, be enlisted in the grade prescribed by the Secretary.

''(2) If an officer subject to discharge under subsection (b) or (d) is within two years of qualifying for retirement under section 6323 of this title as of the date on which the officer is to be discharged, the officer shall be retained on active duty until becoming qualified for retirement under that section (unless sooner retired or dis-

charged under another provision of law) and shall then be retired.''.

(b) CONFORMING AMENDMENTS.—Section 6383 of such title is amended—

(1) in subsection (i), by striking out ''or the discharge under subsection (d)'' and inserting in lieu thereof ''or the discharge under subsection (b) or (d)'';

(2) by striking out subsection (g);

(3) by redesignating subsections (h), (i), and (j) as subsections (g), (h), and (i), respectively; and

(4) in subsections (a), (b), and (d), by striking out ''Except as provided in subsection (i),'' each place it appears and inserting in lieu thereof ''Except as provided in subsection (h),''.

SEC. 504. EDUCATIONAL REQUIREMENTS FOR APPOINTMENT IN RESERVE COMPONENTS IN GRADES ABOVE FIRST LIEUTENANT OR LIEUTENANT (JUNIOR GRADE).

Section 596(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a) IN GENERAL.—''; and

(2) by striking out ''an accredited educational institution'' and inserting in lieu thereof ''an educational institution described in paragraph (2)''; and

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

''(2) An educational institution referred to in paragraph (1) is—

''(A) an accredited educational institution; or

''(B) an unaccredited educational institution if at least three accredited educational institutions generally grant baccalaureate degree credit for completion of courses of the unaccredited institution equivalent to the baccalaureate degree credit granted by the unaccredited institution for the completion of such courses.''.

SEC. 505. LIMITED EXCEPTION FROM BACCALAUREATE DEGREE REQUIREMENT FOR ALASKA SCOUT OFFICERS.

Section 596 of title 10, United States Code, is amended—

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

''(5) The appointment or recognition of an individual referred to in subsection (c) in a higher grade (not above major) of the Alaska Army National

Guard while such individual is serving in a Scout unit or a Scout supporting unit.''; and

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

''(c) PERSONS COVERED BY ALASKA SCOUT EXCEPTION.—Subsection (b)(5) applies to a member of the Alaska Army National Guard who resides permanently at a location in Alaska that is more than 50 miles from the cities of Anchorage, Fairbanks, and Juneau, Alaska, by paved road.''.

SEC. 506. ORIGINAL APPOINTMENTS OF LIMITED DUTY OFFICERS OF THE NAVY AND MARINE CORPS SERVING IN TEMPORARY GRADES.

Section 5589 of title 10, United States Code, is amended—

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

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

''(f) Original appointments as regular officers of the Navy or Marine Corps may be made from among officers serving on active duty in a higher grade pursuant to a temporary appointment in that grade under section 5596 of this title. The grade in which an officer is appointed under this subsection shall be the grade in which the offi-

cer is serving pursuant to the temporary appointment. The officer's date of rank for the grade of the original appointment shall be the same as the date of rank for the grade of the temporary appointment.''.

SEC. 507. SELECTION FOR DESIGNATED JUDGE ADVOCATE POSITIONS.

(a) To the extent that selection for the positions described in subsection (b) is not governed by Chapter 36 of title 10, United States Code, the Secretary of Defense shall prescribe regulations to ensure that officers selected to serve in such positions are selected for such service by boards governed, insofar as practicable, by the procedures prescribed for selection boards under Chapter 36 of title 10, United States Code.

(b) The positions referred to in subsection (a) are—

(1) the Judge Advocate General and Assistant Judge Advocate General of the Army,

(2) the Judge Advocate General and Deputy Judge Advocate General of the Navy,

(3) the Staff Judge Advocate to the Commandant of the Marine Corps, and

(4) the Judge Advocate General and Deputy Judge Advocate General of the Air Force.

Subtitle B—Reserve Component Matters

SEC. 511. REVIEW OF OPPORTUNITIES FOR ORDERING INDIVIDUAL RESERVES TO ACTIVE DUTY WITH CONSENT.

(a) REVIEW REQUIRED.—The Secretary of Defense shall—

(1) review the opportunities for individual members of the reserve components of the Armed Forces to be ordered to active duty, with the consent of the members concerned, during peacetime in positions traditionally filled by active duty personnel; and

(2) identify and remove any impediments, in regulations or other administrative rules, to increasing such opportunities.

(b) REPORT.—Not later than 90 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 results of the review. The report shall contain—

(1) a plan for increasing the opportunities for individual members of the reserve components of the Armed Forces to be ordered to active duty, with the consent of the members concerned, during peacetime

in positions traditionally filled by active duty personnel; and

(2) any additional legislation that the Secretary considers necessary in order to increase such opportunities.

SEC. 512. INCREASED PERIOD OF ACTIVE DUTY SERVICE FOR SELECTED RESERVE FORCES MOBILIZED OTHER THAN DURING WAR OR NATIONAL EMERGENCY.

(a) REVISION TO PERIOD OF EXTENSION OF ACTIVE DUTY.—Section 673b of title 10, United States Code, is amended—

(1) in subsection (a), by striking out ''90 days.'' and inserting in lieu thereof ''180 days.''; and

(2) by striking out subsection (i).

(b) REPORT REQUIRED.—(1) Not later than April 1, 1995, the Secretary of Defense shall submit to the congressional defense committees a report on increasing the authority of the President to order units and members of the reserve components to active duty without the consent of the members concerned.

(2) The report shall include the following:

(A) An analysis of options for increased presidential authority.

(B) An assessment of the effects of each option on recruiting, retention, employer support for the reserve components, and the families of members of the reserve components.

(C) Programs that the Secretary recommends to mitigate any negative effects.

(D) Any option that the Secretary recommends.

(E) Any proposed legislation that the Secretary considers necessary to implement any recommended option.

SEC. 513. REPEAL OF OBSOLETE PROVISIONS PERTAINING TO TRANSFER OF REGULAR ENLISTED MEMBERS TO RESERVE COMPONENTS.

(a) ARMY.—Section 3914 of title 10, United States Code, is amended by striking out the second and third sentences.

(b) AIR FORCE.—Section 8914 of such title, is amended by striking out the second and third sentences.

SEC. 514. SENSE OF THE SENATE CONCERNING THE TRAINING AND MODERNIZATION OF THE RESERVE COMPONENTS.

(a) FINDINGS.—(1) The force structure specified in the Pentagon's Bottom Up Review assumes increased reliance on the reserve components of the Armed Forces;

(2) The mobilization of the reserve components for the Persian Gulf War was handicapped by training, readiness, and equipment shortfalls;

(3) The mobilization of the Army reserve components for the Persian Gulf War was handicapped by lack of a standard readiness evaluation system, which resulted in a lengthy reevaluation of training and equipment readiness of Army National Guard and Reserve units before they could by deployed;

(4) Funding and scheduling constraints continue to limit the opportunity for combat units of the Army National Guard to carry out adequate maneuver training;

(5) Funding constraints continue to handicap the readiness and modernization of the reserve components and their interoperability with the active forces: Now, therefore

(b) PURPOSE.—It is the sense of the Senate that the Department of Defense should establish a standard readiness and evaluation system and that it should provide in its annual budget submissions adequate resources to ensure that National Guard and reserve units are trained and modernized to the standards needed for them to carry out the full range of missions required of them under the Bottom Up Review.

Subtitle C—Other Matters

SEC. 521. REVIEW OF CERTAIN DISMISSALS FROM THE UNITED STATES MILITARY ACADEMY.

(a) REVIEW REQUIRED.—The Secretary of the Army shall promptly carry out a thorough review of the dismissals from the Corps of Cadets of the United States Military Academy of James Webster Smith in 1874 and Johnson Chesnut Whittaker in 1882.

(b) PURPOSES OF REVIEW.—The purpose of each review shall be to determine the validity of the original proceedings and the extent, if any, to which racial prejudice or other improper factors now known may have tainted the original proceedings.

(c) CORRECTION OF RECORDS.—If the Secretary determines that the dismissal of James Webster Smith or Johnson Chesnut Whittaker was in error or an injustice, the Secretary may correct that person's military records (including the records of proceedings in such case).

(d) POSTHUMOUS COMMISSION.—Upon recommendation of the Secretary in the case of James Webster Smith or Johnson Chesnut Whittaker, the President may issue in the name of James Webster Smith or Johnson Chesnut Whittaker, as the case may be, a posthumous commission as an officer in the regular Army in the grade of second lieutenant. Sections 1521(b) and 1523 of title 10, United

States Code, shall apply with respect to a commission so issued.

SEC. 522. TRANSITIONAL COMPENSATION AND OTHER BENEFITS FOR DEPENDENTS OF MEMBERS SEPARATED FOR DEPENDENT ABUSE.

(a) REQUIREMENT.—Subsection (a) of section 1058 of title 10, United States Code, as added by section 554(a)(1) of Public Law 103–160 (197 Stat. 1663), is amended by amending subsection (e) to read as follows:

''(e) COMMENCEMENT AND DURATION OF PAYMENT.—(1) Payment of transitional compensation under this section—

''(A) in the case of a member convicted by a court-martial for a dependent-abuse offense, may commence as of the date of the approval of the court-martial sentence by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) if the sentence, as approved, includes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; and

''(B) in the case of a member being considered under applicable regulations for administrative separation from active duty in accordance with such regulations (if the basis for the separation includes a

dependent-abuse offense), may commence as of the date on which the separation action is initiated by a commander of the member pursuant to such regulations, as determined by the Secretary concerned.

''(2) Transitional compensation with respect to a member may be paid for a period of 36 months, except that, if as of the date on which payment of transitional compensation commences the unserved portion of the member's period of obligated active duty service is less than 36 months, the period for which transitional compensation is paid shall be equal to the greater of—

''(A) the unserved portion of the member's period of obligated active duty service; or

''(B) 12 months.

''(3)(A) If a member is sentenced by a court-martial to receive punishment that includes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances as a result of a conviction by a court-martial for a dependent-abuse offense and each such punishment applicable to the member under the sentence is remitted, set aside, or mitigated to a lesser punishment that does not include any such punishment, any payment of transitional compensation that has commenced under this section on the basis of such sentence in that case shall cease.

''(B) If administrative separation of a member from active duty is proposed on a basis that includes a dependent-abuse offense and the proposed administrative separation is disapproved by competent authority under applicable regulations, payment of transitional compensation in such case shall cease.

''(C) Cessation of payments under subparagraph (A) or (B) shall be effective as of the first day of the first month following the month in which the Secretary concerned notifies the recipient of such transitional compensation in writing that payment of the transitional compensation will cease. The recipient may not be required to repay amounts of transitional compensation received before that effective date (except to the extent necessary to recoup any amount that was erroneous when paid).''.

(c) HEALTH, COMMISSARY, AND OTHER BENEFITS.—Such section is further amended—

(1) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively; and

(2) by inserting after subsection (i) the following new subsection (j):

''(j) HEALTH, COMMISSARY, AND OTHER BENEFITS.—(1) A dependent or former dependent entitled to payment of monthly transitional compensation under this section shall, while receiving payments in accordance with

this section, be entitled to receive medical and dental care, to use commissary and exchange stores, and to receive any other benefit that a dependent of a member of the armed forces is entitled to receive on the basis of being a dependent of a member of the armed forces to the same extent and in the same manner as a dependent of a member of the armed forces on active duty for a period of not more than 30 days.

''(2) If a dependent or former dependent eligible or entitled to receive a particular benefit under this subsection is eligible or entitled to receive that benefit under another provision of law, the eligibility or entitlement of that dependent or former dependent to such benefit shall be determined under such other provision of law instead of this subsection.''.

(c) CONFORMING AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 1058. Dependents of members separated for dependent abuse: transitional compensation and other benefits".

(2) The table of sections at the beginning of chapter 53 of such title is amended by striking out the item relating to section 1058 (as added by section 554(a)(2) of Pub-

lic Law 103–160 (107 Stat. 1066)) and inserting in lieu thereof the following:

''1058. Dependents of members separated for dependent abuse: transitional compensation and other benefits.''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1995.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1995 shall not be made.

(b) INCREASE IN BASIC PAY, BAS, AND BAQ.—Effective on January 1, 1995, the rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services are increased by 2.6 percent.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

SEC. 612. EXTENSION AND MODIFICATION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out ''September 30, 1995,'' and inserting in lieu thereof ''September 30, 1998,''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1995,'' and inserting in lieu thereof ''September 30, 1998,''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended—

(1) by striking out ''September 30, 1995,'' and inserting in lieu thereof ''September 30, 1998,''; and

(2) by striking out ''$6,000'' and inserting in lieu thereof ''$15,000''.

SEC. 613. EXTENSION OF AUTHORITY 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 out ''September 30, 1994'' and inserting in lieu thereof ''September 30, 1995''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30,

1995'' and inserting in lieu thereof ''September 30, 1996''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(e) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 2172(d) of title 10, United States Code, is amended by striking out ''October 1, 1995'' and inserting in lieu thereof ''October 1, 1996''.

(f) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 613(d) of the National Defense Authorization Act, Fiscal Year 1989 (37 U.S.C. 302 note) is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(g) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(h) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by

striking out ''September 30, 1995,'' and inserting in lieu thereof ''September 30, 1996,''.

(i) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1995'' and inserting in lieu thereof ''October 1, 1996''.

Subtitle C—Travel and Transportation Allowances

SEC. 621. RESPONSIBILITY FOR PREPARATION OF TRANSPORTATION MILEAGE TABLES.

Section 404(d)(1)(A) of title 37, United States Code, is amended by striking out ''the Secretary of the Army'' and inserting in lieu thereof ''the Secretary of Defense''.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 631. CLARIFICATION OF CALCULATION OF RETIRED PAY FOR OFFICERS WHO RETIRE IN A GRADE LOWER THAN THE GRADE HELD AT RETIREMENT.

(a) PREVENTION OF RETIRED PAY BASED ON GRADE HIGHER THAN RETIRED GRADE.—Section 1401a(f) of title 10, United States Code, is amended—

(1) in the first sentence, by inserting ''based on the grade in which the member is retired'' after ''at an earlier date'';

(2) in the second sentence, by inserting ‘‘, except that such computation may not be based on a rate of basic pay for a grade higher than the grade in which the member is retired’’ before the period at the end; and

(3) by striking out the third sentence.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to the computation of the retired pay of a member of the armed forces who retires on or after the date of the enactment of this Act.

SEC. 632. CREDITING OF RESERVE SERVICE OF ENLISTED MEMBERS FOR COMPUTATION OF RETIRED PAY.

(a) ARMY.—(1) Section 3925 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out ‘‘and of computing his retired pay under section 3991 of this title,’’; and

(B) by striking out subsection (c).

(2) Section 3991 of such title is amended—

(A) in subsection (a)—

(i) by striking out paragraph (1) and inserting in lieu thereof the following:

‘‘(1) FORMULA.—The monthly retired pay of a member entitled to such pay under this subtitle by

reason of retirement under a provision of law referred to in paragraph (3) is computed by multiplying the retired pay base (as computed under section 1406(c) or 1407 of this title) by the retired pay multiplier prescribed in section 1409 of this title for the number of years credited to the member under section 1405 of this title.''; and

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

''(3) APPLICABILITY.—Paragraph (1) applies to a member retired under the authority of section 3911, 3914, 3917, 3918, 3920, or 3924 of this title.''; and

(B) in subsection (b), by striking out paragraph (3).

(3) The text of section 3992 of such title is amended to read as follows:

''(a) RECOMPUTATION REQUIRED.—An enlisted member or warrant officer of the Army who is advanced on the retired list under section 3964 of this title is entitled to recompute the member's or officer's retired pay in accordance with this section.

''(b) FORMULA.—To recompute an enlisted member's retired pay or a warrant officer's retired pay, multiply the retired pay base (as computed under section 1406(c) or

1407 of this title) by the retired pay multiplier prescribed in section 1409 of this title for the number of years credited to the member or officer under section 1405 of this title.

''(c) ROUNDING TO NEXT LOWER DOLLAR.—The amount computed under subsection (b), if not a multiple of $1, shall be rounded to the next lower multiple of $1.''.

(b) NAVY AND MARINE CORPS.—The table in section 6333(a) of title 10, United States Code, is amended by striking out ''his years of active service in the armed forces'' in formula C under the column designated ''Column 2'' and inserting in lieu thereof ''the years of service credited to him under section 1405''.

(c) AIR FORCE.—(1) Section 8925 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out ''and of computing his retired pay under section 8991 of this title,''; and

(B) by striking out subsection (c).

(2) Section 8991 of such title is amended—

(A) in subsection (a)—

(i) by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) FORMULA.—The monthly retired pay of a member entitled to such pay under this subtitle by

reason of retirement under a provision of law referred to in paragraph (3) is computed by multiplying the retired pay base (as computed under section 1406(e) or 1407 of this title) by the retired pay multiplier prescribed in section 1409 of this title for the number of years credited to the member under section 1405 of this title.''; and

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

''(3) APPLICABILITY.—Paragraph (1) applies to a member retired under the authority of section 8911, 8914, 8917, 8918, 8920, or 8924 of this title.''; and

(B) in subsection (b), by striking out paragraph (3).

(3) The text of section 8992 of such title is amended to read as follows:

''(a) RECOMPUTATION REQUIRED.—An enlisted member or warrant officer of the Air Force who is advanced on the retired list under section 8964 of this title is entitled to recompute the member's or officer's retired pay in accordance with this section.

''(b) FORMULA.—To recompute an enlisted member's retired pay or a warrant officer's retired pay, multiply the retired pay base (as computed under section 1406(e) or

1407 of this title) by the retired pay multiplier prescribed in section 1409 of this title for the number of years credited to the member or officer under section 1405 of this title.

''(c) ROUNDING TO NEXT LOWER DOLLAR.—The amount computed under subsection (b), if not a multiple of $1, shall be rounded to the next lower multiple of $1.''.

(d) CONFORMING AMENDMENT.—Section 1405 of such title is amended by adding at the end the following new subsection:

''(c) EXCLUSION OF TIME REQUIRED TO BE MADE UP.—Time required to be made up by an enlisted member of the Army or Air Force under section 972 of this title may not be counted in determining years of service under subsection (a).''.

(e) EFFECTIVE DATE.—This section shall apply to the computation of the retired or retainer pay of any enlisted member who retires or is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve on or after the date of the enactment of this Act.

SEC. 633. FORFEITURE OF ANNUITY OR RETIRED PAY OF MEMBERS CONVICTED OF ESPIONAGE.

(a) FORFEITURE.—Section 8312(b)(2)(A) of title 5, United States Code, is amended—

(1) by striking out ''or article 106 (spies)'' and inserting in lieu thereof '', article 106 (spies), or article 106a (espionage)''; and

(2) by striking out ''or article 106'' and inserting in lieu thereof '', article 106, or article 106a''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to persons convicted of espionage under section 906a of title 10, United States Code (article 106a of the Uniform Code of Military Justice), on or after the date of the enactment of this Act.

SEC. 634. COMPUTATION OF RETIRED PAY TO PREVENT PAY INVERSIONS.

Section 1401a(f) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(f) PREVENTION OF PAY INVERSIONS.—''; and

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

''(2)(A) Subject to subparagraph (B), for the purpose of computing the monthly retired pay of a member or former member of an armed force under paragraph (1), the Secretary concerned may waive any provision of a regulation that, as such provision was in effect on the earlier date applicable to the member or former member under

paragraph (1), required a member to serve for a minimum period in a grade as a condition for retirement in that grade.

''(B) Any waiver under subparagraph (A) shall apply in the case of a member or former member only to that part of the minimum period of service provided for a grade in the regulation that exceeds the minimum period of service in such grade that was authorized by a provision of this title to be required as a condition for retirement in that grade (as such provision of this title was in effect on the earlier date applicable to the member or former member under paragraph (1)).

''(C) The Secretary concerned may waive the provision of a regulation under subparagraph (A) in the case of a particular member or former member or for any group of members or former members.''.

SEC. 635. COST-OF-LIVING INCREASES IN SBP CONTRIBUTIONS TO BE EFFECTIVE CONCURRENTLY WITH PAYMENT OF RELATED RETIRED PAY COST-OF-LIVING INCREASES.

(a) SURVIVOR BENEFIT PLAN.—Section 1452(h) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(h)''; and

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

''(2)(A) Notwithstanding paragraph (1), when the initial payment of an increase in retired pay under section 1401a of this title (or any other provision of law) to a person is later than the effective date of that increase by reason of the application of subsection (b)(2)(B) of such section, then the amount of the reduction in the person's retired pay shall be effective on the date of that initial payment of the increase in retired pay rather than the effective date of the increase in retired pay.

''(B) Subparagraph (A) may not be construed as delaying, for purposes of determining the amount of a monthly annuity under section 1451 of this title, the effective date of an increase in a base amount under subsection (h) of such section from the effective date of an increase in retired pay under section 1401a of this title to the date on which the initial payment of that increase in retired pay is made in accordance with subsection (b)(2)(B) of such section 1401a.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to retired pay payable for months beginning on or after the date of the enactment of this Act.

SEC. 636. REQUIREMENT FOR EQUAL TREATMENT OF CIVILIAN AND MILITARY RETIREES IN THE EVENT OF DELAYS IN COST-OF-LIVING ADJUSTMENTS.

(a) CIVIL SERVICE ANNUITIES.—(1) Section 8340 of title 5, United States Code, is amended—

(A) in subsection (b), by striking out ''Except as provided in subsection (c)'' and inserting in lieu thereof ''Except as provided in subsections (c) and (h)''; and

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

''(h)(1) Whenever, by law, there is a difference between the date on which a cost-of-living adjustment under this section is to take effect and the date on which a corresponding cost-of-living adjustment of the retired pay of members and former members of the uniformed services under section 1401a of title 10 is to take effect, then, notwithstanding subsection (b) and any other provision of law, the date on which the cost-of-living adjustment under this section takes effect shall be the earlier of the two dates.

''(2) Whenever, by law, there is a difference between the first month for which a cost-of-living adjustment taking effect under this section is payable and the first month for which a corresponding cost-of-living adjustment of the

retired pay of members and former members of the uniformed services taking effect under section 1401a of title 10 is payable, then the first month for which the cost-of-living adjustment under this section is first payable shall (notwithstanding the effective date provided for such adjustment in subsection (b) of this section or in any other law) be the earlier of the two months.

''(3) For purposes of this subsection, a cost-of-living adjustment of the retired pay of members and former members of the uniformed services under section 1401a of title 10 corresponds to a cost-of-living adjustment under this section when, without regard to any provision of law other than subsection (b) of this section and section 1401a(b)(1) of title 10, the cost-of-living adjustments under this section and under section 1401a of title 10 would take effect on the same date.''.

(2) Section 8462 of title 5, United States Code, is amended—

(A) in subsection (b)(1), by striking out ''Except as provided in subsection (c)'' and inserting in lieu thereof ''Except as provided in subsections (c) and (f)''; and

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

''(f)(1) Whenever, by law, there is a difference between the date on which a cost-of-living adjustment under this section is to take effect and the date on which a corresponding cost-of-living adjustment of the retired pay of members and former members of the uniformed services under section 1401a of title 10 is to take effect, then, notwithstanding subsection (b)(1) and any other provision of law, the date on which the cost-of-living adjustment under this section takes effect shall be the earlier of the two dates.

''(2) Whenever, by law, there is a difference between the first month for which a cost-of-living adjustment taking effect under this section is payable and the first month for which a corresponding cost-of-living adjustment of the retired pay of members and former members of the uniformed services taking effect under section 1401a of title 10 is payable, then the first month for which the cost-of-living adjustment under this section is first payable shall (notwithstanding the effective date provided for such adjustment in subsection (b)(1) of this section or in any other law) be the earlier of the two months.

''(3) For purposes of this subsection, a cost-of-living adjustment of the retired pay of members and former members of the uniformed services under section 1401a of title 10 corresponds to a cost-of-living adjustment under

this section when, without regard to any provision of law other than subsection (b)(1) of this section and section 1401a(b)(1) of title 10, the cost-of-living adjustments under this section and under section 1401a of title 10 would take effect on the same date.''.

(b) UNIFORMED SERVICES RETIRED PAY.—Section 1401a of title 10, United States Code, is amended—

(1) in subsection (b)(1), by inserting (except as provided in subsection (i))'' after ''Effective on December 1 of each year''; and

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

''(i)(1) Whenever, by law, there is a difference between the date on which a cost-of-living adjustment under this section is to take effect and the date on which a corresponding cost-of-living adjustment of annuities of retired employees of the United States under section 8340 or 8462 of title 5 is to take effect, then, notwithstanding subsection (b) and any other provision of law, the date on which the cost-of-living adjustment under this section takes effect shall be the earlier (or earliest) such date.

''(2) Whenever, by law, there is a difference between the first month for which a cost-of-living adjustment taking effect under this section is payable and the first month for which a corresponding cost-of-living adjustment of an-

nuities of retired employees of the United States taking effect under section 8340 or 8462 of title 5 is payable, then the first month for which the cost-of-living adjustment under this section is first payable shall (notwithstanding the effective date provided for such adjustment in subsection (b)(1) of this section or in any other law) be the earlier (or earliest) such month.

''(3) For purposes of this subsection, a cost-of-living adjustment of annuities of retired employees of the United States under section 8340 or 8462 of title 5 corresponds to a cost-of-living adjustment under this section when, without regard to any provision of law other than subsection (b)(1) of this section and sections 8340(b) and 8462(b)(1) of title 5, the cost-of-living adjustments under this section and under sections 8340 and 8462 of title 5 would take effect on the same date.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1998.

Subtitle E—Defense Conversion, Reinvestment, and Transition Assistance Matters

SEC. 641. ELIGIBILITY OF MEMBERS RETIRED UNDER TEMPORARY SPECIAL RETIREMENT AUTHORITY FOR SERVICEMEN'S GROUP LIFE INSURANCE.

(a) ELIGIBILITY.—Section 1965(5) of title 38, United States Code, is amended—

(1) by striking out ''and'' at the end of subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

''(D) a person transferred to the Retired Reserve of a uniformed service under the temporary special retirement authority provided in section 1331a of title 10 who has not received the first increment of retirement pay or has not reached sixty-one years of age; and''.

(b) INSURANCE COVERAGE.—Section 1967(a) of such title is amended—

(1) by striking out ''and'' at the end of paragraph (2);

(2) by adding ''and'' at the end of paragraph (3);

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

''(4) any member assigned to the Retired Reserve of a uniform service who meets the qualifications set forth in section 1965(5)(D) of this title;''; and

(4) in the second sentence, by inserting after ''section 1965(5)(C) of this title,'' the following: ''or the first day a member of the Reserves meets the qualifications of section 1965(5)(D) of this title,''.

(c) DURATION OF COVERAGE.—Section 1968(a) of such title is amended—

(1) in the matter above paragraph (1), by striking out ''section 1965(5)(B) or (C)'' and inserting in lieu thereof ''subparagraphs (B), (C), or (D) of section 1965(5)'';

(2) in paragraph (4)—

(A) by striking out ''or'' at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; or''; and

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

''(C) unless on the date of such separation or release the member is transferred to the Retired Reserve of a uniformed service under the temporary special retirement authority provided in section 1331a of title 10, in which event the insurance, unless converted to an individual policy under terms and conditions set forth in section 1977(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Secretary directly to the administrative office established under section 1966(b) of this title, continue in force until receipt of the first increment of retirement pay by the member or the member's sixty-first birthday, whichever occurs earlier.''; and

(3) by adding at the end the following:

''(6) with respect to a member of the Retired Reserve who meets the qualifications of section 1965(5)(D) of this title, at such time as the member receives the first increment of retirement pay, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the

Secretary, directly to the administrative office established under section 1966(b) of this title.''.

(d) DEDUCTIONS.—Section 1969 of such title is amended—

(1) in subsection (a)(2)—

(A) by striking out ''or is assigned'' and inserting in lieu thereof ''is assigned''; and

(B) by inserting after ''section 1965(5)(C) of this title,'' the following: ''or is assigned to the Retired Reserve and meets the qualifications of section 1965(5)(D) of this title,''; and

(2) in subsection (e), by striking out ''section 1965(5)(C)'' in the first sentence and inserting in lieu thereof ''subparagraph (C) or (D) of section 1965(5)''.

SEC. 642. ANNUAL PAYMENTS FOR MEMBERS RETIRED UNDER GUARD AND RESERVE TRANSITION INITIATIVE.

(a) ANNUAL PAYMENT FOR ONE TO FIVE YEARS.—Subsection (d) of section 4416 of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (division D of Public Law 102–484; 10 U.S.C. 1162 note) is amended—

(1) by striking out ''for 5 years'' and inserting in lieu thereof ''for a period of years prescribed by the Secretary concerned'';

(2) by striking out ''5-year''; and

(3) by adding at the end the following: ''A period prescribed for purposes of this subsection may not be less than one year nor more than five years.''.

(b) COMPUTATION OF ANNUAL PAYMENT.—Subsection (e) of such section is amended by adding at the end the following:

''(3) In the case of a member who will attain 60 years of age within one year after the date on which an annual payment would otherwise be made to the member under this section, the amount of the payment made on that date shall be computed under this paragraph instead of paragraph (1). The amount of such payment shall be equal to 1/12 of the product of—

''(A) the amount computed for the member under paragraph (1); and

''(B) the number equal to 1/30 of the total number of days in the period beginning on such date and ending on the day before the date of the member's 60th birthday.''.

(c) COORDINATION WITH RETIRED PAY.—Such section is further amended by adding at the end the following:

''(i) COORDINATION WITH RETIRED PAY.—Fifty percent of the monthly amount of retired pay payable under chapter 67 of this title to a member who receives one or more annual payments under this section shall be deducted and withheld from such monthly amount of retired pay. The deductions shall be terminated when the total amount so deducted and withheld equals the total amount paid to the member under this section. The amount deducted and withheld from the last monthly payment of retired pay before termination of deductions may be less than 50 percent of the monthly amount.''.

SEC. 643. INCREASED ELIGIBILITY AND APPLICATION PERIODS FOR TROOPS-TO-TEACHERS PROGRAM.

(a) PERIOD OF ELIGIBILITY.—Subsection (c) of section 1151 of title 10, United States Code, is amended—

(1) in paragraph (1)(A), by striking out ''seven-year period beginning on October 1, 1992,'' and inserting in lieu thereof ''nine-year period beginning on October 1, 1990,''; and

(2) by striking out paragraph (4).

(b) APPLICATION PERIOD.—Subsection (e)(1) of such section is amended by striking out ''submitted'' in the first sentence and all that follows through the end of the second sentence and inserting in lieu thereof ''timely submitted to the Secretary of Defense. An application is

timely submitted if the application is submitted not later than the latest date applicable to the applicant under this paragraph. An application shall be submitted not later than one year after the date of the discharge or release of the applicant from active duty. In the case of an applicant discharged or released from active duty before January 19, 1994, an application shall be submitted not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995. In the case of an applicant becoming educationally qualified for teacher placement assistance in accordance with subsection (c)(2), an application shall be submitted not later than one year after the date on which the applicant becomes educationally qualified.''.

SEC. 644. ASSISTANCE FOR ELIGIBLE MEMBERS TO OBTAIN EMPLOYMENT WITH LAW ENFORCEMENT AGENCIES.

(a) REVISED PROGRAM AUTHORITY.—Section 1152 of title 10, United States Code, is amended to read as follows:

"§ 1152. Assistance to eligible members and former members to obtain employment with law enforcement agencies

''(a) PLACEMENT PROGRAM.—The Secretary of Defense may enter into an agreement with the Attorney Gen-

eral to establish or participate in a program to assist eligible members and former members of the armed forces to obtain employment as law enforcement officers with State law enforcement agencies, local law enforcement agencies, or Indian tribes that perform law enforcement functions (as determined by the Secretary of the Interior) following the discharge or release of such members or former members from active duty.

''(b) ELIGIBLE MEMBERS.—Any member or former member who, during the 6-year period beginning on October 1, 1993, is separated from the armed forces with an honorable discharge or is released from service on active duty characterized as honorable by the Secretary concerned shall be eligible to participate in a program covered by an agreement referred to in subsection (a).

''(c) SELECTION.—In the selection of applicants for participation in a program covered by an agreement referred to in subsection (a), preference shall be given to a member or former member who—

''(1) is selected for involuntary separation, is approved for separation under section 1174a or 1175 of this title, or retires pursuant to the authority provided in section 4403 of Public Law 102–484 (10 U.S.C. 1293 note); and

''(2) has a military occupational specialty, training, or experience related to law enforcement (such as service as a member of the military police) or satisfies such other criteria for selection as, in accordance with the agreement, the Secretary, the Attorney General, or a participating State or local law enforcement agency or participating Indian tribe may prescribe.

''(d) GRANTS TO FACILITATE EMPLOYMENT.—(1) The Secretary may provide funds to the Attorney General for grants under this section to reimburse State law enforcement agencies, local law enforcement agencies, or Indian tribes that perform law enforcement functions (as determined by the Secretary of the Interior) for costs, including salary and fringe benefits, of employing members or former members pursuant to a program referred to in subsection (a).

''(2) No grant with respect to an eligible member or former member may exceed a total of $50,000.

''(3) Any grant with respect to an eligible member or former member shall be disbursed within 5 years after the date of the placement of a member or former member with a participating law enforcement agency or Indian tribe.

''(4) Preference in awarding grants through existing law enforcement hiring programs shall be given to State or local law enforcement agencies or Indian tribes that agree to hire eligible members and former members.

''(e) ADMINISTRATIVE EXPENSES.—Ten percent of the amount, if any, appropriated for a fiscal year to carry out a program established pursuant to subsection (a) may be used to administer the program.

''(f) REQUIREMENT FOR APPROPRIATION.—No member or former member may be selected to participate in the program established by this section unless a sufficient amount of appropriated funds are available at the time of the selection to satisfy the obligations to be incurred by the United States under an agreement referred to in subsection (a) that applies with respect to such member or former member.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 58 of title 10, United States Code, is amended to read as follows:

''1152. Assistance to eligible members and former members to obtain employment with law enforcement agencies.''.

SEC. 645. TREATMENT OF RETIRED AND RETAINER PAY OF MEMBERS OF CADRE OF CIVILIAN COMMUNITY CORPS.

Section 159(c)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12619(c)(3)) is amended by adding at the end the following: ''In the case of a member of the permanent cadre who was recommended for appointment in accordance with section 162(a)(2)(A) and is entitled to retired or retainer pay, section 5532 of title 5, United States Code, shall not apply to reduce the member's retired or retainer pay by reason of the member being paid as a member of the cadre.''.

Subtitle F—Other Matters

SEC. 651. DISABILITY COVERAGE FOR OFFICER CANDIDATES GRANTED EXCESS LEAVE.

(a) ELIGIBILITY FOR RETIREMENT.—Section 1201 of title 10, United States Code, is amended—

(1) by inserting ''(a) MEMBERS ON ACTIVE DUTY ENTITLED TO PAY.—'' before ''Upon a determination''; and

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

''(b) MEMBERS ON EXCESS LEAVE.—(1) Upon a determination by the Secretary concerned that a member referred to in paragraph (2) is unfit to perform the duties of the member's office, grade, rank, or rating because of

a physical disability incurred during a period described in such paragraph, the Secretary may retire the member, with retired pay computed under section 1401 of this title, if the Secretary also makes the determinations described in paragraphs (1), (2), and (3) of subsection (a) with regard to such member.

''(2) Paragraph (1) applies to a member of the armed forces who, during a period of authorized absence—

''(A) is participating in a program leading to appointment, designation, or assignment in the armed forces in an officer category; and

''(B) is not entitled to basic pay by reason of the application of section 502(b) of title 37 to such absence.''.

(b) ELIGIBILITY FOR PLACEMENT ON TEMPORARY DISABILITY RETIRED LIST.—Section 1202 of such title is amended—

(1) by striking out ''or any other members'' and inserting in lieu thereof ''any other members''; and

(2) by inserting after ''more than 30 days,'' the following: ''or any member referred to in section 1201(b)(2) of this title''.

(c) ELIGIBILITY FOR SEPARATION.—Section 1203 of such title is amended—

(1) by inserting ''(a) MEMBERS ON ACTIVE DUTY ENTITLED TO PAY.—'' before ''Upon a determination'';

(2) by striking out the second sentence (relating to transfer to inactive status); and

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

''(b) MEMBERS ON EXCESS LEAVE.—Upon a determination by the Secretary concerned that a member referred to in paragraph (2) of section 1201(b) of this title is unfit to perform the duties of the member's office, grade, rank, or rating because of a physical disability incurred during a period described in such paragraph, the Secretary may separate the member, with severance pay computed under section 1212 of this title, if the Secretary also makes the determinations described in paragraphs (1), (2), (3), and (4) of subsection (a) with regard to such member.

''(c) TRANSFER TO INACTIVE STATUS LIST.—If a member authorized to be separated under subsection (a) or (b) is eligible for transfer to the inactive status list under section 1209 of this title, and so elects, the member shall be transferred to that list instead of being separated.''.

(d) CONFORMING AMENDMENTS.—(1) Chapter 61 of title 10, United States Code, is amended—

(A) by striking out the heading of section 1201 and inserting in lieu thereof the following:

"§ 1201. Regulars, members on active duty for more than 30 days, certain members on excess leave: retirement";

(B) by striking out the heading of section 1202 and inserting in lieu thereof the following:

"§ 1202. Regulars, members on active duty for more than 30 days, certain members on excess leave: temporary disability retired list";

and

(C) by striking out the heading of section 1203 and inserting in lieu thereof the following:

"§ 1203. Regulars, members on active duty for more than 30 days, certain members on excess leave: separation".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 1201, 1202, and 1203 and inserting in lieu thereof the following:

''1201. Regulars, members on active duty for more than 30 days, certain members on excess leave: retirement
''1202. Regulars, members on active duty for more than 30 days, certain members on excess leave: temporary disability retired list.
''1203. Regulars, members on active duty for more than 30 days, certain members on excess leave: separation.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and apply with respect to physical disabilities incurred on or after such date.

SEC. 652. USE OF MORALE, WELFARE, AND RECREATION FACILITIES BY MEMBERS OF RESERVE COMPONENTS AND DEPENDENTS.

Section 1065 of title 10, United States Code, is amended to read as follows:

"§ 1065. Use of certain morale, welfare, and recreation facilities by members of reserve components and dependents

''(a) MEMBERS OF THE SELECTED RESERVE.—Members of the Selected Reserve in good standing (as determined by the Secretary concerned) shall be permitted to use MWR retail facilities on the same basis as members on active duty.

''(b) RETIREES UNDER AGE 60.—Members of the reserve components who would be eligible for retired pay under chapter 67 of this title but for the fact that the member is under 60 years of age shall be permitted to use MWR retail facilities on the same basis as retired members and retired former members of the Regular Army, Regular Navy, Regular Air Force, and Regular Marine Corps.

''(c) MEMBERS OF READY RESERVE NOT IN SELECTED RESERVE.—Subject to such regulations as the Secretary of Defense may prescribe, members of the Ready Reserve (other than members of the Selected Reserve) may be permitted to use MWR retail facilities on the same basis as members serving on active duty.

''(d) DEPENDENTS.—(1) Dependents of members referred to in subsection (a) shall be permitted to use MWR retail facilities on the same basis as dependents of members on active duty.

''(2) Dependents of members referred to in subsection (b) shall be permitted to use MWR retail facilities on the same basis as dependents of retired members and retired former members of the Regular Army, Regular Navy, Regular Air Force, and Regular Marine Corps.

''(e) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.''.

SEC. 653. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR DEPARTMENT OF DEFENSE PERSONNEL OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Chapter 53 of Title 10, United States Code, is amended by adding at the end the following new section:

"§ 1060a. Special supplemental food program

''(a) AUTHORITY.—The Secretary of Defense may carry out a program to provide special supplemental food benefits to members of the armed forces on duty at stations outside the United States (and its territories and possessions) and to eligible civilians serving with, employed by, or accompanying the armed forces outside the United States (and its territories and possessions).

''(b) FEDERAL PAYMENTS AND COMMODITIES.—For the purpose of obtaining Federal payments and commodities in order to carry out the program referred to in subsection (a), the Secretary of Agriculture shall make available to the Secretary of Defense from funds appropriated for such purpose, the same payments and commodities as are made for the special supplemental food program in the United States under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

''(c) PROGRAM ADMINISTRATION.—(1)(A) The Secretary of Defense shall administer the program referred to in subsection (a) and, except as provided in subpara-

graph (B), shall determine eligibility for program benefits under the criterion published by the Secretary of Agriculture under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

''(B) The Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of individuals participating in the program under this section.

''(2) The program benefits provided under the program shall be similar to benefits provided by State and local agencies in the United States.

''(d) DEPARTURE FROM STANDARDS.—The Secretary of Defense may authorize departures from standards prescribed by the Secretary of Agriculture regarding the supplemental foods to be made available in the program when local conditions preclude strict compliance or when such compliance is highly impracticable.

''(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to administer the program authorized by this section.

''(f) DEFINITIONS.—In this section:

''(1) The term 'eligible civilian' means—

''(A) a dependent of a member of the armed forces residing with the member outside the United States;

''(B) an employee of a military department who is a national of the United States and is residing outside the United States in connection with such individual's employment or a dependent of such individual residing with the employee outside the United States; or

''(C) an employee of a Department of Defense contractor who is a national of the United States and is residing outside the United States in connection with such individual's employment or a dependent of such individual residing with the employee outside the United States.

''(2) The term 'national of the United States' means—

''(A) a citizen of the United States; or

''(B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22))).

''(3) The term 'dependent' has the meaning given such term in subparagraph (A), (D), (E), and (I) of section 1072(2) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of title 10, United States

Code, is amended by adding at the end the following new item:

''1060a. Special supplemental food program.''.

SEC. 654. REIMBURSEMENT FOR CERTAIN LOSSES OF HOUSEHOLD EFFECTS CAUSED BY HOSTILE ACTION.

(a) AUTHORITY TO REIMBURSE.—Chapter 163 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2738. Reimbursement for certain losses of household effects caused by hostile action

''(a) AUTHORITY TO REIMBURSE.—The Secretary concerned or, subject to appeal to the Secretary, the Judge Advocate General of an armed force under the Secretary's jurisdiction, or the Chief Counsel of the Coast Guard, as appropriate, if designated by the Secretary, may reimburse a member of the armed forces in an amount not more than $100,000 for a loss described in subsection (b).

''(b) COVERED LOSSES.—This section applies with respect to a loss of household effects sustained during a move made incident to a change of permanent station when, as determined by the Secretary, the loss was caused by a hostile action incident to war or a warlike action by a military force.

''(c) LIMITATION.—The Secretary may provide reimbursement under this section for a loss described in sub-

section (b) only to the extent that the loss is not reimbursed under insurance or under the authority of another provision of law.

''(d) APPLICABILITY OF OTHER AUTHORITIES AND REQUIREMENTS.—Subsections (b), (d), (e), (f), and (g) of section 2733 of this title shall apply to a request for a reimbursement under this section as if the request were a claim against the United States.''.

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

''2738. Reimbursement for certain losses of household effects caused by hostile action.''.

(c) EFFECTIVE DATE.—(1) Section 2738 of title 10, United States Code, as added by subsection (a), applies with respect to losses incurred after June 30, 1990.

(2) In the case of a loss incurred after June 30, 1990, and before the date of the enactment of this Act, a request for reimbursement shall be filed with the Secretary of the military department concerned not later than two years after such date of enactment.

SEC. 655. PAYMENT FOR TRANSIENT HOUSING FOR RESERVES PERFORMING CERTAIN TRAINING DUTY.

Section 404 of title 37, United States Code, is amended—

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

(2) by inserting after subsection (i) the following new subsection (j):

''(j)(1) In the case of a member of a reserve component performing annual training duty or inactive-duty training who is not otherwise entitled to travel and transportation allowances in connection with such duty under subsection (a) of this section, the Secretary concerned may reimburse the member for housing service charge expenses incurred by the member in occupying transient government housing during the performance of such duty.

''(2) Any payment or other benefit under this section shall be provided in accordance with regulations prescribed by the Secretaries concerned.

''(3) The Secretary may pay service charge expenses under paragraph (1) out of funds appropriated for operation and maintenance for the reserve component concerned.''.

SEC. 656. STUDY OF OFFSET OF DISABILITY COMPENSATION BY RECEIPT OF SEPARATION BENEFITS AND INCENTIVES.

(a) STUDY.—(1) The Comptroller General shall carry out a study of the offset of the amount of disability compensation from the Department of Veterans Affairs that

is received by an individual separated from the Armed Forces by the amount of any of the following benefits:

(A) Separation pay under section 1174 of title 10, United States Code.

(B) A special separation benefit under a special separation benefits program carried out under section 1174a(a) of such title.

(C) A voluntary separation incentive under section 1175 of such title.

(2) In carrying out the study, the Comptroller General shall—

(A) determine the purposes for the availability of the benefits referred to paragraph (1);

(B) determine the justifications for the offset referred to in that paragraph;

(C) assess the effect of the offset by—

(i) determining the number of members of the Armed Forces who will separate from the Armed Forces during the period beginning on the date of the enactment of this Act and ending on September 30, 1999;

(ii) determining the number of such members who will be provided a benefit referred to in that paragraph, and the average amount of the benefit to be provided;

(iii) determining the number of such members who will be entitled to disability compensation from the Department of Veterans Affairs, and the average monthly amount of the compensation to which the members will be entitled; and

(iv) evaluating the extent, if any, to which the offset affects the capacity of members who are separated from the Armed Forces to meet financial obligations (including obligations relating to housing and medical care) of such members that arise as a result of the service of the members in the Armed Forces or the separation of such members from that service;

(D) determine the extent, if any, to which the offset of disability compensation by the amount of a benefit referred to in subparagraph (B) or (C) of paragraph (1) reduces the effectiveness of the benefits in meeting the purposes determined under subparagraph (A) of this paragraph; and

(E) determine the cost of the repeal of the offset.

(b) REPORT.—(1) The Comptroller General shall submit to the Committees on Armed Services and the Committees on Veterans' Affairs of the Senate and the

House of Representatives a report on the results of the study required under subsection (a). The report shall include the recommendations of the Comptroller General on improvements to the provision of the benefits referred to in subsection (a)(1).

(2) The Comptroller General shall submit the report not later than 180 days after the date of the enactment of this Act.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. REVISION OF DEFINITION OF DEPENDENTS TO INCLUDE YOUNG PEOPLE BEING ADOPTED BY MEMBERS OR FORMER MEMBERS.

(a) ELIGIBILITY FOR HEALTH BENEFITS.—Section 1072 of title 10, United States Code, is amended—

(1) in paragraph (2)(D), by striking out the matter above clause (i) and inserting in lieu thereof the following:

''(D) a child who—''; and

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

''(6) The term 'child', with respect to a member or former member of a uniformed service, means the following:

''(A) An unmarried natural child.

''(B) An unmarried adopted child.

''(C) An unmarried stepchild.

''(D) An unmarried person—

''(i) who is placed in the home of the member or former member by a placement agency (recognized by the Secretary of Defense) in anticipation of the legal adoption of the person by the member or former member; and

''(ii) who otherwise meets the requirements specified in paragraph (2)(D).''.

(b) CONFORMING AMENDMENT.—Section 401(b)(1)(B) of title 37, United States Code, is amended by striking out ''placement agency for the purpose of adoption'' and inserting in lieu thereof ''placement agency (recognized by the Secretary of Defense) in anticipation of the legal adoption of the child by the member''.

SEC. 702. AVAILABILITY OF DEPENDENTS' DENTAL PROGRAM OUTSIDE THE UNITED STATES.

Section 1076a of title 10, United States Code, is amended—

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

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

''(g) CARE OUTSIDE THE UNITED STATES.—The Secretary shall exercise the authority provided under subsection (a) to establish basic dental benefits plans for providing dental benefits outside the United States for spouses and children of members of the uniformed services accompanying the members on permanent assignments to duty outside the United States.''.

SEC. 703. CONDITIONS UNDER WHICH MEDICAL AND DENTAL CARE OF ABUSED DEPENDENTS IS AUTHORIZED.

Section 1076(e)(1)(A) of title 10, United States Code, is amended to read as follows:

''(A) a member of a uniformed service is convicted by a court-martial or a civil court for an offense involving abuse of a dependent of the member, as determined in accordance with regulations prescribed by the administering Secretary for such uniformed service, and—

''(i) in the case of a court-martial conviction, the member receives a dishonorable or bad-conduct discharge or is dismissed or administratively discharged from a uniformed service as a result of the conviction; or

''(ii) in the case of a civil court conviction, the member is administratively discharged from

a uniformed service as a result of the conviction; and''.

SEC. 704. COORDINATION OF BENEFITS WITH MEDICARE.

Section 1086(d) of title 10, United States Code, is amended by striking out paragraph (3) and inserting in lieu thereof the following:

''(3)(A) Subject to subparagraph (B), if a person described in paragraph (2) receives medical or dental care for which payment may be made under medicare and a plan contracted for under subsection (a), the amount payable for that care under the plan shall be the amount equal to the excess of the total amount of the charges imposed by the provider or providers of such care over the sum of—

''(i) the amount paid for that care under medicare; and

''(ii) the total of all amounts paid or payable by third party payers other than medicare.

''(B) The amount payable for care under a plan pursuant to subparagraph (A) may not exceed the total amount that would be paid under the plan if payment for that care were made solely under the plan.

''(C) In this paragraph:

''(i) The term 'medicare' means title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

''(ii) The term 'third party payer' has the meaning given such term in section 1095(h)(1) of this title.''.

SEC. 705. AUTHORITY FOR REIMBURSEMENT OF PROFESSIONAL LICENSE FEES UNDER RESOURCE SHARING AGREEMENTS.

Section 1096 of title 10, United States Code, is amended by adding at the end the following:

''(d) REIMBURSEMENT FOR LICENSE FEES.—In any case in which it is necessary for a member of the uniformed services to pay a professional license fee imposed by a government in order to provide health care services at a facility of a civilian health care provider pursuant to an agreement entered into under subsection (a), the Secretary of Defense may reimburse the member for up to $500 of the amount of the license fee paid by the member.''.

SEC. 706. CHIROPRACTIC HEALTH CARE DEMONSTRATION PROGRAM.

(a) REQUIREMENT FOR PROGRAM.—(1) Not later than 120 days after the date of enactment of this Act, the Secretary of Defense, in consultation with the secretaries of the military departments, shall develop and carry out a demonstration program to evaluate the fea-

sibility and advisability of furnishing chiropractic care through the medical care facilities of the Armed Forces.

(2) In carrying out the program, the Secretary of Defense shall—

(A) subject to paragraph (3), designate not less than 10 major military medical treatment facilities of the Department of Defense to furnish chiropractic care under the program; and

(B) enter into agreements with such number of chiropractors as the Secretary determines sufficient for the purposes of the program to furnish chiropractic care at such facilities under the program.

(3) The Secretary may not designate under paragraph (2) any treatment facility that is located on a military installation scheduled for closure or realignment under a base closure law.

(b) PROGRAM PERIOD.—The Secretary shall carry out the demonstration program in fiscal years 1995 through 1997.

(c) REPORTING REQUIREMENTS.—(1) Not later than January 30, 1995, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the demonstration program. The report shall—

(A) identify the treatment facilities designated pursuant to subsection (a)(2)(A); and

(B) include a discussion of the plan for the conduct of the program.

(2) Not later than May 1, 1995, the Secretary of Defense shall submit to the committees referred to in paragraph (1) a plan for evaluating the program, including a schedule for conducting progress reviews and for submitting a final report to the committees.

(3) The Secretary shall submit to the committees referred to in paragraph (1) a final report in accordance with the plan submitted to such committees pursuant to paragraph (2).

(d) OVERSIGHT ADVISORY COMMITTEE.—(1)(A) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall establish an oversight advisory committee to assist and advise the Secretary with regard to the development and conduct of the demonstration program.

(B) The oversight advisory committee shall include the following members:

(i) The Comptroller General of the United States, or a designee from within the General Accounting Office.

(ii) The Assistant Secretary of Defense for Health Affairs, or a designee.

(iii) The Surgeon General of the Army, or a designee.

(iv) The Surgeon General of the Navy, or a designee.

(v) The Surgeon General of the Air Force, or a designee.

(vi) Not fewer than four independent representatives of the chiropractic health care profession, appointed by the Secretary of Defense.

(2) The oversight advisory committee shall assist the Secretary of Defense regarding—

(A) issues involving the professional credentials of the chiropractors participating in the program;

(B) the granting of professional practice privileges for the chiropractors at the treatment facilities participating in the program;

(C) the preparation of the reports required under subsection (c); and

(D) the evaluation of the program.

(e) DEFINITION.—For purposes of this section, the term ''base closure law'' means each of the following:

(1) 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) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(3) Section 2687 of title 10, United States Code.

SEC. 707. IMPLEMENTATION OF ANNUAL HEALTH CARE SURVEY REQUIREMENT.

Section 724 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2440; 10 U.S.C. 1071 note) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) EXEMPTION.—An annual survey under subsection (a) shall be treated as not a collection of information for the purposes for which such term is defined in section 3502(4) of title 44.''.

SEC. 708. STUDY AND REPORT ON FINANCIAL RELIEF FOR CERTAIN MEDICARE-ELIGIBLE MILITARY RETIREES WHO INCUR MEDICARE LATE ENROLLMENT PENALTIES.

(a) STUDY.—The Secretary of Defense, in consultation with the Secretary of Health and Human Services, shall conduct a study regarding possible financial relief from late enrollment penalties for military retirees and dependents of such retirees who reside within the service area of a base closure site and who have failed to timely enroll in medicare part B due to reliance upon the military treatment facility located at such site.

(b) REPORT.—Not later than March 31, 1995, the Secretary of Defense shall report to Congress the results of the study under paragraph (1). Such report shall also—

(1) identify by base closure site the number of military retirees within a 65 mile catchment area who have failed to enroll in medicare part B and are subjected to late enrollment penalties;

(2) determine the estimated aggregate amount of the penalties by base closure site;

(3) describe the characteristics of the population that are subject to the penalties, such as age and income level;

(4) address the appropriateness of waiving such penalties;

(5) identify the Department of Defense funds that should be used to pay the penalties if waiving such penalties is not recommended;

(6) outline a program for a special medicare part B enrollment period for affected retirees living near bases already closed and bases which are designated for closure in the future; and

(7) include legislative recommendations for implementing a program which removes the financial burden from the medicare-eligible beneficiaries who have been or will be adversely impacted by base-closure actions.

(c) DEFINITIONS.—For purposes of this section:

(1) The term ''base closure'' means a base closure under a base closure law (within the meaning given such term in section 2825(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S.C. 2687 note)).

(2) The term ''medicare part B'' means the public health insurance program under part B of title XVIII of the Social Security Act.

(3) The term ''military treatment facility'' means a facility of a uniformed service referred to in section 1074(a) of title 10, United States Code, in which health care is provided.

SEC. 709. ELIGIBILITY FOR PARTICIPATION IN DEMONSTRATION PROGRAMS FOR SALE OF PHARMACEUTICALS.

Subparagraph (B) of section 702(c)(2) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1079 note) is amended to read as follows:

''(B) either—

''(i) resides in an area that is adversely affected (as determined by the Secretary) by the closure of a health care facility of the uniformed services as a result of the closure or realignment of the military installation at which such facility is located; or

''(ii) can demonstrate to the satisfaction of the Secretary that the person obtained pharmaceuticals at a health care facility referred to in clause (i) before the closure of the facility.''.

SEC. 710. COST ANALYSIS OF TIDEWATER TRICARE DELIVERY OF PEDIATRIC HEALTH CARE TO MILITARY FAMILIES.

(a) COST ANALYSIS REQUIRED.—Not later than July 1, 1995, the Assistant Secretary of Defense (Health Affairs) shall determine the amount of the expenditures made by the Department of Defense for pediatric care for

each of fiscal years 1992, 1993, and 1994 under the program for delivery of health care services in the Tidewater region of Virginia carried out pursuant to section 712(b) of Public Law 102–190 (105 Stat. 1402). The Assistant Secretary shall determine the total amount of such expenditures and the amount of such expenditures for each case.

(b) USE OF ANALYSIS.—In establishing any managed care system involving the furnishing of pediatric care by the Department of Defense (including the furnishing of pediatric care under the Civilian Health and Medical Program of the Uniformed Services), the Assistant Secretary shall consider the amounts determined under subsection (a) in determining the appropriate standards, limitations, and requirements to apply to the cost of pediatric care under the system.

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

Subtitle A—Use of Merit Based Selection Procedures

SEC. 801. POLICY FOR MERIT BASED AWARD OF CONTRACTS AND GRANTS.

(a) POLICY.—Section 2301 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e)(1) It is the policy of Congress that the Department of Defense should not be required by legislation to award a new contract or grant to a specific non-Federal Government entity. It is further the policy of Congress that any program, project, or technology identified in legislation be procured through merit-based selection procedures.

''(2) A provision of law may not be construed as requiring the Department of Defense to award a new contract or grant to a specific non-Federal Government entity unless that provision of law—

''(A) specifically refers to this subsection;

''(B) specifically identifies the particular non-Federal Government entity to be awarded the contract or grant; and

''(C) sets forth the national defense purpose to be fulfilled by requiring the department to award a new contract or grant to the specified non-Federal Government entity.

''(3) The head of an agency may not award a contract or make a grant pursuant to a provision of law that authorizes or requires the awarding of the contract or the making of the grant, as the case may be, in a manner that is inconsistent with the policy set forth in paragraph (1) until—

''(A) the Secretary of Defense submits to Congress a notice in writing of the intent to award such contract or to make such grant; and

''(B) a period of 180 days elapses after the date on which the notice is received by Congress.

''(4) For purposes of this subsection—

''(A) a contract is a new contract unless the work provided for in the contract is a continuation of the work provided for in a preceding contract; and

''(B) a grant is a new grant unless the work funded by the grant is substantially a continuation

of the work for which funding is provided in a preceding grant.

''(4) Paragraph (3) does not apply to the Secretary of Transportation or the Administrator of the National Space and Aeronautics Administration.''.

SEC. 802. CONTINUATION OF EXPIRING REQUIREMENT FOR ANNUAL REPORT ON THE USE OF COMPETITIVE PROCEDURES FOR AWARDING CERTAIN CONTRACTS TO COLLEGES AND UNIVERSITIES.

Paragraph (3) of section 2361(c) of title 10, United States Code, is repealed.

Subtitle B—Acquisition Assistance Programs

SEC. 811. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1995 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United

States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 812. PILOT MENTOR-PROTEGE PROGRAM.

Of the amounts authorized to be appropriated for fiscal year 1995 pursuant to title I of this Act, $50,000,000 shall be available for conducting the pilot Mentor-Protege Program established pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note).

SEC. 813. INFRASTRUCTURE ASSISTANCE FOR HISTORICALLY BLACK COLLEGES AND OTHER MINORITY INSTITUTIONS OF HIGHER EDUCATION.

Of the amounts authorized to be appropriated for fiscal year 1995 pursuant to title II of this Act, $35,000,000 shall be available for such fiscal year for infrastructure assistance to historically Black colleges and universities and minority institutions under section 2323(c)(3) of title 10, United States Code.

SEC. 814. EXTENSION OF TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS.

Section 834(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (15 U.S.C. 637 note) is amended by striking out ''September 30, 1994'' in the second sentence and inserting in lieu thereof ''September 30, 1998''.

SEC. 815. LIMITATION REGARDING ACQUISITION ASSISTANCE REGULATIONS REQUIRED BY PUBLIC LAW 103–160 BUT NOT ISSUED.

(a) LIMITATION ON THE USE OF FUNDS.—None of the funds authorized to be appropriated by this Act that are made available for program element 65104D activities may be expended until the Secretary of Defense takes the actions required by the following provisions of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160):

(1) Section 811(d)(1), relating to regulations that address the matters described in subsections (g) and (h)(2) of section 2323 of title 10, United States Code.

(2) Section 813(b)(1), relating to the Department of Defense policy regarding the pilot Mentor-Protege Program.

(b) ACTIONS REQUIRED.—(1) With respect to the regulations referred to in subsection (a)(1), the Secretary shall—

(A) publish proposed regulations within 15 days after the date of the enactment of this Act in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b);

(B) provide a period of not less than 60 days for public comment on the proposed regulations; and

(C) publish the final regulations not later than 120 days after the date of the enactment of this Act.

(2) With respect to the action referred to in subsection (a)(2), the Secretary shall ensure that—

(A) within 30 days after the date of the enactment of this Act, the Department of Defense policy regarding the pilot Mentor-Protege Program is incorporated into the Department of Defense Supplement to the Federal Acquisition Regulation as an appendix; and

(B) any subsequent revision to such policy (or any successor to such policy) is published and maintained in such supplement as an appendix.

(c) PROGRAM ELEMENT 65104D ACTIVITIES DEFINED.—For purposes of this section, the program element 65104D activities referred to in subsection (a) are

the activities described as program element 65104D in the materials submitted to Congress by the Secretary of Defense in support of the budget for fiscal year 1995 that was submitted to Congress pursuant to section 1105(a) of title 31, United States Code.

SEC. 816. TREATMENT UNDER SUBCONTRACTING PLANS OF PURCHASES FROM QUALIFIED NONPROFIT AGENCIES FOR THE BLIND OR SEVERELY DISABLED.

(a) REVISION AND EXTENSION OF AUTHORITY.—Section 2410d of title 10, United States Code, relating to credit under small business subcontracting plans for certain purchases, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking out ''and'' at the end of subparagraph (A);

(ii) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; and''; and

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

''(C) a central nonprofit agency designated by the Committee for Purchase from People

Who Are Blind or Severely Disabled under section 2(c) of such Act (41 U.S.C. 47(c).'';

(B) by striking out paragraph (3); and

(C) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (c), by striking out ''September 30, 1994'' and inserting in lieu thereof ''September 30, 1997''.

(b) CONFORMING AMENDMENT.—Section 2301(d) of such title is amended by striking out ''approved commodities and services (as defined in such section)'' and inserting in lieu thereof ''commodities and services''.

Subtitle C—Other Matters

SEC. 821. USE OF CERTAIN FUNDS PENDING SUBMISSION OF A NATIONAL TECHNOLOGY AND INDUSTRIAL BASE PERIODIC DEFENSE CAPABILITY ASSESSMENT AND A PERIODIC DEFENSE CAPABILITY PLAN.

(a) LIMITATION.—None of the funds authorized to be appropriated by this Act that are made available for program element 65104D activities may be expended until the Secretary of Defense submits to Congress—

(1) a national technology and industrial base periodic defense capability assessment required by section 2505 of title 10, United States Code; and

(2) and a periodic defense capability plan required by section 2506 of such title.

(b) PROGRAM ELEMENT 65104D ACTIVITIES DEFINED.—For purposes of this section, the program element 65104D activities referred to in subsection (a) are the activities described as program element 65104D in the materials submitted to Congress by the Secretary of Defense in support of the budget for fiscal year 1995 that was submitted to Congress pursuant to section 1105(a) of title 31, United States Code.

SEC. 822. DELEGATION OF INDUSTRIAL MOBILIZATION AUTHORITY.

Section 2538 of title 10, United States Code, is amended—

(1) by striking out ''through the Secretary of Defense'' each place it appears in subsections (a), (c), and (d) and inserting in lieu thereof ''through the head of any department''; and

(2) in subsection (c)—

(A) by striking out ''in the opinion of the Secretary of Defense'' in the matter above paragraph (1) and inserting in lieu thereof ''in the opinion of the head of any department''; and

(B) by striking out ''Secretary'' each place it appears in paragraphs (2) and (3) and inserting in lieu thereof ''head of the department''.

SEC. 823. PERMANENT AUTHORITY FOR THE DEPARTMENT OF DEFENSE TO SHARE EQUITABLY THE COSTS OF CLAIMS UNDER INTERNATIONAL ARMAMENTS COOPERATIVE PROGRAMS.

Subsection (c) of section 843 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2469; 10 U.S.C. 2350a note) is repealed.

SEC. 824. DETERMINATIONS OF PUBLIC INTEREST UNDER THE BUY AMERICAN ACT.

(a) CONSIDERATIONS.—Section 2533 of title 10, United States Code, is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

''(a) In determining under section 2 of title III of the Act of March 3, 1993 (41 U.S.C. 10a), popularly known as the 'Buy American Act', whether application of title III of such Act is inconsistent with the public interest, the Secretary of Defense shall consider the following:

''(1) The bids or proposals of small business firms in the United States which have offered to furnish American goods.

''(2) The bids or proposals of all other firms in the United States which have offered to furnish American goods.

''(3) The United States balance of payments.

''(4) The cost of shipping goods which are other than American goods.

''(5) Any duty, tariff, or surcharge which may enter into the cost of using goods which are other than American goods.

''(6) Any need to coordinate acquisition activities of the Department of Defense with obligations contained in international agreements and with the acquisition activities of major United States allies.

''(7) A need to ensure that the Department of Defense has access to advanced state-of-the-art commercial technology.

''(8) A need to protect the national technology and industrial base and to provide for a defense mobilization base.

''(9) A need to ensure that application of different rules of origin for United States end items and foreign end items does not result in an award to a firm other than a firm providing a product produced in the United States.

''(10) Any need—

''(A) to maintain the same source of supply for spare and replacement parts for an end item that qualifies as an American good; or

''(B) to maintain the same source of supply for spare and replacement parts in order not to impair integration of the military and commercial industrial base.

''(11) The national security interests of the United States.''; and

(2) by redesignating subsection (c) as subsection (b).

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading of section 2533 of such title is amended to read as follows:

"§ 2533. Determinations of public interest under the Buy American Act".

(2) The item relating to such section in the table of sections at the beginning of subchapter V of chapter 148 of such title is amended to read as follows:

''2533. Determinations of public interest under the Buy American Act.''.

SEC. 825. DOCUMENTATION FOR AWARDS FOR COOPERATIVE AGREEMENTS OR OTHER TRANSACTIONS UNDER THE DEFENSE TECHNOLOGY REINVESTMENT PROGRAM.

At the time of the award for a cooperative agreement or other transaction under a program carried out under

chapter 148 of title 10, United States Code, the head of the agency concerned shall include in the file pertaining to such agreement or transaction a brief explanation of the manner in which the award advances and enhances a particular national security objective set forth in section 2501(a) of such title or a particular policy objective set forth in section 2501(b) of such title.

SEC. 826. COMPTROLLER GENERAL ASSESSMENT OF EXTENT TO WHICH TECHNOLOGY AND INDUSTRIAL BASE PROGRAMS ATTAIN POLICY OBJECTIVES.

Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress an assessment of the extent to which awards for cooperative agreements and other transactions under programs carried out under chapter 148 of title 10, United States Code, have been made specifically to advance and enhance a particular national security objective set forth in section 2501(a) of such title or to achieve a particular policy objective set forth in section 2501(b) of such title.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Secretarial Matters

SEC. 901. ADDITIONAL ASSISTANT SECRETARY OF DEFENSE.

(a) ESTABLISHMENT OF POSITION.—Section 138(a) of title 10, United States Code, is amended by striking out ''ten'' and inserting in lieu thereof ''eleven''.

(b) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by striking out ''Assistant Secretaries of Defense (10).'' and inserting in lieu thereof the following:

''Assistant Secretaries of Defense (11).''.

SEC. 902. ORDER OF SUCCESSION TO SECRETARIES OF THE MILITARY DEPARTMENTS.

(a) ARMY.—Section 3017 of title 10, 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):

''(3) The General Counsel of the Department of the Army.''.

(b) NAVY.—Section 5017 of such title is amended—

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

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) The General Counsel of the Department of the Navy.''.

(c) AIR FORCE.—Section 8017 of such title is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) The General Counsel of the Department of the Air Force.''.

Subtitle B—Commission on Roles and Missions of the Armed Forces

SEC. 911. REVIEW OF RESERVE COMPONENTS.

Section 953(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1739) is amended—

(1) in subsection (d)—

(A) by striking out ''and'' at the end of paragraph (7);

(B) by striking out the period at the end of paragraph (8) and inserting in lieu thereof ''; and''; and

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

''(9) the role of the National Guard and the other reserve components.'';

(2) in subsection (e)(3), by inserting after ''Department of Defense'' the following: '', including the National Guard and the other reserve components''; and

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

''(h) RECOMMENDATIONS CONCERNING RESERVE COMPONENTS.—The Commission shall address the roles, missions, and functions of the reserve components within the total force of the armed forces, particularly in light of lower budgetary resources that will be available to the Department of Defense in the future. The Commission should employ or consult private citizens with extensive experience in matters concerning the National Guard and other reserve components.''.

SEC. 912. SUPPORT BY FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

Section 957 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1741; 10 U.S.C. 111 note) is amended—

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

''(f) SUPPORT FROM FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.—Upon the request of the chairman of the Commission, the Secretary of Defense shall make available to the Commission, without reimbursement, the services of one or more federally funded research and development centers covered by sponsoring agreements of the Department of Defense. The cost of the services made available pursuant to this subsection may not exceed $20,000,000.''; and

(2) by striking out the section heading and inserting in lieu thereof the following:

"SEC. 957. PERSONNEL MATTERS; EXPERT SERVICES.".

SEC. 913. REVISION IN COMPOSITION OF COMMISSION.

(a) REVISION.—Section 952(b) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 111 note; 107 Stat. 1738) is amended—

(1) in the first sentence of paragraph (1), by striking out ''seven'' and inserting in lieu thereof ''eight''; and

(2) in paragraph (2)—

(A) by inserting ''(A)'' before ''The Commission''; and

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

''(B) The additional member of the Commission appointed under this paragraph after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995 shall have previous military experience and management experience with the reserve components.''.

(b) APPOINTMENT.—The Secretary of Defense shall make the appointment required as a result of the amendments made by subsection (a) not later than 15 days after the date of the enactment of this Act.

Subtitle C—Other Matters

SEC. 921. COMPOSITION OF RESERVE FORCES POLICY BOARD.

Section 175(a) of title 10, United States Code, is amended—

(1) in paragraph (4), by striking out ''or Regular Marine Corps'' and inserting in lieu thereof ''and an officer of the Regular Marine Corps each'';

(2) by striking out ''and'' at the end of paragraph (8);

(3) by striking out the period at the end of paragraph (9) and inserting in lieu thereof ''; and''; and

(4) by adding at the end the following:

''(10) an officer of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps serving in a position on the Joint Staff who is designated by the Chairman of the Joint Chiefs of Staff.''.

SEC. 922. CONTINUATION OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE PROHIBITED.—The Uniformed Services University of the Health Sciences may not be closed.

(b) BUDGETARY COMMITMENT TO CONTINUATION.—It is the sense of Congress that the Secretary of Defense should budget for the ongoing operation of the Uniformed Services University of the Health Sciences as an institution of professional education that is vital to the education and training each year of significant numbers of personnel of the uniformed services for careers as uniformed services health care providers.

(c) EVALUATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.—

(1) GAO REPORT.—By June 1, 1995, the Comptroller General of the United States shall submit to the appropriate Committees of the Congress a detailed report that—

(A) compares the cost of obtaining physicians from the Uniformed Services University of the Health Sciences with other sources of military physicians;

(B) assesses the retention rate needs of the military for physicians in relation to the respective retention rates of Uniformed Services University of the Health Sciences physicians and physicians obtained from other sources and the factors which contribute to retention rates among military physicians obtained from all sources;

(C) reviews the quality of the medical education provided at the Uniformed Services University of the Health Sciences with the quality of medical education provided by other sources of military physicians;

(D) reviews the overall issue of the special needs of military medicine and how these special needs are being met by Uniformed Services

University of Health Sciences physicians and physicians obtained from other sources;

(E) assesses the extent to which the Uniformed Services University of the Health Sciences has responded to the 1990 report of the Inspector General of the Department of Defense and make recommendations as to resolution of any continuing issues relating to management and internal fiscal controls of the Uniformed Services University of the Health Sciences, including issues relating to the Henry M. Jackson Foundation for the Advancement of Military Medicine identified in the 1990 report; and

(F) makes such recommendations as the Comptroller General deems appropriate.

SEC. 923. JOINT DUTY CREDIT FOR CERTAIN DUTY PERFORMED DURING MILITARY OPERATIONS IN SUPPORT OF UNIFIED, COMBINED, OR UNITED NATIONS MILITARY OPERATIONS.

(a) CREDIT AUTHORIZED.—Section 664 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(i) SPECIAL AUTHORITY.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint

Chiefs of Staff, may give an officer who has completed service described in paragraph (2) credit for having completed a full tour of duty in a joint duty assignment, or credit countable for determining cumulative service in joint duty assignments, for the purposes of any provision of this title, notwithstanding the length of such service or whether such service is within the definition of the term 'joint duty assignment' prescribed pursuant to section 668 of this title.

''(2) Service referred to in paragraph (1) is service performed by an officer in combat or combat related military operations, under the operational control of the commander of a unified combatant command, the commander of combined forces of allied nations, or the United Nations, in which the officer gained significant experience in joint matters, as determined by the Secretary.

''(3) Officers for whom joint duty credit is granted pursuant to this subsection—

''(A) shall not be counted for the purposes of paragraphs (7), (8), (9), (11), or (12) of section 667 of this title and subsections (a)(3) and (b) of section 662 of this title; and

''(B) are not subject to the requirements of section 661(c) of this title relating to the sequence for completion of a joint professional military education

school, completion of a full tour of duty in a joint duty assignment, and selection for a joint specialty.''.

(b) APPLICABILITY.—Subsection (i) of section 664 of title 10, United States Code, as added by subsection (a), shall apply with respect to military operations conducted after July 1, 1992.

SEC. 924. ASSISTANCE FOR CERTAIN WORKERS DISLOCATED DUE TO REDUCTIONS BY THE UNITED STATES IN THE EXPORT OF DEFENSE ARTICLES AND SERVICES.

(a) ASSISTANCE UNDER DEFENSE CONVERSION ADJUSTMENT PROGRAM.—Section 325 of the Job Training Partnership Act (29 U.S.C. 1662d) is amended—

(1) in subsection (a)—

(A) by striking out ''or by closures of United States military facilities'' in the first sentence and inserting in lieu thereof '', by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy (including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or

through termination or completion of any such agreements)''; and

(B) by striking out ''or by closures of United States military facilities'' in the second sentence and inserting in lieu thereof '', by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy'';

(2) in subsection (d), by striking out ''or by the closure of United States military installations'' and inserting in lieu thereof '', by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy (including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements)''; and

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

''(f) DEFINITION.—For purposes of this section, the term 'defense articles and defense services' means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751

et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).''.

(b) ASSISTANCE UNDER DEFENSE DIVERSIFICATION PROGRAM.—Section 325A of the Job Training Partnership Act (29 U.S.C. 1662d–1) is amended—

(1) in subsection (b)(3)(A), by striking out ''or the closure or realignment of a military installation'' and inserting in lieu thereof '', the closure or realignment of a military installation, or reductions in the export of defense articles and defense services as a result of United States policy (including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements)'';

(2) in subsection (k)(1), by striking out ''or by the closure of United States military installations'' and inserting in lieu thereof '', the closure of United States military installations, or reductions in the export of defense articles and defense services as a result of United States policy (including reductions in the amount of defense articles and defense services under agreements to provide such articles or services

or through termination or completion of any such agreements)''; and

(3) in subsection (o), by adding at the end the following new paragraph:

''(3) DEFENSE ARTICLES AND DEFENSE SERVICES.—The term 'defense articles and defense services' means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).''.

Subtitle D—Professional Military Education

SEC. 931. AUTHORITY FOR MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF MILITARY STUDIES.

(a) AUTHORITY TO AWARD.—(1) Chapter 609 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 7102. Marine Corps University: master of military studies

''(a) AUTHORITY.—Upon the recommendation of the Director and faculty of the Marine Corps Command and Staff College, the President of the Marine Corps Univer-

sity may confer the degree of master of military studies upon graduates of the college who fulfill the requirements for the degree.

''(b) REGULATIONS.—The authority provided by subsection (a) shall be exercised under regulations prescribed by the Secretary of the Navy.''.

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

''7102. Marine Corps University: master of military studies.''.

(b) EFFECTIVE DATE.—The authority provided by section 7102(a) of title 10, United States Code, as added by subsection (a), shall become effective on the date on which the Secretary of Education determines that the requirements established by the Command and Staff College of the Marine Corps University for the degree of master of military studies are in accordance with generally applicable requirements for a degree of master of arts.

SEC. 932. BOARD OF ADVISORS OF MARINE CORPS UNIVERSITY.

(a) BOARD.—(1) Chapter 609 of title 10, United States Code, as amended by section 931, is further amended by adding at the end the following new section:

''§ 7103. Marine Corps University: Board of Advisors

''(a) IN GENERAL.—A Board of Advisors to the President of the Marine Corps University is constituted annually of—

''(1) the chairman of the Committee on Armed Services of the Senate, or the designee of the chairman; and

''(2) six persons designated by the Secretary of the Navy.

''(b) TERMS.—(1) The persons designated by the Secretary of the Navy shall serve for 3 years each except that any member whose term of office has expired shall continue to serve until the successor to the member is designated.

''(2) Members may be reappointed for one or more successive terms.

''(3) If a member of the Board dies or resigns, the official who designated that member shall designate a successor to serve for the unexpired portion of the term of the member.

''(c) VISITS.—The Board shall visit the Marine Corps University semiannually upon the call of the President of the Marine Corps University. With the approval of the President of the University, the Board, or any of its members, may make other visits to the University in connection

with the duties of the Board or to consult with the President of the University.''.

(2) The table of sections at the beginning of such chapter, as amended by section 931, is further amended by adding at the end the following new item:

''7103. Marine Corps University: Board of Advisors.''.

(b) INITIAL DESIGNATIONS OF MEMBERS.—Of the members of the Board of Advisors of the Marine Corps University initially designated under section 7103(a)(2) of title 10, United States Code, as added by subsection (a)—

(1) two shall be designated for a term of 3 years;

(2) two shall be designated for a term of 2 years; and

(3) two shall be designated for a term of 1 year.

SEC. 933. AUTHORITY FOR AIR UNIVERSITY TO AWARD THE DEGREE OF MASTER OF AIRPOWER ART AND SCIENCE.

(a) AUTHORITY TO AWARD.—(1) Chapter 901 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9317. Air University: master of airpower art and science

''(a) AUTHORITY.—Upon the recommendation of the faculty of the School of Advanced Airpower Studies of the

Air University, the Commander of the university may confer the degree of master of airpower art and science upon graduates of the school who fulfill the requirements for the degree.

''(b) REGULATIONS.—The authority provided by subsection (a) shall be exercised under regulations prescribed by the Secretary of the Air Force.''.

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

''9317. Air University: master of airpower art and science.''.

(b) EFFECTIVE DATE.—The authority provided by section 9317(a) of title 10, United States Code, as added by subsection (a), shall become effective on the date on which the Secretary of Education determines that the requirements established by the School of Advanced Airpower Studies of the Air University for the degree of master of airpower art and science are in accordance with generally applicable requirements for a degree of master of arts or a degree of master of science.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Sec-

retary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1995 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) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(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 of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1002. EMERGENCY SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1994.

There is authorized to be appropriated as emergency supplemental appropriations for fiscal year 1994 for the incremental costs arising from ongoing United States operations in Somalia, Bosnia, Southwest Asia, and Haiti, $1,198,300,000 as follows:

(1) For Military Personnel:

(A) For the Army, $6,600,000.

(B) For the Navy, $19,400,000.

(C) For the Air Force, $18,400,000.

(2) For Operation and Maintenance:

(A) For the Army, $420,100,000.

(B) For the Navy, $104,800,000.

(C) For the Air Force, $560,100,000.

(D) For Defense-wide activities, $21,600,000.

(3) For Procurement:

(A) For Aircraft Procurement, Army, $20,300,000.

(B) For Other Procurement, Army, $200,000.

(C) For Other Procurement, Air Force, $26,800,000.

SEC. 1003. DATE FOR SUBMISSION OF FUTURE-YEARS MISSION BUDGET.

Section 222(a) of title 10, United States Code, is amended by striking out ''at the same time'' in the second sentence and inserting in lieu thereof ''not later than 60 days after the date on which''.

SEC. 1004. SUBMISSION OF FUTURE-YEARS DEFENSE PROGRAM IN ACCORDANCE WITH LAW.

If, as of the end of the 90-day period beginning on the date on which the President's budget for fiscal year 1996 is submitted to Congress, the Secretary of Defense has not submitted to Congress the fiscal year 1996 future-years defense program and, after consultation with the Inspector General of the Department of Defense, a certification that such program satisfies the requirements of section 221(b) of title 10, United States Code, then during the 30-day period beginning on the last day of such 90-day period the Secretary may not obligate more than 10 percent of the fiscal year 1995 advance procurement funds that are available for obligation as of the end of that 90-day period. If, as of the end of such 30-day period, the Secretary of Defense has not submitted to Congress the fiscal year 1996 future-years defense program together

with such a certification, then the Secretary may not make any further obligation of fiscal year 1995 advance procurement funds until such program and certification are submitted to Congress. If the Secretary submits to Congress the fiscal year 1996 future-years defense program, together with such a certification, during the 30-day period described in the first sentence, the limitation on obligation of advance procurement funds prescribed in that sentence shall cease to apply effective as of the date of the submission of such program and certification.

Subtitle B—Matters Relating to Allies and Other Nations

SEC. 1011. REPEAL OF LIMITATION ON OVERSEAS MILITARY END STRENGTH.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2545; 10 U.S.C. 113 note) is repealed.

SEC. 1012. AUTHORIZED END STRENGTH FOR MILITARY PERSONNEL IN EUROPE.

(a) END STRENGTH.—Paragraph (1) of section 1002(c) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note) is amended to read as follows:

''(1) The end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO may not

exceed a permanent ceiling of approximately 100,000 in any fiscal year.

''(2) Notwithstanding paragraph (1), the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO may exceed 100,000 in a fiscal year if, before September 1 of that fiscal year, the President certifies to Congress that it is essential for the end strength level to exceed 100,000 in that fiscal year in order to attain national security objectives of the United States in Europe and that the number of personnel in excess of 100,000 does not exceed the number of additional personnel necessary to attain such objectives. In no event may the end strength level exceed 113,000 in any fiscal year.''.

(b) CONFORMING AMENDMENT.—Section 1303 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2546) is repealed.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 1013. EXTENSION AND REVISION OF AUTHORITIES RELATING TO COOPERATIVE THREAT REDUCTION.

(a) FUNDING FOR FISCAL YEAR 1995.—Funds authorized to be appropriated under section 301(19) shall

be available for cooperative threat reduction with states of the former Soviet Union under the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5951 et seq.).

(b) SEMI-ANNUAL REPORTS.—Section 1207 of such Act (22 U.S.C. 5956) is amended by striking out ''and not later than October 30, 1994,'' and inserting in lieu thereof ''October 30, 1994, April 30, 1995, and October 30, 1995,''.

SEC. 1014. DEFENSE COOPERATION BETWEEN THE UNITED STATES AND ISRAEL.

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

(1) The President has made a commitment to maintaining the qualitative superiority of the Israeli Defense Force over any potential combination of potential adversaries.

(2) Despite the peace process in which Israel is engaged, Israel continues to face difficult threats to its national security.

(3) The threats are compounded by the proliferation of weapons of mass destruction and ballistic missiles.

(4) Congress recognizes the many benefits to the United States resulting from the strategic rela-

tionship that exists between the United States and Israel.

(5) Congress is supportive of the objective of the President to enhance United States-Israel military and technical cooperation, particularly in the areas of missile defense and counter-proliferation.

(6) Congress is supportive of the establishment of the United States-Israel Science and Technology Commission in 1993.

(7) Maintaining the qualitative superiority of the Israeli Defense Force and strengthening the defense ties and science and technology cooperation between the United States and Israel will help ensure that Israel has the military strength and political support necessary to take risks for peace while providing Arab states with an incentive to pursue negotiations instead of war.

(8) Israel continues to cooperate with the United States on numerous theater missile defense programs, including the Arrow Tactical Anti-Missile program and the boost phase intercept technology program.

(9) It is in the national interests of the United States and Israel to strengthen existing mechanisms for cooperation and to eliminate unnecessary bar-

riers to further collaboration between the United States and Israel.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress—

(1) encourages the President to ensure that any conventional defense system or technology offered for release to any NATO or other major non-NATO ally should concurrently be available for purchase by Israel unless such action would contravene United States national interests; and

(2) urges the President to make available to Israel, within existing technology transfer laws, regulations, and policies, advanced United States technology necessary for continued progress in cooperative United States-Israel research and development of theater missile defenses.

SEC. 1015. MILITARY-TO-MILITARY CONTACTS AND COMPARABLE ACTIVITIES.

(a) ACTIVITIES AUTHORIZED.—(1) Chapter 6 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 166b. Military-to-military contacts and comparable activities

''(a) AUTHORITY.—The Secretary of Defense may conduct military-to-military contacts and comparable ac-

tivities that are designed to encourage a democratic orientation of defense establishments and military forces of other countries.

''(b) ADMINISTRATION.—The Secretary may provide funds appropriated for carrying out subsection (a) to the following officials for use as provided in subsection (c):

''(1) The commander of a combatant command, upon the request of the commander.

''(2) An officer designated by the Chairman of the Joint Chiefs of Staff, with respect to an area or areas not under the area of responsibility of a commander of a combatant command.

''(3) The head of any Department of Defense component.

''(c) AUTHORIZED ACTIVITIES.—An official provided funds under subsection (b) may use such funds for the following activities and expenses:

''(1) The activities of traveling contact teams, including any transportation expenses, translation services expenses, and administrative expenses that are related to such activities.

''(2) The activities of military liaison teams.

''(3) Exchanges of—

''(A) civilian or military personnel between the Department of Defense and defense ministries of foreign governments; and

''(B) military personnel between units of the armed forces and units of foreign armed forces.

''(4) Seminars and conferences held primarily in a theater of operations.

''(5) Distribution of publications primarily in a theater of operations.

''(6) Personnel expenses for Department of Defense civilian and military personnel to the extent that such expenses relate to participation in activities described in paragraphs (3), (4), and (5).

''(7) Reimbursement of military personnel appropriations accounts for the pay and allowances paid to National Guard personnel and other reserve components personnel for service while engaged in activities referred to in other paragraphs of this subsection.

''(d) RELATIONSHIP TO OTHER FUNDING.—Any amount provided during any fiscal year to an official under subsection (b) for activities or expenses referred to in subsection (c) shall be in addition to amounts otherwise

available for such activities and expenses for that fiscal year.

''(e) LIMITATIONS.—(1) Funds may not be provided under this section for a fiscal year for any activity for which—

''(A) funding was proposed in the budget submitted to Congress for such fiscal year pursuant to section 1105(a) of title 31; and

''(B) Congress did not authorize appropriations.

''(2) An activity may not be conducted under this section with a foreign country unless the Secretary of State approves the conduct of such activity in that foreign country.

''(3) Funds may not be provided under this section for a fiscal year for any country which was not eligible in that fiscal year for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961.

''(4) Funds may not be used under this section for the provision of military education or training, defense articles, or defense services to any country.

''(f) MILITARY-TO-MILITARY CONTACTS DEFINED.—In this section, the term 'military-to-military contacts' means contacts between members of the armed forces and members of foreign armed forces through activities described in subsection (c).''.

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

''166b. Military-to-military contacts and comparable activities.''.

(b) FUNDING.—Of the amount authorized to be appropriated under section 301(5) for operation and maintenance for Defense-wide activities, $46,300,000 shall be available to the Secretary of Defense for the purposes of carrying out activities under section 166b of title 10, United States Code, as added by subsection (a).

SEC. 1016. FOREIGN DISASTER RELIEF.

(a) AUTHORITY.—(1) Subchapter I of chapter 20 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 404. Foreign disaster relief

''(a) IN GENERAL.—The President may conduct disaster relief activities outside the United States to respond to manmade or natural disasters when necessary to prevent loss of lives.

''(b) FORMS OF ASSISTANCE.—Assistance provided under this section may include transportation, supplies, services, and equipment.

''(c) DETERMINATION REQUIRED.—No assistance may be furnished pursuant to this section unless the President determines that the provision of disaster relief

is in the national interest of the United States and is necessary to prevent loss of lives.

''(d) REPORT REQUIRED.—Not later than 48 hours after the commencement of disaster relief activities, the President shall transmit to the Congress a report containing the determination required by subsection (c) and a description of the following:

''(1) The manmade or natural disaster for which disaster relief is necessary.

''(2) The threat to human lives presented by the disaster.

''(3) The United States military personnel and material resources that are involved or expected to be involved.

''(4) The disaster relief that is being provided or is expected to be provided by other nations or public or private relief organizations.

''(5) The anticipated duration of the disaster relief activities.''.

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

''404. Foreign disaster relief.''.

(b) FUNDING OF ACTIVITIES.—Of the amount authorized to be appropriated under subsection 301(5), $46,300,000 shall be available to the Secretary of Defense for the purpose of carrying out disaster relief activities

under section 404 of title 10, United States Code, as added by subsection (a).

SEC. 1017. BURDENSHARING POLICY AND REPORT.

(a) POLICY.—It is the policy of the United States that the North Atlantic Treaty Organization (NATO) allies should assist the United States in paying the incremental cost incurred by the United States for maintaining members of the Armed Forces in assignments to permanent duty ashore in Europe solely for performing United States obligations for support of NATO.

(b) IMPLEMENTATION.—The President shall take all necessary actions to ensure the effective implementation of the burdensharing policy set forth in subsection (a).

(c) REPORT.—The Secretary of Defense shall include in the annual burdensharing report required by section 1002(d) of the Department of Defense Authorization Act, 1985 (22 U.S.C. 1928 note) the following matters:

(1) A specific enumeration and description of the United States military resources and military personnel assigned to permanent duty ashore in Europe primarily in support of NATO and an analysis of the cost of providing and maintaining such resources and personnel in such assignment primarily for that purpose.

(2) A specific enumeration and description of the United States military resources and military personnel assigned to permanent duty ashore in Europe primarily in support of other United States interests in other regions of the world and an analysis of the cost of providing and maintaining such resources and personnel in such assignment primarily for that purpose.

(3) A specific enumeration and description of the offsets to United States costs of providing and maintaining United States military resources and military personnel in Europe that the United States has previously received from other NATO member nations, set out by country and by type of assistance, including both ''in-kind'' assistance and direct cash reimbursement, and the projected offsets for the five fiscal years following the fiscal year in which the report is submitted.

(4) A detailed identification of the costs associated with maintaining United States military personnel in assignments to permanent duty ashore in Europe for NATO and the difference in cost that would result from stationing such personnel at military bases within the United States and continuing

to assign to such personnel the mission to perform United States obligations under NATO.

(5) A comparison of the defense spending by each NATO member country as a percentage of Gross Domestic Product (GDP) beginning in 1985 and the projected future defense spending as a percentage of Gross Domestic Product through 2000.

(6) A review of all actions taken by the United States to ensure the effective implementation of the United States burdensharing policy set forth in subsection (a).

(d) INCREMENTAL COST DEFINED.—In this section, the term ''incremental cost'', with respect to maintaining members of the Armed Forces in assignments to permanent duty ashore in Europe, includes the cost of transportation to and from duty stations in Europe, any variation in the cost of housing and food as compared to the cost of housing and food for members of the Armed Forces stationed in the United States, and any additional expenditures associated with infrastructure necessary to support United States forces in Europe.

SEC. 1018. REVIEW AND REPORT REGARDING DEPARTMENT OF DEFENSE PROGRAMS RELATING TO REGIONAL SECURITY AND HOST NATION DEVELOPMENT IN THE WESTERN HEMISPHERE.

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

(1) The political environment in the Western Hemisphere has been characterized in recent years by significant democratic advances and an absence of international strife; but democracy is fragile in some nations of the region.

(2) It is desirable for the Department of Defense to perform a positive role in influencing regional armed forces to make positive contributions to the democratic process and to domestic development programs.

(3) Congress receives a number of annual reports relating to specific authorities granted to the Secretary of Defense under title 10, United States Code, such as the authorities relating to the conduct of bilateral or regional cooperation programs under section 1051, participation of developing countries in combined exercises under section 2110, and the training of special operations forces with friendly forces under section 2011.

(4) The annual reports are replete with statistics and dollar figures and generally lacking in substance.

(5) Congress does not receive annual reports with respect to other authorities of the Secretary of Defense, such as that relating to Latin American cooperation under section 1050 of title 10, United States Code.

(6) Testimony before Congress, including in particular the testimony of the Commander in Chief, United States Southern Command, and the Commander in Chief, United States Atlantic Command, has emphasized the conduct of a large number of complementary programs under the leadership and supervision of those two commanders to foster appropriate military roles in democratic host nations and to assist countries in developing forces properly trained to address their security needs, including needs regarding illegal immigration, insurgencies, smuggling of illegal arms, munitions, and explosives across borders, and drug trafficking.

(7) Most of the programs referred to in paragraph (6) provide excellent and often unique training and experience to the United States forces involved.

(8) The expansion of the military-to-military contact program to the Western Hemisphere will provide another tool to encourage a democratic orientation of the defense establishments and military forces of countries in the region.

(9) There is a need to conduct a comprehensive review of the several authorities in title 10, United States Code, for the Secretary of Defense to engage in cooperative regional security programs with other countries in the Western Hemisphere in order to determine whether the authorities continue to be appropriate and necessary, particularly in the light of the changed circumstances in the region.

(10) There is a need to conduct a comprehensive review of the various programs carried out pursuant to such authorities to ensure that such programs are designed to meet the needs of the host nations involved and the regional objectives of the United States.

(11) There is a need to assess the strengths and weaknesses of the various regional security organizations, defense forums, and defense education institutions in the Western Hemisphere in order to identify any improvements needed to harmonize the

defense policies of the United States and those of friendly nations of the region.

(b) REPORT REQUIRED.—Not later than May 1, 1995, the Secretary of Defense, shall—

(1) carry out a comprehensive review and assessment of the matters referred to in paragraphs (9), (10), and (11) of subsection (a); and

(2) after consultation with the Chairman of the Joint Chiefs of Staff and the commanders of the combatant commands responsible for regions in the Western Hemisphere, submit to the Committees on Armed Services of the Senate and House of Representatives a report on regional defense matters.

(c) CONTENT OF REPORT.—The report shall contain a detailed and comprehensive description, discussion, and analysis of the following matters:

(1) The Department of Defense plan to support United States strategic objectives in the Western Hemisphere.

(2) The external and internal threats to the national security of the nations of the region.

(3) The various regional security cooperative programs carried out by the Department of Defense in the region in 1994, including training and education programs in the host nations and in the Unit-

ed States and defense contacts set forth on a country-by-country basis, the statutory authority, if any, for such programs, and the strategic objectives served.

(4) The various regional security organizations, defense forums, and defense education institutions that the United States maintains or in which the United States participates.

(5) An assessment of the contribution that such programs, defense contacts, organizations, forums, and institutions make to the advancement of regional security, host nation security and national development, and the strategic objectives of the United States.

(6) The changes made or to be made in the programs, organizations, forums, and institutions as a result of the comprehensive review.

(7) Any recommended legislation considered necessary to improve the ability of the Department to achieve its strategic objectives.

(d) CLASSIFICATION OF REPORT.—The report shall be submitted in an unclassified form and may, if necessary, have a classified supplement.

SEC. 1019. PAYMENTS-IN-KIND FOR RELEASE OF UNITED STATES OVERSEAS MILITARY FACILITIES TO NATO HOST COUNTRIES.

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

(1) The United States has invested $6,500,000,000 in military infrastructure in North Atlantic Treaty Organization (NATO) countries.

(2) As part of an overall plan to reduce United States troop strength in Europe from 323,432 in 1987 to 100,000 by the end of 1996, the Department of Defense plans to close or reduce United States military presence at 867 military sites overseas.

(3) Most of the overseas military sites announced for closure are in Europe where the United States has already closed 434 such sites.

(4) When the United States closes military sites in Europe, the United States brings the military personnel home but leaves buildings, roads, sewers, and other real property improvements behind.

(5) Some allies have agreed to pay the United States for the residual value of the real property improvements left behind.

(6) Although the United States military drawdown has been rapid since 1990, European al-

lies have been slow to pay the United States the residual value of the sites released by the United States.

(7) As of 1994, the United States has recouped only $33,300,000 in cash, and most of that was recovered in 1989.

(8) Although the United States has released to Germany over 60 percent of the military sites planned for closure by the United States in that country and the current value of United States facilities to be returned to the German government is estimated at approximately $2,700,000,000, the German government has budgeted only $25,000,000 for fiscal year 1994 for payment of compensation for the United States investment in such improvements.

(b) POLICY.—It is the sense of Congress that—

(1) the President should redouble efforts to recover the value of the United States investment in the military infrastructure of NATO countries;

(2) the President should enter into negotiations with the government of each NATO host country with a presumption that payments to compensate the United States for the negotiated value of improvements will be made in cash and deposited in

the Department of Defense Overseas Military Facility Investment Recovery Account;

(3) the President should enter into negotiations for payments-in-kind only as a last resort and only after informing the Congress that negotiations for cash payments have not been successful; and

(4) to the extent that in-kind contributions are received in lieu of cash payments in any fiscal year, the in-kind contributions should be used for projects which are identified priorities of the Department of Defense.

(c) REQUIREMENTS AND LIMITATIONS RELATING TO PAYMENTS-IN-KIND.—(1) Subsection (e) of section 2921 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2687 note) is amended—

(A) by inserting ''(1)'' after ''NEGOTIATIONS FOR PAYMENTS-IN-KIND.—'';

(B) by striking out ''a written notice'' and all that follows and inserting in lieu thereof ''to the congressional defense committees (and one additional copy to each of the Subcommittees on Defense of the Committees on Appropriations of the Senate and the House of Representatives) a written notice regarding the intended negotiations.''; and

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

''(2) The notice shall contain the following:

''(A) A justification for entering into negotiations for payments-in-kind with the host country.

''(B) The types of benefit options to be pursued by the Secretary in the negotiations.

''(C) A discussion of the adjustments that are intended to be made in the future-years defense program or in the budget of the Department of Defense for the fiscal year in which the notice is submitted or the following fiscal year in order to reflect costs that it may no longer be necessary for the United States to incur as a result of the payments-in-kind to be sought in the negotiations.''.

(2) Such section is amended by adding at the end the following new subsection:

''(h) CONGRESSIONAL OVERSIGHT OF PAYMENTS-IN-KIND.—(1) Not less than 30 days before concluding an agreement for acceptance of military construction or facility improvements as a payment-in-kind, the Secretary of Defense shall submit to Congress a notification on the proposed agreement that contains the following matters:

''(A) A description of the military construction project or facility improvement project, as the case may be.

''(B) A certification that the project is needed by United States forces.

''(C) An explanation of how the project will aid in the achievement of the mission of those forces.

''(D) A certification that, if the project were to be carried out by the Department of Defense, appropriations would be necessary for the project and it would be necessary to provide for the project in the next future-years defense program.

''(2) Not less than 30 days before concluding an agreement for acceptance of host nation support or host nation payment of operating costs of United States forces as a payment-in-kind, the Secretary of Defense shall submit to Congress a notification on the proposed agreement that contains the following matters:

''(A) A description of each activity to be covered by the payment-in-kind.

''(B) A certification that the costs to be covered by the payment-in-kind are included in the budget of one or more of the military departments or that it will otherwise be necessary to provide for payment of

such costs in a budget of one or more of the military departments.

''(C) A certification that, unless the payment-in-kind is accepted or funds are appropriated for payment of such costs, the military mission of the United States forces with respect to the host nation concerned will be adversely affected.''.

Subtitle C—Nonproliferation and Counterproliferation of Weapon Systems and Related Systems

SEC. 1021. EXTENSION AND REVISION OF NONPROLIFERATION AUTHORITIES.

(a) EXTENSION OF NONPROLIFERATION AUTHORITIES.—Section 1505 of the National Defense Authorization Act for Fiscal Year 1993 (22 U.S.C. 5859a) is amended—

(1) in subsection (a), by striking out ''during fiscal year 1994'' and inserting in lieu thereof ''during fiscal years 1994 and 1995''; and

(2) in subsection (e), by striking out ''fiscal year 1994'' and inserting in lieu thereof ''fiscal years 1994 and 1995''.

(b) ACTIVITIES FOR WHICH ASSISTANCE MAY BE PROVIDED.—Subsection (b)(4) of such section is amended by striking out ''nuclear proliferation through joint tech-

nical projects and improved intelligence sharing'' and inserting in lieu thereof ''nuclear, biological, chemical, and missile proliferation through technical projects and improved information sharing''.

(c) SOURCES OF ASSISTANCE.—Subsection (d) of such section is amended—

(1) in paragraph (1)—

(A) by inserting ''for fiscal year 1994'' after ''under this section''; and

(B) by striking out ''fiscal year 1994 or'' and inserting in lieu thereof ''fiscal year 1994. Funds provided as assistance under this section for fiscal year 1995 shall be derived from amounts made available to the Department of Defense for fiscal year 1995. Alternatively, funds provided as assistance under this section for a fiscal year referred to in this paragraph may be derived''; and

(2) in paragraph (3), by inserting after ''$25,000,000'' the following: ''for fiscal year 1994 or $15,000,000 for fiscal year 1995''.

SEC. 1022. JOINT COMMITTEE FOR THE REVIEW OF COUNTERPROLIFERATION PROGRAMS OF THE UNITED STATES.

(a) COMPOSITION.—Subsection (a) of section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat 1845) is amended—

(1) in paragraph (1)—

(A) by striking out ''Non-Proliferation'' in the matter above subparagraph (A) and inserting in lieu thereof ''Counterproliferation'';

(B) by striking out subparagraphs (B) and (E); and

(C) by redesignating subparagraphs (C), (D), and (F) as subparagraphs (B), (C), and (D), respectively;

(2) in paragraph (2), by adding at the end the following: ''The Secretary of Energy shall serve as the Vice Chairman of the committee.'';

(3) in paragraph (4), by adding at the end the following: ''The Secretary of Energy may delegate to the Under Secretary of Energy responsible for national security programs of the Department of Energy the performance of the duties of the Vice Chairman of the committee.''; and

(4) by striking out paragraph (5).

(b) PURPOSES OF COMMITTEE.—Subsection (b) of such section is amended—

(1) in paragraph (1)(A), by striking out ''nonproliferation policy'' and inserting in lieu thereof ''counterproliferation policy''; and

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

''(3) To prioritize programs and funding.

''(4) To encourage and facilitate interagency and interdepartmental funding of programs in order to ensure necessary levels of funding to develop, operate, and field highly-capable systems.

''(5) To insure that Department of Energy programs are integrated with the operational needs of other departments and agencies of the Federal Government.

''(6) To ensure that Department of Energy national security programs include development of systems for deployment as well as research.''.

(c) DUTIES.—Subsection (c) of such section is amended—

(1) in paragraph (1)—

(A) by striking out ''(including counterproliferation capabilities) and technologies for support of United States non-

proliferation policy'' in the matter above subparagraph (A) and inserting in lieu thereof ''and technologies for support of United States nonproliferation policy and counterproliferation policy'';

(B) by inserting ''and'' at the end of subparagraph (D); and

(C) by striking out subparagraphs (F) and (G);

(2) by striking out paragraphs (2), (3), and (7);

(3) in paragraph (4), by striking out ''to support fully the nonproliferation policy of the United States'';

(4) by redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively; and

(5) by adding at the end the following new paragraph (5):

''(5) assess each fiscal year the effectiveness of the committee actions during the preceding fiscal year, including, particularly, the status of recommendations made during such preceding fiscal year that were reflected in the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for the fiscal year following the fiscal year in which the assessment is made.''.

(d) COMMITTEE RECOMMENDATIONS.—Subsection (e) of such section is amended to read as follows:

''(e) RECOMMENDATIONS.—The committee shall submit to the President and the heads of all appropriate departments and agencies of the Federal Government such programmatic recommendations regarding existing, planned, or new programs as the committee considers appropriate to encourage funding for capabilities and technologies at the level necessary to support United States counterproliferation policy.''.

(e) EXTENSION OF COMMITTEE.—Subsection (f) of such section is amended by striking out ''six months after the date on which the report of the Secretary of Defense under section 1606 is submitted to Congress'' and inserting in lieu thereof ''at the end of September 30, 1996''.

SEC. 1023. REPORT ON COUNTERPROLIFERATION ACTIVITIES AND PROGRAMS.

(a) REPORT REQUIRED.—Not later than May 1, 1995, and not later than May 1 of each year thereafter, the Secretary of Defense shall submit to the appropriate committees of Congress a report of the findings of the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat 1845). The Secretary shall submit any special annex

of the report to the committees of Congress that traditionally receive information in the annex in the performance of oversight functions of such committees.

(b) CONTENT OF THE REPORT.—The report shall include the following matters:

(1) A complete list, by specific program element, of the existing, planned, or newly proposed capabilities and technologies reviewed by the committee pursuant to section 1605(c) of Public Law 103–160.

(2) A complete description of the requirements and priorities established by the Counterproliferation Program Review Committee.

(3) A comprehensive discussion of the near-term, mid-term, and long-term programmatic options formulated by the committee for meeting requirements prescribed by the committee and for eliminating deficiencies identified by the committee, including the annual funding requirements and completion dates established for each such option.

(4) An explanation of the recommendations made pursuant to section 1605(c) of Public Law 103–160, together with a full discussion of the actions taken to implement such recommendations or otherwise taken on the recommendations.

(5) A discussion and assessment of the status of each committee recommendation during the fiscal year preceding the fiscal year in which the report is submitted, including, particularly, the status of recommendations made during such preceding fiscal year that were reflected in the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, in the fiscal year of the report.

(6) Each specific Department of Energy program that the Secretary of Energy plans to develop to initial operating capability and each such program that the Secretary does not plan to develop to initial operating capability.

(7) For each technology program scheduled to reach initial operational capability, a recommendation from the Chairman of the Joint Chiefs of Staff that represents the views of the commanders of the unified and specified commands regarding the utility and requirement of the program.

(c) FORMS OF REPORT.—The report shall be submitted in both unclassified and classified forms, including an annex to the classified report for special compartmented information programs, special access programs, and special activities programs.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the House of Representatives.

(2) The term ''intelligence community'' has the meaning given such term in section 3 of the National Security Act of 1947 (50 U.S.C. 401a).

SEC. 1024. AMOUNTS FOR COUNTERPROLIFERATION ACTIVITIES.

(a) COUNTERPROLIFERATION ACTIVITIES.—Of the amount authorized to be appropriated in section 201(4), $12,500,000 shall be available for counterproliferation activities.

(b) EDUCATION IN SUPPORT OF COUNTERPROLIFERATION ACTIVITIES.—Of the amount authorized to be appropriated in section 301(5), not more than $1,000,000 shall be available for providing education to members of the Armed Forces in matters relating to counterproliferation.

(c) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1001, 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 1995 to counterproliferation programs, projects, and activities identified as areas for progress by the Joint Committee for the Review of Counterproliferation Programs established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1845). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this subsection may not exceed $100,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection 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.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

(d) USE OF FUNDS FOR TECHNOLOGY DEVELOPMENT.—(1) Of the funds authorized to be appropriated by section 201(4) for a counterproliferation technology project in Program Element 602301E—

(A) $5,000,000 shall be available for a program to detect, locate, and disarm weapons of mass destruction that are hidden by a hostile state or terrorist or terrorist group in confined area outside the United States; and

(B) $10,000,000 shall be available for the training program referred to in paragraph (3).

(2) The Secretary of Defense shall make funds available for the program referred to in paragraph (1)(A) in a manner that, to the maximum extent practicable, en-

sures the effective utilization of existing resources of the national weapons laboratories.

(3)(A) The training program referred to in paragraph (1)(B) is a training program carried out jointly by the Secretary of Defense and the Director of the Federal Bureau of Investigation in order to expand and improve United States efforts to deter the possible proliferation and acquisition weapons of mass destruction by organized crime organizations in Eastern Europe, the Baltic countries, and the former Soviet Union.

(B) The funds available under paragraph (1)(B) for the program referred to in subparagraph (A) may not be obligated or expended for that program until the Secretary of Defense and the Director of the Federal Bureau of Investigation jointly submit to the congressional defense committees a report that—

(i) identifies the nature and extent of the threat posed to the United States by the possible proliferation and acquisition of weapons of mass destruction by organized crime organizations in Eastern Europe, the Baltic countries, and the former Soviet Union;

(ii) assesses the actions that the United States should undertake in order to assist law enforcement agencies of Eastern Europe, the Baltic countries, and the former Soviet Union in the efforts of such

agencies to prevent and deter the theft of nuclear weapons material; and

(iii) contains an estimate of—

(I) the cost of undertaking such actions, including the costs of personnel, support equipment, and training;

(II) the time required to commence the carrying out of the program referred to in paragraph (1); and

(III) the amount of funds, if any, that will be required in fiscal years after fiscal year 1995 in order to carry out the program.

SEC. 1025. RESTRICTION RELATING TO REPORT ON PROLIFERATION OF FOREIGN MILITARY SATELLITES.

None of the funds available to the Department of Defense for travel may be expended for travel by the Assistant Secretary of Defense for International Security Policy until the Secretary of Defense submits to Congress the report required by section 1363 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2560) together with the certification required by section 211(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1584).

Subtitle D—Peace Operations

SEC. 1031. REPORTS ON REFORMING MULTILATERAL PEACE OPERATIONS.

(a) REPORTS REQUIRED.—The Secretary of Defense shall submit to the congressional defense committees two reports on United States proposals for improving United Nations management of peace operations. The Secretary shall submit the first report not later than December 1, 1994, and the second report not later than June 1, 1995.

(b) CONTENT OF REPORTS.—(1) Each report shall contain—

(A) a discussion of the status of implementation of United States proposals contained in section IV (relating to strengthening the United Nations) of the document entitled ''The Clinton Administration's Policy on Reforming Multilateral Peace Operations'' that was issued by the Executive Office of the President in May 1994; and

(B) an analysis of the results of such implementation.

(2) Each report shall cover, at a minimum, the following matters:

(A) The reconfiguration and expansion of the staff for the United Nations Department of Peacekeeping Operations.

(B) The elimination by the United Nations of lengthy, potentially disastrous delays after a peace operation has been authorized.

(C) The establishment by the United Nations of a professional peace operations training program for commanders and other military and civilian personnel.

(D) United States assistance to facilitate improvements by the United Nations in the matters described in subparagraphs (A) and (C) and the terms under which such assistance has been or is being provided.

(c) DEFINITION.—Is this section, the term ''peace operation'' means an operation to maintain or restore international peace and security under chapter VI or chapter VII of the Charter of the United Nations.

SEC. 1032. SUPPORT FOR INTERNATIONAL PEACEKEEPING AND PEACE ENFORCEMENT.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should initiate consultations with the bipartisan leadership of Congress, including the leadership of the relevant committees, as far in advance as possible regarding international peacekeeping or peace enforcement activities of the Unit-

ed Nations that would involve the participation of United States combat forces and such consultations should continue throughout the duration of such activities;

(2) the consultations should take place prior to the vote by the United States on United Nations Security Council resolutions authorizing, extending, or revising the mandates for these types of activities;

(3) United Nations Security Council resolutions authorizing peacekeeping or peace enforcement activities should clearly state the threat to international peace and security presented by the conflict in question, as well as the political and military objectives, the anticipated duration, and an exit strategy for each activity;

(4) the United States should be fully reimbursed for troop contributions and assistance provided to United Nations peacekeeping and peace enforcement activities;

(5) the United Nations should rarely conduct peace enforcement operations in view of the complexity of such operations and the difficulty of achieving unity of command and expeditious decisionmaking through the United Nations;

(6) United States combat forces should be under the operational control of qualified commanders and should have clear and effective command and control arrangements, appropriate rules of engagement, and clear and unambiguous mission statements;

(7) United States combat forces should not be under the command and control of foreign commanders in peace enforcement operations conducted by the United Nations except in the most extraordinary circumstances; and

(8) the Secretary of Defense should have the lead responsibility within the executive branch for the management of peacekeeping and peace enforcement activities of the United Nations in which United States combat forces participate.

(b) SUPPORT AUTHORIZED.—(1) Section 403 of title 10, United States Code, is amended to read as follows:

"§ 403. International peacekeeping and international peace enforcement: support involving United States combat forces

''(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Defense may—

''(1) pay, out of funds in the Contributions for International Peacekeeping and Peace Enforcement

Activities Fund established by subsection (g), the United States fair share (as determined by the Secretary) of assessments for international peacekeeping or international peace enforcement activities of the United Nations in which United States combat forces participate; and

''(2) furnish assistance, on a reimbursable basis, in support of such activities.

''(b) FORMS OF ASSISTANCE.—Assistance provided under this section may include supplies, services, and equipment.

''(c) DETERMINATION REQUIRED.—No assessment may be paid and no assistance may be furnished pursuant to this section unless the President determines that the provision of assistance is in the national interest of the United States.

''(d) ADVANCE NOTICE.—(1) In the case of any international peacekeeping or international peace enforcement operation of the United Nations in which United States combat forces are to participate, not less than 15 days before an initial deployment of United States combat forces, payment of a United Nations assessment, furnishing of assistance of a value in excess of $14,000,000, or waiver of reimbursement to the United States under subsection (e), the President shall transmit to the designated

congressional committees a report, which may be classified in whole or in part, that contains the determination required by subsection (c) and the following matters:

''(A) A description of the threat to international peace and security presented by the conflict involved.

''(B) The United States interests that will be advanced by the operation and by the United States action.

''(C) The political and military objectives of the operation.

''(D) The exit criteria and likely duration of the operation.

''(E) The personnel and material resources that have been pledged, or are otherwise expected to be made available, by other nations to the United Nations for the operation.

''(F) The units of the armed forces that will participate.

''(G) The necessity for involvement of United States forces.

''(H) The command arrangements for those forces and, if any of the United States forces are to be placed under the operational control of foreign commanders, the justification for doing so.

''(I) The rules of engagement for the operation.

''(J) An assessment of the risks involved in the operation.

''(K) In the case of payment of an assessment, the amount to be paid and the terms under which the payment is to be made.

''(L) In the case of assistance, the supplies, services, or equipment to be provided by the United States and the terms under which such supplies, services, or equipment are to be provided.

''(M) In the case of a waiver of reimbursement, the justification for the waiver.

''(2) If the President determines that an unforeseen emergency requires the immediate deployment of United States combat troops or the immediate furnishing of assistance of a value in excess of $14,000,000 under this section, the President—

''(A) may waive the requirement of paragraph (1) that a report be transmitted at least 15 days in advance of the action; and

''(B) shall promptly notify the designated committees of such waiver and such deployment or transfer.

''(e) REIMBURSEMENT.—(1) The President shall require reimbursement from the United Nations or from any other source for the participation of any force of the

armed forces in support of international peacekeeping or international peace enforcement activities of the United Nations or for the provision of assistance by the Secretary of Defense in support of such activities.

''(2) Any funds received as reimbursements shall be used as follows:

''(A) As a first priority, for the payment of the incremental costs of the military departments and Defense Agencies providing the participating United States forces or the supplies, services, or equipment involved.

''(B) As a second priority, for the payment of the incremental costs of any other United States forces that are operating in support of international peacekeeping or international peace enforcement activities but for which reimbursement is not possible.

''(3) After use of reimbursement funds for the purposes specified in paragraph (2), any remainder of such funds shall be credited to the Contributions for International Peacekeeping and Peace Enforcement Activities Fund established by subsection (g).

''(4) Reimbursements utilized for the payment of incremental costs shall be credited, at the option of the Secretary of the military department concerned or the head of the Defense Agency concerned, either to an appropria-

tion, fund, or other account obligated to pay such costs or to an appropriate appropriation, fund, or other account available for paying such costs.

''(f) WAIVER OF REIMBURSEMENT.—The President may waive, in whole or in part, any reimbursement required under subsection (a)(2) or (e) in exceptional circumstances upon determining that such waiver is in the national interest of the United States.

''(g) ESTABLISHMENT OF ACCOUNT.—There is hereby established in the Treasury of the United States a fund to be known as the 'Contributions for International Peacekeeping and Peace Enforcement Activities Fund'. Amounts appropriated or otherwise credited to the Fund shall be available until expended for, and shall be used for, paying assessments for United Nations operations under this section.

''(h) AUTHORITY INAPPLICABLE WHEN UNITED STATES COMBAT FORCES NOT INVOLVED.—The authority in subsection (a) to pay United Nations assessments for international peacekeeping and international peace enforcement activities of the United Nations may not be construed as authorizing payment of United Nations assessments for any such activity in which United States combat forces do not participate.

''(i) COORDINATION WITH OTHER LAWS.—This section may not be construed as superseding any provision of the War Powers Resolution. This section does not provide authority for the participation of United States combat forces in any international peacekeeping or international peace enforcement operation.

''(j) DEFINITIONS.—In this section:

''(1) The term 'designated congressional committees' means the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and Foreign Affairs of the House of Representatives.

''(2) The term 'combat forces' means forces of the armed forces that have combat missions as primary missions.

''(3) The term 'international peacekeeping' means those activities performed pursuant to Chapter VI of the United Nations Charter.

''(4) The term 'international peace enforcement' means those activities performed pursuant to Chapter VII of the United Nations Charter.''.

(2) The item relating to section 403 in the table of sections at the beginning of subchapter I of chapter 20 of such title is amended to read as follows:

''403. International peacekeeping and international peace enforcement: support involving United States combat forces.''.

(c) AUTHORIZED SUPPORT FOR FISCAL YEAR 1995.—Not more than $300,000,000 is authorized to be appropriated for fiscal year 1995 for the Contributions for International Peacekeeping and Peace Enforcement Activities Fund under section 301(20).

Subtitle E—Reporting Requirements

SEC. 1041. REPORT ON OFFENSIVE BIOLOGICAL WARFARE PROGRAM OF THE STATES OF THE FORMER SOVIET UNION.

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

(1) The United States has identified nonproliferation as a high priority in the conduct of United States national security policy.

(2) The United States is seeking universal adherence to global regimes that control nuclear, chemical, and biological weapons and is promoting new measures that provide increased transparency of biological weapons-related activities and facilities in an effort to help deter violations of and enhance compli-

ance with the Biological Weapons Convention (BWC).

(3) Questions continue to arise regarding offensive biological weapons research, development, testing production, and storage in the countries of the former Soviet Union as well as in other countries.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should continue to urge all signatories to the Biological Weapons Convention to comply fully with the terms of that convention and with other international agreements relating to the control of biological weapons; and

(2) as the President encourages increased transparency of biological weapons-related activities and facilities to deter violations of and enhance compliance with the Biological Weapons Convention, the President should also take appropriate actions to ensure that the United States is prepared to counter the effects of use of biological weapons by others.

(c) REPORT REQUIRED.—Not later than 120 days after the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the offensive biological warfare pro-

gram in the Russian Federation and the other independent states of the former Soviet Union.

(d) CONTENT OF REPORT.—The report shall include the following matters:

(1) An assessment of the extent of compliance of the independent states of the former Soviet Union with the Biological Weapons Convention and other international agreements relating to the control of biological weapons.

(2) An evaluation of the extent of control and oversight by the government of the Russian Federation over the former Soviet military and dual civilian-military biological warfare programs.

(3) The extent, if any, of the biological warfare agent stockpile in any of the independent states of the former Soviet Union.

(4) The extent and scope, if any, of continued biological warfare research, development, testing, and production by such state, including the sites and types of activity at those sites.

(5) An evaluation of the effectiveness of possible delivery systems of biological weapons, including tube and rocket artillery, bomber aircraft, and ballistic missiles.

(6) An evaluation of United States capabilities to detect and monitor biological warfare research, development, testing, production, and storage.

(7) On the basis of the assessment and evaluations referred to in other paragraphs of this subsection, recommendations by the Secretary of Defense and Chairman of the Joint Chiefs of Staff for the improvement of United States biological warfare defense and counter-measures.

(e) FORM OF REPORT.—The Secretary shall submit the report in classified and unclassified versions.

(f) DEFINITIONS.—In this section:

(1) The term ''Biological Weapons Convention'' means the Convention on the Prohibition, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 10, 1972.

(2) The term ''independent states of the former Soviet Union'' has the same meaning given that term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

SEC. 1042. TERMINATION OF CERTAIN DEPARTMENT OF DEFENSE REPORTING REQUIREMENTS.

(a) IMMEDIATE TERMINATION.—Except as provided in subsection (c), notwithstanding the date set forth in subsection (a) of section 1151 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1758; 10 U.S.C. 113 note), the reporting requirements referred to in subsection (b) are terminated effective on the date of the enactment of this Act.

(b) APPLICABILITY.—Subsection (a) applies to each reporting requirement specified in enclosures 1 and 2 of the letter, dated April 29, 1994, by which the Director for Administration and Management, Office of the Secretary Defense, citing the authority of the provision of law referred to in subsection (a), submitted a list of reporting requirements recommended for termination by the Department of Defense.

(c) PRESERVATION OF REQUIREMENTS.—(1) The reporting requirements set forth in the provisions of law referred to in paragraph (2) shall not terminate under subsection (a) of section 1151 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1758; 10 U.S.C. 113 note).

(2) Paragraph (1) applies to the following reports:

(A) Reports required under the following provisions of title 10, United States Code:

(i) Section 2662, relating to reports on real property transactions.

(ii) Section 2672a(b), relating to reports on urgent acquisitions of land.

(iii) Section 2687(b)(1), relating to notifications of certain base closures and realignments.

(iv) Section 2690(b)(2), relating to notifications of proposed conversions of heating facilities at United States installations in Europe.

(v) Section 2804(b), relating to reports on contingency military construction projects.

(vi) Section 2806(c)(2), relating to reports on contributions for NATO infrastructure in excess of amounts appropriated for such contributions.

(vii) Subsections (b) and (c) of section 2807, relating to notifications and reports on architectural and engineering services and construction design.

(viii) Section 2823(b), relating to notifications regarding disagreements between certain officials on the availability of locations for suitable alternative housing for the Department of Defense.

(ix) Subsections (b) and (c) of section 2825, relating to notifications regarding improvements of family housing or construction of replacement family housing.

(x) Section 2827(b), relating to notifications regarding relocation of military family housing units.

(xi) Section 2835(g)(1), relating to economic analyses on the cost effectiveness of leasing family housing to be constructed or rehabilitated.

(xii) Section 2861(a), relating to the annual report on military construction activities and family housing activities.

(xiii) Subsections (e) and (f) of section 2865, relating to notifications regarding unauthorized energy conservation construction projects and an annual report regarding energy conservation actions.

(B) Reports required under the following provisions of title 37, United States Code:

(i) Section 406(i), relating to the annual report regarding dependents accompanying members stationed outside the United States in

relation to the eligibility of such members to receive travel and transportation allowances.

(ii) Section 1008(a), relating to the annual report by the President on adjustments of rates of pay and allowances for members of the uniformed services.

(C) Reports required under the following provisions of law:

(i) Section 326(a)(5) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2368; 10 U.S.C. 2301 note), relating to reports on use of certain ozone-depleting substances.

(ii) Subsections (e) and (f) of section 2921 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2687 note), relating to notifications regarding negotiations for payments-in-kind for the release of improvements at overseas military installations to host countries and an annual report on the status and use of the Department of Defense Overseas Military Facility Investment Recovery Account.

(iii) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 103 Stat. 1594; 10 U.S.C. 113 note),

relating to reports on closures of military child development centers.

(iv) Subsections (a) and (d) of section 7 of the Organotin Antifouling Paint Control Act of 1988 (Public Law 100–133; 102 Stat. 607; 33 U.S.C. 2406), relating to the annual report on the monitoring of estuaries and near-coastal waters for concentrations of organotin.

Subtitle F—Acceptance of Pre-release Services of Nonviolent Offenders

SEC. 1051. USE OF INMATE LABOR AT MILITARY INSTALLATIONS.

(a) USE OF INMATE LABOR AUTHORIZED.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2610. Acceptance of services of inmates of State and local correctional facilities

''(a) USE OF INMATE LABOR.—Subject to subsection (c), the Secretary of a military department may accept in accordance with this section the services of nonviolent offenders incarcerated in a correctional facility of a State or local government. Services so accepted shall be performed at a military installation in the vicinity of the correctional facility pursuant to an agreement entered into

by the Secretary and the chief executive of the State or local government.

''(b) AUTHORIZED SERVICES.—The services authorized to be accepted are as follows:

''(1) Construction, maintenance, or repair of roads.

''(2) Construction of levees or other flood prevention structures.

''(3) Construction, maintenance, or repair of any other public ways or works.

''(4) Clearance, maintenance, or reforesting of public lands.

''(5) Custodial services.

''(c) CONDITIONS FOR ACCEPTANCE OF SERVICES.—The Secretary may accept the services of nonviolent offenders for a military installation under this section only if the Secretary finds that—

''(1) Federal Government employees and contractor employees performing services at the installation will not be displaced;

''(2) no contract for the provision of services at the installation will otherwise be impaired; and

''(3) in the case of services in any skill, craft, or trade, there is no surplus of labor for hire in such

skill, craft, or trade in the vicinity of the installation.

''(d) LIMITATION ON PAYMENTS TO CUSTODIAL GOVERNMENTS.—(1) Except as provided in paragraph (2), the Secretary of a military department may not compensate a State or local government for the costs incurred by such government in the provision of services accepted under this section.

''(2) The Secretary may—

''(A) reimburse a State or local government for administrative and other costs directly incurred by that government in making available and supervising offenders as they provide services accepted under this section; and

''(B) pay a nominal amount to the State or local government in order to support any alcohol and drug abuse treatment programs conducted by that government for the offenders who provide such services.

''(e) PROHIBITION ON COMPENSATION OF INMATES.—The Secretary may not compensate any offender for services accepted under this section.

''(f) SUPPORT AUTHORIZED.—The Secretary may provide equipment, supplies, or other materials to be used

by offenders in the provision of services accepted under this section.

''(g) INAPPLICABILITY OF OTHER LAWS.—The following provisions of law shall not apply with respect to services accepted under this section:

''(1) Section 1342 of title 31.

''(2) The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

''(3) The Act entitled 'An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931 (46 Stat. 1494; 40 U.S.C. 276a et seq.), commonly referred to as the 'Davis-Bacon Act'.

''(4) The Act entitled 'An Act to provide conditions for the purchases of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35 et seq.), commonly referred to as the 'Walsh-Healey Act'.

''(5) The Service Contract Act of 1965 (41 U.S.C. 351 et seq.).''.

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

''2610. Acceptance of services of inmates of State and local correctional facilities.''.

SEC. 1052. REVISION OF AUTHORITY FOR USE OF NAVY INSTALLATIONS TO PROVIDE EMPLOYMENT TRAINING TO NONVIOLENT OFFENDERS IN STATE PENAL SYSTEMS.

(a) SOURCES OF TRAINING.—Subsection (b) of section 1374 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1821; 10 U.S.C. 5013 note) is amended—

(1) by striking out the subsection caption and inserting in lieu thereof ''SOURCES OF TRAINING.—''; and

(2) by inserting before the period at the end the following: ''or may provide such training directly at such installations by agreement with the State concerned''.

(b) LIABILITY AND INDEMNIFICATION.—Subsection (e) of such section is amended—

(1) by inserting ''(1)'' before ''A nonprofit organization''; and

(2) by adding at the end the following:

''(2) In any case in which the Secretary provides prerelease employment training directly by agreement with the State concerned, the State shall—

''(A) be liable for any loss or damage to Federal Government property that may result from, or in connection with, the provision of the training except to the extent that the loss or damage results from a wrongful act or omission of Federal Government personnel; and

''(B) hold harmless and indemnify the United States from and against any suit, claim, demand, action, or liability arising out of any claim for personal injury or property damage that may result from, or in connection with, the provision of the training except to the extent that the personal injury or property damage results from a wrongful act or omission of Federal Government personnel.''.

SEC. 1053. USE OF ARMY INSTALLATIONS TO PROVIDE EMPLOYMENT TRAINING TO NONVIOLENT OFFENDERS IN STATE PENAL SYSTEMS.

(a) DEMONSTRATION PROJECT AUTHORIZED.—The Secretary of the Army may conduct a demonstration project to test the feasibility of using Army facilities to provide employment training to nonviolent offenders in a State penal system prior to their release from incarcer-

ation. The demonstration project shall be limited to not more than three military installations under the jurisdiction of the Secretary.

(b) SOURCES OF TRAINING.—The Secretary may enter into a cooperative agreement with one or more private, nonprofit organizations for purposes of providing at the military installations included in the demonstration project the prerelease employment training authorized under subsection (a) or may provide such training directly at such installations by agreement with the State concerned.

(c) USE OF FACILITIES.—Under a cooperative agreement entered into under subsection (b), the Secretary may lease or otherwise make available to a nonprofit organization participating in the demonstration project at a military installation included in the demonstration project any real property or facilities at the installation that the Secretary considers to be appropriate for use to provide the prerelease employment training authorized under subsection (a). Notwithstanding section 2667(b)(4) of title 10, United States Code, the use of such real property or facilities may be permitted with or without reimbursement.

(d) ACCEPTANCE OF SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary

may accept voluntary services provided by persons participating in the prerelease employment training authorized under subsection (a).

(e) LIABILITY AND INDEMNIFICATION.—(1) A nonprofit organization participating in the demonstration project shall—

(A) be liable for any loss or damage to Federal Government property that may result from, or in connection with, the provision of prerelease employment training by the organization under the demonstration project; and

(B) hold harmless and indemnify the United States from and against any suit, claim, demand, action, or liability arising out of any claim for personal injury or property damage that may result from or in connection with the demonstration project.

(2) In any case in which the Secretary provides prerelease employment training directly by agreement with the State concerned, the State shall—

(A) be liable for any loss or damage to Federal Government property that may result from, or in connection with, the provision of the training except to the extent that the loss or damage results from a wrongful act or omission of Federal Government personnel; and

(B) hold harmless and indemnify the United States from and against any suit, claim, demand, action, or liability arising out of any claim for personal injury or property damage that may result from, or in connection with, the provision of the training except to the extent that the personal injury or property damage results from a wrongful act or omission of Federal Government personnel.

(f) REPORT.—Not later than two years after the date of the enactment of this Act, the Secretary shall submit to Congress a report evaluating the success of the demonstration project and containing such recommendations with regard to the termination, continuation, or expansion of the demonstration project as the Secretary considers appropriate.

Subtitle G—Discrimination and Sexual Harassment

SEC. 1056. DEPARTMENT OF DEFENSE POLICIES AND PROCEDURES ON DISCRIMINATION AND SEXUAL HARASSMENT.

(a) MILITARY DEPARTMENT POLICIES.—(1) Subject to paragraph (2), the Secretary of the Navy and the Secretary of the Air Force shall review and revise the regulations of the Department of the Navy and the Department of the Air Force, respectively, relating to equal oppor-

tunity policy and complaint procedures to ensure that the such regulations are substantially equivalent to the regulations of the Army on such matters.

(2) In revising regulations pursuant to paragraph (1), the Secretary of the Navy or the Secretary of the Air Force, as the case may be, may make such additions and modifications as the Secretary of Defense determines appropriate to strengthen the regulations beyond the substantial equivalent of the Army regulations in accordance with—

(A) the recommendations of the Department of Defense Task Force on Discrimination and Sexual Harassment; and

(B) the experience of the Army, Navy, Air Force, and Marine Corps regarding equal opportunity cases.

(3) The Secretary of the Army shall review the regulations of the Department of the Army relating to equal opportunity policy and complaint procedures and revise the regulations as the Secretary of Defense considers appropriate to strengthen the regulations in accordance with the recommendations and experience described in subparagraphs (A) and (B) of paragraph (2).

(b) REQUIREMENTS REGARDING REPORT OF TASK FORCE ON DISCRIMINATION AND SEXUAL HARASS-

MENT.—(1) The Department of Defense Task Force on Discrimination and Sexual Harassment shall transmit the report of the task force to the Secretary of Defense not later than October 1, 1994.

(2) The Secretary of Defense shall transmit to Congress the report of the task force not later than October 10, 1994.

(3) Not later than 45 days after receiving the report, the Secretary of Defense shall—

(A) review the recommendations for action contained in such report;

(B) determine which recommendations the Secretary approves for implementation and which recommendations the Secretary disapproves; and

(C) submit to Congress a report that—

(i) identifies the approved recommendations and the disapproved recommendations; and

(ii) explains the reasons for each such approval and disapproval.

(4) The Secretary of Defense shall implement the approved recommendations not later than April 1, 1995.

(c) The Advisory Board or the investigative capability of the Department of Defense should consider and include in its report—

(1) whether the Department of Defense should establish a separate unit to oversee all matters related to allegations of discrimination or sexual misconduct in the Department of Defense; and

(2) whether additional data collection and reporting procedures are needed to enhance the ability of the Department of Defense to deal with sexual misconduct.

(d) The Secretary of Defense shall ensure that regulations governing consideration of equal opportunity matters in performance evaluations include consideration of an individual's commitment to elimination of discrimination or of sexual harassment.

Subtitle H—Other Matters

SEC. 1061. REDESIGNATION OF UNITED STATES COURT OF MILITARY APPEALS AND THE COURTS OF MILITARY REVIEW.

(a) UNITED STATES COURT OF APPEALS FOR THE ARMED SERVICES.—Section 941 of title 10, United States Code (article 141 of the Uniform Code of Military Justice), is amended by striking out ''United States Court of Military Appeals'' and inserting in lieu thereof ''United States Court of Appeals for the Armed Services''.

(b) COURTS OF MILITARY CRIMINAL APPEALS.—Section 866 of title 10, United States Code (article 66 of the

Uniform Code of Military Justice), is amended by striking out ''Court of Military Review'' each place it appears and inserting in lieu thereof ''Court of Military Criminal Appeals''.

(c) CONFORMING AMENDMENTS TO TITLE 10.—(1) The following sections of title 10, United States Code, are amended by striking out ''Court of Military Appeals'' each place it appears and inserting in lieu thereof ''Court of Appeals for the Armed Services'': sections 707(a)(2), 866(e), 867, 867a(a), 870, 871(c)(1), 873, 942, 943, 944, 945, and 946(b)(1).

(2) The following sections of title 10, United States Code, are amended by striking out ''Court of Military Review'' each place it appears and inserting in lieu thereof ''Court of Military Criminal Appeals'': sections 707(a)(2), 862(b), 867, 868, 869, 870, 871, and 873.

(3)(A) The heading of subchapter XII of chapter 47 of such title is amended to read as follows:

''SUBCHAPTER XII—UNITED STATES COURT OF APPEALS FOR THE ARMED SERVICES''.

(B) The table of subchapters at the beginning of chapter 47 of such title is amended by striking out the item relating to subchapter XII and inserting in lieu thereof the following:

''XII. United States Court of Appeals for the Armed Services ..... 941 141''.

(4)(A) The heading of section 866 of such title is amended to read as follows:

"§ 867. Art. 66. Review by Court of Military Criminal Appeals".

(B) The heading of section 867 of such title is amended to read as follows:

"§ 867. Art. 67. Review by the Court of Appeals for the Armed Services".

(C) The table of sections at the beginning of subchapter IX of chapter 47 of such title is amended by striking out the items relating to sections 866 and 867 (articles 66 and 67) and inserting in lieu thereof the following:

''866. 66. Review by Court of Military Criminal Appeals.
''867. 67. Review by the Court of Appeals for the Armed Services.''.

(d) CONFORMING AMENDMENTS TO OTHER UNITED STATES CODE TITLES.—(1) The following provisions of the United States Code are amended by striking out ''Court of Military Appeals'' each place it appears and inserting in lieu thereof ''Court of Appeals for the Armed Services'':

(A) In title 5, sections 8334(a)(1), 8336(l), 8337(a), 8338(c), 8339(d)(7), and 8339(h) and the table in 8334(c).

(B) In title 18, sections 202(e)(2) and 6001(4).

(C) In title 28, sections 1259 and 2101(g).

(D) In title 44, section 906.

(2)(A) The heading of section 1259 of title 28, United States Code, is amended to read as follows:

"§ 1259. Court of Appeals for the Armed Services; certiorari".

(B) The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1259 and inserting in lieu thereof the following:

''1259. Court of Appeals for the Armed Services; certiorari.''.

(e) CONFORMING AMENDMENT TO OTHER LAW.—Section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking out ''Court of Military Appeals'' each place it appears in paragraphs (8) and (10) and inserting in lieu thereof ''Court of Appeals for the Armed Services''.

SEC. 1062. ASSISTANCE TO FAMILY MEMBERS OF CERTAIN POW/MIAS WHO REMAIN UNACCOUNTED FOR.

(a) SINGLE POINT OF CONTACT.—The Secretary of Defense shall designate an official of the Department of Defense to serve as a single point of contact within the department—

(1) for the immediate family members (or their designees) of any unaccounted-for Korean conflict POW/MIA; and

(2) for the immediate family members (or their designees) of any unaccounted-for Cold War POW/MIA.

(b) FUNCTIONS.—The official designated under subsection (a) shall serve as a liaison between the family members of unaccounted-for Korean conflict POW/MIAs and unaccounted-for Cold War POW/MIAs and the Department of Defense and other Federal departments and agencies that may hold information that may related to such POW/MIAs. The functions of that official shall include assisting family members—

(1) with the procedures the family may follow in their search for information about the unaccounted-for Korean conflict POW/MIA or unaccounted-for Cold War POW/MIA, as the case may be;

(2) in learning where they may locate information about the unaccounted-for POW/MIA; and

(3) in learning how and where to identify classified records that contain pertinent information and that will be declassified.

(c) ASSISTANCE IN OBTAINING DECLASSIFICATION.—The official designated under subsection (a) shall seek to obtain the rapid declassification of any relevant classified records that are identified.

(d) REPOSITORY.—The official designated under subsection (a) shall provide for a centralized repository for all documents relating to unaccounted-for Korean conflict POW/MIAs and unaccounted-for Cold War POW/MIAs that are located as a result of the official's efforts.

(e) DEFINITIONS.—For purposes of this section:

(1) The term ''unaccounted-for Korean conflict POW/MIA'' means a member of the Armed Forces or civilian employee of the United States who, as a result of service during the Korean conflict, was at any time classified as a prisoner of war or missing-in-action or otherwise unaccounted for and whose person or remains have not been returned to the United States and who remains unaccounted for.

(2) The term ''unaccounted-for Cold War POW/MIA'' means a member of the Armed Forces or civilian employee of the United States who, as a result of service during the period from September 2, 1945, to August 21, 1991, was at any time classified as a prisoner of war or missing-in-action or otherwise unaccounted for and whose person or remains have not been returned to the United States and who remains unaccounted for.

(3) The term ''Korean conflict'' has the meaning given such term in section 101(9) of title 38, United States Code.

SEC. 1063. NATIONAL GUARD ASSISTANCE FOR CERTAIN YOUTH AND CHARITABLE ORGANIZATIONS.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—Chapter 5 of title 32, United States Code, is amended by adding at the end the following:

''§ 508. Assistance for certain youth and charitable organizations

''(a) AUTHORITY TO PROVIDE SERVICES.—Members and units of the National Guard may provide the services described in subsection (b) to an eligible organization in conjunction with training required under this chapter in any case in which—

''(1) the provision of such services does not adversely affect the quality of that training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit;

''(2) the services to be provided are not commercially available, or any commercial entity that would otherwise provide such services has approved, in writing, the provision of such services by the National Guard;

''(3) National Guard personnel will enhance their military skills as a result of providing such services; and

''(4) the provision of the services will not result in a significant increase in the cost of the training.

''(b) AUTHORIZED SERVICES.—The services authorized to be provided under subsection (a) are as follows:

''(1) Ground transportation.

''(2) Air transportation in support of Special Olympics.

''(3) Administrative support services.

''(4) Technical training services.

''(5) Emergency medical assistance and services.

''(6) Communications services.

''(7) Security services.

''(c) OTHER AUTHORIZED ASSISTANCE.—Facilities and equipment of the National Guard, including military property of the United States issued to the National Guard and General Services Administration vehicles leased to the National Guard, and General Services Administration vehicles leased to the Department of Defense, may be used in connection with providing services to any eligible organization under this section.

''(d) ELIGIBLE ORGANIZATIONS.—The organizations eligible to receive services under this section are as follows:

''(1) The Boy Scouts of America.

''(2) The Girl Scouts of America.

''(3) The Boys Clubs of America.

''(4) The Girls Clubs of America.

''(5) The Young Men's Christian Association.

''(6) The Young Women's Christian Association.

''(7) The Civil Air Patrol.

''(8) The United States Olympic Committee.

''(9) The Special Olympics.

''(10) The Campfire Boys.

''(11) The Campfire Girls.

''(12) The 4–H Club.

''(13) The Police Athletic League.

''(14) Any other youth or charitable organization designated by the Secretary of Defense.''.

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

''508. Assistance for certain youth and charitable organizations.''.

SEC. 1064. DEFENSE MAPPING AGENCY.

(a) UNAUTHORIZED USE OF NAME.—Chapter 167 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2798. Unauthorized use of Defense Mapping Agency name, initials, or seal

''(a) No person may, except with the written permission of the Secretary of Defense, knowingly use the words 'Defense Mapping Agency', the initials 'DMA', the seal of the Defense Mapping Agency, or any colorable imitation of such words, initials, or seal in connection with any merchandise, retail product, impersonation, solicitation or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary of Defense.

''(b) Whenever it appears to the Attorney General that any person is engaged or about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to hearing and determination of such action and may, at any time before such final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.''.

(b) LIMITATION ON LIABILITY RELATING TO NAVIGATIONAL AIDS.—Chapter 167 of such title, as amended

by subsection (a), is further amended by adding at the end the following new section:

"§ 2799. Civil actions barred

''(a) CLAIMS BARRED.—No civil action may be brought against the United States on the basis of the content of a navigational aid prepared or disseminated by the Defense Mapping Agency.

''(b) NAVIGATIONAL AIDS COVERED.—Subsection (a) applies with respect to a navigational aid in the form of a map, a chart, or a publication and any other form or medium of product or information in which the Defense Mapping Agency prepares or disseminates navigational aids.''.

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

''2798. Unauthorized use of Defense Mapping Agency name, initials, or seal.
''2799. Civil actions barred.''.

(d) EFFECTIVE DATE.—Section 2799 of title 10, United States Code, as added by subsection (b), shall take effect on the date of the enactment of this Act and shall apply with respect to (1) civil actions brought before such date that are pending adjudication on such date, and (2) civil actions brought on or after such date.

SEC. 1065. TRANSFER OF NAVAL VESSELS TO BRAZIL.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer to the Government of Brazil the ''KNOX'' class frigates, MILLER (FF 1091) and VALDEZ (FF 1096). Such transfers shall be on a lease basis under chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.).

(b) WAIVER OF REQUIREMENTS FOR NOTIFICATION TO CONGRESS.—Section 62 of the Arms Export Control Act does not apply with respect to a lease authorized by subsection (a), except that section 62 of such Act shall apply to any renewal of the lease.

(c) COSTS OF TRANSFERS.—Any expense of the United States in connection with a transfer authorized by subsection (a) shall be charged to the Government of Brazil.

(d) EXPIRATION OF AUTHORITY.—The authority granted by subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act, except that leases entered into during that period may be renewed.

SEC. 1066. TRANSFERS OF M1A1 TANKS TO THE MARINE CORPS.

(a) TRANSFER REQUIRED.—Subject to subsection (b), as M1A1 tanks of the Army become excess to the requirements of the active component of the Army, the Sec-

retary of the Army shall transfer to the Marine Corps, at no expense to the Army, as many of such tanks as are necessary to satisfy the requirements of the Marine Corps for tanks, as determined by the Secretary of Defense.

(b) TRANSFER LIMITS.—The Secretary of the Army shall transfer under subsection (a) 84 M1A1 tanks selected by the Secretary of the Army.

(c) EXCLUSION OF CERTAIN TRANSFERS.—If any of the tanks transferred under subsection (a) are transferred to the Marine Corps Reserve, the number of tanks not in excess of 48 that are so transferred shall not be counted for purposes of subsection (b).

(d) LIMITATION ON TRANSFERS TO ARMY NATIONAL GUARD.—After the date of the enactment of this Act, the Secretary of the Army shall transfer not more than one M1A1 tank to the National Guard for each M1A1 tank transferred to the Marine Corps until the Secretary has transferred the total number of tanks required in subsection (b). The tanks transferred to the Marine Corps shall be in a material condition comparable to the material condition of the tanks transferred to the National Guard.

(e) TREATMENT OF CERTAIN TRANSFERRED TANKS UNDER LIMITATIONS.—The transfer of a tank under section 112 shall not be counted for purposes of subsection (a), (b), (c), or (d).

SEC. 1067. LIMITATION REGARDING MERGER OF TELECOMMUNICATIONS SYSTEMS.

(a) LIMITATION.—Funds available to the Department of Defense may not be expended to merge defense telecommunications systems with the telecommunications system known as ''FTS–2000'' or with any other civil telecommunications system until—

(1) the Secretary of Defense submits to the congressional defense committees a report containing—

(A) a certification by the Secretary that the merged telecommunications systems, including the associated services, will provide assured, secure telecommunications support for Department of Defense activities; and

(B) a description of how the merger of the systems will be implemented and the merged systems will be managed to meet defense information infrastructure requirements, including requirements to support deployed forces and intelligence activities; and

(2) 30 days elapse after the date on which such report is received by the committees.

(b) DEFENSE TELECOMMUNICATIONS ACTIVITY DEFINED.—In this section, the term ''defense telecommunications system'' means a system of telecommunications equipment and services that, pursuant to section 2315 of title 10, United States Code, is exempt from the requirements of section 111 of the Federal Property and Administrative Services Act of 1949.

SEC. 1068. ACQUISITION OF STRATEGIC SEALIFT SHIPS.

(a) AMOUNT FOR SHIPBUILDING AND CONVERSION.—Notwithstanding section 102(3), there is hereby authorized to be appropriated for the Navy for fiscal year 1995, $5,532,007,000 for procurement for shipbuilding and conversion.

(b) NATIONAL DEFENSE SEALIFT FUND.—Notwithstanding section 302(2), there is hereby authorized to be appropriated for the Armed Forces and other activities and agencies of the Department of Defense $828,600,000 for providing capital for the National Defense Sealift Fund.

SEC. 1069. REQUIREMENT FOR SECRETARY OF DEFENSE TO SUBMIT RECOMMENDATIONS ON CERTAIN PROVISIONS OF LAW CONCERNING MISSING PERSONS.

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

(1) The families of American personnel who became prisoners of war or missing in action while serving in the Armed Forces of the United States and national veterans organizations have expressed concern to Congress for several years regarding provisions of chapter 10 of title 37, United States Code, relating to missing persons, that authorize the Secretaries of the military departments to declare missing Armed Forces personnel dead based solely on the passage of time.

(2) Proposed legislation concerning revisions to those provisions of law has been pending before Congress for several years.

(3) It is important for Congress to obtain the views of the Secretary of Defense with respect to the appropriateness of revising those provisions of law before acting further on proposed amendments to such provisions.

(b) RECOMMENDATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the

Secretary of Defense, in consultation with the Secretaries of the military departments, the national POW/MIA family organizations, and the national veterans organizations, shall—

(1) conduct a review of the provisions of chapter 10 of title 37, United States Code, relating to missing persons; and

(2) submit to Congress the Secretary's recommendations as to whether those provisions of law should be amended.

SEC. 1070. CONTACT BETWEEN THE DEPARTMENT OF DEFENSE AND THE MINISTRY OF NATIONAL DEFENSE OF CHINA ON POW/MIA ISSUES.

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

(1) The Select Committee on POW/MIA Affairs of the Senate concluded in its final report, dated January 13, 1993, that ''many American POW's had been held in China during the Korean conflict and that foreign POW camps in both China and North Korea were run by Chinese officials'' and, further, that ''given the fact that only 26 Army and 15 Air Force personnel returned from China following the war, the committee can now firmly conclude that the People's Republic of China surely has infor-

mation on the fate of other unaccounted for American POW's from the Korean conflict.''.

(2) The Select Committee on POW/MIA Affairs recommended in such report that ''the Department of State and Defense form a POW/MIA task force on China similar to Task Force Russia.''.

(3) Neither the Department of Defense nor the Department of State has held substantive discussions with officials from the People's Republic of China concerning unaccounted for American prisoners of war of the Korean conflict.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should establish contact with officials of the Ministry of Defense of the People's Republic of China regarding unresolved issues relating to American prisoners of war and American personnel missing in action as a result of the Korean conflict.

SEC. 1071. DISCLOSURE OF INFORMATION CONCERNING UNACCOUNTED FOR UNITED STATES PERSONNEL FROM THE KOREAN CONFLICT, AND THE COLD WAR.

Section 1082 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 50 U.S.C. 401 note) is amended—

(1) in subsection (a), by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) Paragraph (1) applies to any record, live-sighting report, or other information in the custody of the official custodian referred to in subsection (d)(3) that may pertain to the location, treatment, or condition of (i) United States personnel who remain not accounted for as a result of service in the Armed Forces of the United States or other Federal Government service during the Korean conflict, the Vietnam era, or the Cold War, or (ii) their remains.'';

(2) in subsection (c)—

(A) by striking out the first sentence in paragraph (1) and inserting in lieu thereof the following: ''In the case of records or other information originated by the Department of Defense, the official custodian shall make such records and other information available to the public pursuant to this section not later than September 30, 1995.'';

(B) in paragraph (2), by striking out ''after March 1, 1992,''; and

(C) in paragraph (3), by striking out ''a Vietnam-era POW/MIA who may still be alive in Southeast Asia,'' and inserting in lieu thereof

''any United States personnel referred to in subsection (a)(2) who remain not accounted for but who may still be alive in captivity,'';

(3) by striking out subsection (d) and inserting in lieu thereof the following:

''(d) DEFINITIONS.—For purposes of this section:

''(1) The terms 'Korean conflict' and 'Vietnam era' have the meanings given those terms in section 101 of title 38, United States Code.

''(2) The term 'Cold War' shall have the meaning determined by the Secretary of Defense.

''(3) The term 'official custodian' means—

''(A) in the case of records, reports, and information relating to the Korean conflict or the Cold War, the Archivist of the United States; and

''(B) in the case of records, reports, and information relating to the Vietnam era, the Secretary of Defense.''; and

(4) by striking out the section heading and inserting in lieu thereof the following new section heading:

"SEC. 1082. DISCLOSURE OF INFORMATION CONCERNING UNACCOUNTED FOR UNITED STATES PERSONNEL OF THE COLD WAR, THE KOREAN CONFLICT, AND THE VIETNAM ERA.".

SEC. 1072. REQUIREMENT FOR CERTIFICATION BY SECRETARY OF DEFENSE CONCERNING DECLASSIFICATION OF VIETNAM-ERA POW/MIA RECORDS.

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

(1) The Senate, by Senate Resolution 324, 102d Congress, 2d session, agreed to on July 2, 1992, unanimously requested the President to ''expeditiously issue an Executive Order requiring all executive branch departments and agencies to declassify and publicly release without compromising United States national security all documents, files, and other materials pertaining to POW's and MIA's.''.

(2) The President, in an executive order dated July 22, 1992, ordered declassification of all United States Government documents, files, and other materials pertaining to American personnel who became prisoners of war or missing in action in Southeast Asia.

(3) The President stated on Memorial Day of 1993 that all such documents, files, and other materials pertaining to the personnel covered by that executive order should be declassified by Veterans Day of 1993.

(4) The President declared on Veterans Day of 1993 that all such documents, files, and other materials had been declassified.

(5) Nonetheless, since that Veterans Day declaration in 1993, there have been found still classified more United States Government documents, files, and other materials pertaining to American personnel who became prisoners of war or missing in action in Southeast Asia.

(b) REVIEW AND CERTIFICATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) conduct a review to determine whether there continue to exist in classified form documents, files, or other materials pertaining to American personnel who became prisoners of war or missing in action in Southeast Asia that should be declassified in accordance with Senate Resolution 324, 102d Congress, 2d session, agreed to on July 2, 1992, and the executive order of July 22, 1992; and

(2) certify to Congress that all documents, files, and other materials pertaining to such personnel have been declassified and specify in the certification the date on which the declassification was completed.

SEC. 1073. INFORMATION CONCERNING UNACCOUNTED FOR UNITED STATES PERSONNEL OF THE VIETNAM CONFLICT.

Not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress the following information pertaining to United States personnel involved in the Vietnam conflict that remain not accounted for:

(1) A complete listing by name of all such personnel about whom it is possible that officials of the Socialist Republic of Vietnam can produce additional information or remains that could lead to the maximum possible accounting for those personnel, as determined on the basis of all information available to the United States Government.

(2) A complete listing by name of all such personnel about whom it is possible that officials of the Lao People's Democratic Republic can produce additional information or remains that could lead to the maximum possible accounting for those personnel, as

determined on the basis of all information available to the United States Government.

SEC. 1074. REPORT ON POW/MIA MATTERS CONCERNING NORTH KOREA.

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

(1) The Select Committee on POW/MIA Affairs of the Senate concluded in its final report, dated January 13, 1994, that ''it is likely that a large number of possible MIA remains can be repatriated and several records and documents on unaccounted for POW's and MIA's can be provided from North Korea once a joint working level commission is set up under the leadership of the United States.''.

(2) The Select Committee recommended in such report that ''the Departments of State and Defense take immediate steps to form this commission through the United Nations Command at Panmunjom, Korea'' and that the ''commission should have a strictly humanitarian mission and should not be tied to political developments on the Korean peninsula.''.

(3) In August 1993, the United States and North Korea entered into an agreement concerning

the repatriation of remains of United States personnel.

(4) The establishment of a joint working level commission with North Korea could enhance the prospects for results under the August 1993 agreement.

(b) REPORT.—The Secretary of Defense shall—

(1) at the end of January, May, and September of 1995, submit a report to Congress on the status of efforts to obtain information from North Korea concerning United States personnel involved in the Korean conflict who remain not accounted for and to obtain from North Korea any remains of such personnel; and

(2) actively seek to establish a joint working level commission with North Korea, consistent with the recommendations of the Select Committee on POW/MIA Affairs of the Senate set forth in the final report of the committee, dated January 13, 1993, to resolve the remaining issues relating to United States personnel who became prisoners of war or missing in action during the Korean conflict.

SEC. 1075. ELIMINATION OF DISPARITY BETWEEN EFFECTIVE DATES FOR MILITARY AND CIVILIAN RETIREE COST-OF-LIVING ADJUSTMENTS FOR FISCAL YEAR 1995.

(a) IN GENERAL.—The fiscal year 1995 increase in military retired pay shall (notwithstanding subparagraph (B) of section 1401a(b)(2) of title 10, United States Code) first be payable as part of such retired pay for the month of March 1995.

(b) DEFINITIONS.—For the purposes of subsection (a):

(1) The term ''fiscal year 1995 increase in military retired pay'' means the increase in retired pay that, pursuant to paragraph (1) of section 1401a(b) of title 10, United States Code, becomes effective on December 1, 1994.

(2) The term ''retired pay'' includes retainer pay.

(c) LIMITATION.—Subsection (a) shall be effective only if there is appropriated to the Department of Defense Military Retirement Fund (in an Act making appropriations for the Department of Defense for fiscal year 1995 that is enacted before March 1, 1995) such amount as is necessary to offset increased outlays to be made from that fund during fiscal year 1995 by reason of the provisions of subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1995 to the Department of Defense Military Retirement Fund the sum of $376,000,000 to offset increased outlays to be made from that fund during fiscal year 1995 by reason of the provisions of subsection (a).

SEC. 1076. MILITARY RECRUITING ON CAMPUS.

(a) DENIAL OF FUNDS.—(1) No funds available to the Department of Defense may be provided by grant or contract to any institution of higher education that has a policy of denying, or which effectively prevents, the Secretary of Defense from obtaining for military recruiting purposes—

(A) entry to campuses or access to students on campuses; or

(B) access to directory information pertaining to students.

(2) Students referred to in paragraph (1) are individuals who are 17 years of age or older.

(b) PROCEDURES FOR DETERMINATION.—The Secretary of Defense, in consultation with the Secretary of Education, shall prescribe regulations that contain procedures for determining if and when an educational institution has denied or prevented access to students or information described in subsection (a).

(c) DEFINITION.—For purposes of this section, the term ''directory information'' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, and the most recent previous educational institution enrolled in by the student.

SEC. 1077. STUDY ON CONVERGENCE OF GEOSAT AND EOS ALTIMETRY PROGRAMS.

(a) REQUIREMENT.—The Secretary of the Navy and the Administrator of the National Aeronautics and Space Administration shall jointly conduct a study on the convergence of the National Aeronautics and Space Administration Earth Observing System Altimetry mission with the Navy Geosat Follow-On program. The study shall assess whether a converged system, which may involve minor modifications to the Geosat Follow-On satellite, could—

(1) satisfy the needs of the Earth Observing System program for altimetry data;

(2) reduce the expenses of the National Aeronautics and Space Administration in satisfying such needs;

(3) be available in time to serve as the follow-on to the Topex/Poseidon mission; and

(4) continue to meet the requirements of the Navy for altimetry data at no additional cost to the Navy.

(b) CONSULTATION.—In concluding the study, the Secretary and the Administrator shall consult with appropriate members of the scientific community.

(c) REPORT.—The Secretary and the Administrator shall submit to the Committees on Armed Services, Commerce, Science, and Transportation and the Committees on Armed Services and Science, Space, and Technology of the House of Representatives a report on the results of the study conducted under subsection (a), together with the recommendations of the Secretary and the Administrator thereon. The Secretary and the Administrator shall submit not later than February 15, 1995.

SEC. 1078. VISAS FOR OFFICIALS OF TAIWAN.

Section 4(b)(6) of the Taiwan Relations Act (22 U.S.C. 3302(b)(6)) is amended—

(1) by inserting ''(A)'' immediately after ''(6)''; and

(2) by adding at the end the following:

''(B) Whenever the president of Taiwan or any other high-level official of Taiwan shall apply to visit the United States for the purposes of discussions

with United States Federal or State government officials concerning:

''(i) Trade or business with Taiwan that will reduce the United States-Taiwan trade deficit;

''(ii) Prevention of nuclear proliferation;

''(iii) Threats to the national security of the United States;

''(iv) The protection of the global environment;

''(v) The protection of endangered species; or

''(vi) Regional humanitarian disasters.

The official shall be admitted to the United States, unless the official is otherwise excludable under the immigration laws of the United States.''.

SEC. 1079. SENSE OF THE SENATE CONCERNING PARTICIPATION IN ALLIED DEFENSE COOPERATION.

It is the sense of the Senate that the President should use existing authorities to the greatest extent possible to authorize the provision of the following types of assistance and cooperation to countries like Poland, Hungary and the Czech Republic who are making significant progress in working with NATO—

(1) Excess defense articles as defined in the Foreign Assistance Act of 1961 and the Arms Control Export Act;

(2) Loan materials, supplies and equipment for research and development purposes;

(3) Leases and loans of major defense equipment and other defense articles;

(4) Cooperative military airlift agreements;

(5) The procurement of communications support and related supplies and services;

(6) Actions to standardize equipment with North Atlantic Treaty Organization members.

SEC. 1080. INTERAGENCY PLACEMENT PROGRAM FOR FEDERAL EMPLOYEES AFFECTED BY REDUCTION IN FORCE ACTIONS.

(a) STUDY AND REPORT.—(1) No later than 6 months after the date of the enactment of this Act, the Office of Personnel Management, in consultation with the Department of Defense, shall conduct a study and submit a report to the Congress on—

(A) the feasibility of establishing a mandatory interagency placement program for Federal employees affected by reduction in force actions; and

(B) any action taken by the Office of Personnel Management under subsection (b).

(2) In conducting the study under this section, the Office of Personnel Management, in consultation with the Department of Defense, shall seek comments from all Federal agencies.

(b) AGREEMENTS TO ESTABLISH INTERAGENCY PLACEMENT PROGRAM.—(1) If, during the 6-month period after the date of the enactment of this Act, the Office of Personnel Management, in consultation with the Department of Defense, determines that a Government-wide interagency placement program for Federal employees affected by reduction in force actions is feasible, the Office of Personnel Management may enter into an agreement with each agency that agrees to participate, to establish such a program. A program established under this subsection shall not be required to be an interagency placement program as defined under subsection (c)(3).

(2) If the Office of Personnel Management makes a determination to establish a program as provided under paragraph (1), the Office shall include in the report submitted under subsection (a) each agency that decides not to participate in the program and the reasons of the agency for the decision.

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''agency'' means an ''Executive agency'' as defined under section 105 of title 5, United States Code, and—

(A) includes the United States Postal Service and the Postal Rate Commission; and

(B) does not include the General Accounting Office;

(2) the term ''Federal employees affected by reduction in force actions'' means Federal employees who—

(A) are scheduled to be separated from service under a reduction in force pursuant to—

(i) regulations prescribed under section 3502 of title 5, United States Code; or

(ii) procedures established under section 3595 of title 5, United States Code; or

(B) are separated from service under such a reduction in force; and

(3) the term ''interagency placement program'' means a program that provides a system to require the offer of a position in an agency to an employee of another agency affected by a reduction in force action, if—

(A) the position cannot be filled through a placement program of the agency in which the position is located;

(B) the employee to whom the offer is made is well qualified for the offered position;

(C)(i) the classification of the offered position is equal to the classification of the employee's present or last held position; or

(ii) the basic rate of pay of the offered position is equal to the basic rate of pay of the employee's present or last held position; and

(D) the geographic location of the offered position is within the commuting area of—

(i) the residence of the employee; or

(ii) the location of the employee's present or last held position.

SEC. 1081. GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

(a) USE OF CONTRIBUTIONS.—Funds received by the United States Government from the Federal Republic of Germany as its fair share of the costs of the George C. Marshall European Center for Security Studies shall be credited to appropriations available to the Department of Defense for the George C. Marshall European Center for Security Studies. Funds so credited shall be merged with

the appropriations to which credited and shall be available for the Center for the same purposes and the same period as the appropriations with which merged.

(b) WAIVER OF CHARGES.—(1) The Secretary of Defense may waive reimbursement of the costs of conferences, seminars, courses of instruction, or similar educational activities of the George C. Marshall European Center for Security Studies for military officers and civilian officials of cooperation partner states of the North Atlantic Cooperation Council or the Partnership for Peace if the Secretary determines that attendance by such personnel without reimbursement is in the national security interest of the United States.

(2) Costs for which reimbursement is waived pursuant to paragraph (1) shall be paid from appropriations available for the Center.

SEC. 1082. CHANGES IN NOTICE REQUIREMENTS UPON PENDING OR ACTUAL TERMINATION OF DEFENSE PROGRAMS.

(a) TIME FOR NOTICE REQUIREMENT AFTER SUBMISSION OF BUDGET.—Subsection (a) of section 4471 of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (division D of Public Law 102–484; 106 Stat. 2753; 10 U.S.C. 2501 note) is amended—

(1) by striking out ''As soon as reasonably practicable'' and inserting in lieu thereof ''Not later than 90 days''; and

(2) by striking out ''and not more than 180 days after such date,''.

(b) TIME FOR NOTICE REQUIREMENT AFTER ENACTMENT OF APPROPRIATIONS ACT.—Subsection (b) of such section is amended—

(1) by striking out ''as soon as reasonably practicable'' and inserting in lieu thereof ''not later than 90 days''; and

(2) by striking out ''and not more than 180 days after such date,''.

(c) TIME FOR NOTICE REQUIREMENT ON WITHDRAWAL OF NOTIFICATION.—Subsection (f)(1) of such section is amended in the second sentence by striking out ''as soon as reasonably practicable'' and inserting in lieu thereof ''not later than 90 days''.

SEC. 1083. TRANSFER OF OBSOLETE VESSEL GUADALCANAL.

(a) AUTHORITY.—Notwithstanding subsections (a) and (d) of section 7306 of title 10, United States Code, but subject to subsections (b) and (c) of that section, upon the decommissioning of the USS Guadalcanal (LPH 7), the Secretary of the Navy may transfer the Guadalcanal

to the not-for-profit organization Intrepid Museum Foundation, New York, New York.

(b) LIMITATIONS.—The transfer authorized by section (a) may be made only if the Secretary determines that the vessel Guadalcanal is of no further use to the United States for national security purposes.

(c) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the transfer authorized by this section as the Secretary considers appropriate.

SEC. 1084. STUDY OF SPOUSAL ABUSE INVOLVING ARMED FORCES PERSONNEL.

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

(1) The Department of Defense has sponsored several highly successful programs designed to curtail spousal abuse.

(2) The readiness of the Armed Forces would be enhanced by eliminating all forms of spousal abuse involving members of the Armed Forces.

(3) Available data on the frequency and causes of spousal abuse involving members of the Armed Forces is not comprehensive for the Armed Forces.

(b) STUDY AND REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the

Secretary of Defense shall conduct a study on spousal abuse involving members of the Armed Forces of the United States and submit to Congress a report on the results of the study.

(c) CONTENT OF REPORT.—The report shall contain the following matters:

(1) The frequency of spousal abuse involving members of the Armed Forces.

(2) A discussion of the possible causes of such spousal abuse.

(3) A discussion of the procedures followed in responding to incidents of such spousal abuse.

(4) An analysis of the effectiveness of those procedures.

(5) A review of the existing programs for curtailing such spousal abuse.

(6) A strategy for the entire Armed Forces for curtailing spousal abuse involving members of the Armed Forces.

SEC. 1085. REVIEW OF THE PROCEDURES USED BY DEPARTMENT OF DEFENSE INVESTIGATIVE ORGANIZATIONS WHEN CONDUCTING AN INVESTIGATION INTO THE DEATH OF A MEMBER OF THE ARMED FORCES WHO, WHILE SERVING ON ACTIVE DUTY, DIED FROM A CAUSE DETERMINED TO BE SELF-INFLICTED.

SENSE OF CONGRESS.—It is the Sense of Congress that, upon receipt of the report required by section 1185 of the National Defense Authorization Act for Fiscal Year 1994, the Senate Committee on Armed Services should review that report and hold hearings related to the procedures employed by Department of Defense investigative organizations when conducting an investigation into the death of a member of the Armed Services who, while serving on active duty, died from a cause determined to be self-inflicted.

SEC. 1086. PUBLIC EDUCATION FACILITY OF THE ARMED FORCES INSTITUTE OF PATHOLOGY.

(a) PURPOSE.—It is the purpose of this section to—

(1) display and interpret the collections of the Armed Forces Institute of Pathology currently located at Walter Reed Medical Center; and

(2) designate a site for the relocation of the public education facility of the Armed Forces Institute of Pathology so that it may serve as a central

resource of instruction about the critical health issues which confront all American citizens.

(b) SITE OF FACILITY.—The public education facility of Armed Forces Institute of Pathology shall be located on or near the Mall on land owned by the Federal Government or the District of Columbia in the District of Columbia.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the authority or responsibilities of the National Capital Planning Commission or the Commission of Fine Arts.

(d) DEFINITION.—As used in this section, the term ''the Mall'' means—

(1) the land designated as ''Union Square'', United States Reservation 6A; and

(2) the land designated as the ''Mall'', United States Reservations 3, 4, 5, and 6.

(e) SENSE OF THE CONGRESS.—

(1) FINDINGS.—Congress finds that—

(A) the National Museum of Health and Medicine Foundation, Inc. (a private, nonprofit organization having for its primary purpose the relocation to the Mall and revitalization of the National Museum of Health and Medicine), the Armed Forces Institute of Pathology, and the

Public Health Service have jointly supported planning to relocate the Museum to a site on land that is located east of and adjacent to the Hubert H. Humphrey Building (100 Independence Avenue, Southwest, in the District of Columbia); and

(B) the National Museum of Health and Medicine Foundation, Inc., is deserving of the encouragement and support of the American people in its effort to relocate the National Museum of Health and Medicine to a site on land the is located east of and adjacent to the Hubert H. Humphrey Building, and in its effort to raise funds for a revitalized Museum to inspire increasing numbers of Americans to lead healthy lives through improved public understanding of health and the medical sciences.

(2) LOCATION.—It is the sense of the Congress that, subject to appropriate approvals by the National Capital Planning Commission and the Commission of Fine Arts, the National Museum of Health and Medicine should be relocated to a site on land that is located east of and adjacent to the Hubert H. Humphrey Building for the purpose of edu-

cating the American public concerning health and the medical sciences.

SEC. 1087. ASSIGNMENTS OF EMPLOYEES BETWEEN FEDERAL AGENCIES AND FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) AUTHORITY.—Section 3371(4) of title 5, United States Code, is amended—

(1) by striking out ''or'' at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ''; or''; and

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

''(D) a federally funded research and development center.''.

(b) PROVISIONS GOVERNING ASSIGNMENTS.—Section 3372 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(e) Under regulations prescribed pursuant to section 3376 of this title—

''(1) an assignment of an employee of a Federal agency to an other organization or an institution of higher education, and an employee so assigned, shall be treated in the same way as an assignment of an

employee of a Federal agency to a State or local government, and an employee so assigned, is treated under the provisions of this subchapter governing an assignment of an employee of a Federal agency to a State or local government, except that the rate of pay of an employee assigned to a federally funded research and development center may not exceed the rate of pay that such employee would be paid for continued service in the position in the Federal agency from which assigned; and

''(2) an assignment of an employee of an other organization or an institution of higher education to a Federal agency, and an employee so assigned, shall be treated in the same way as an assignment of an employee of a State or local government to a Federal agency, and an employee so assigned, is treated under the provisions of this subchapter governing an assignment of an employee of a State or local government to a Federal agency.''.

SEC. 1088. BOSNIA AND HERZEGOVINA.

(a) PURPOSE.—To express the sense of Congress concerning the international efforts to end the conflict in Bosnia and Hercegovina.

(b) STATEMENTS.—The Congress makes the following statements of support:

(1) The Congress supports the use of international sanctions in the form of arms and economic embargoes imposed by the United Nations Security Council in appropriate circumstances.

(2) The Congress supports the imposition of an arms and economic embargo on the Government of Iraq by United Nations Security Council resolution 661 of August 6, 1990 to bring about compliance with a number of conditions, including in particular an end to Iraq's nuclear weapons program.

(3) The Congress supports the imposition of an arms, petroleum and economic embargo on Haiti by United Nations Security Council resolutions 875 of October 16, 1993 and 917 of May 17, 1994 to bring about compliance with the Governors Island Agreement.

(4) The Congress supports the imposition of an arms and civil aircraft embargo on Libya pursuant to United Nations Security Council resolution 748 of March 31, 1992 in order to convince Libya to renounce terrorism.

(c) FINDINGS.—The Congress makes the following findings:

(1) The United States took the lead in the United Nations Security Council to impose inter-

national sanctions in the form of arms and economic embargoes on Iraq, Haiti, and Libya.

(2) The security of the Republic of Korea with whom the United States has a mutual defense treaty and on whose territory there are more than 38,000 members of the United States Armed Forces is a vital interest of the United States.

(3) Should negotiations fail, the imposition of sanctions by the United Nations Security Council on North Korea, which would require the affirmative vote or abstention of China, Russia, Britain, and France, may be essential to stop North Korea's nuclear weapons development program and to end a nuclear threat to the Republic of Korea and Southeast Asia.

(4) The effective enforcement of sanctions on North Korea, once imposed by the United Nations Security Council, would require the cooperation of China, Russia, and Japan as well as other allies, including Britain and France, both permanent members of the United Nations Security Council.

(5) The United States voted for the international arms embargo imposed by United Nations Security Council resolution 713 of September 25, 1991 that was imposed on Yugoslavia.

(6) The imposition of the United Nations arms embargo on September 25, 1991 has not served to end the conflict in Bosnia and Hercegovina, has provided a battlefield advantage to the Bosnian Serbs, who possess artillery, tanks, and other weapons left behind by the former Yugoslav Army or provided by Serbia and Montenegro, and has deprived the Government of Bosnia and Hercegovina from acquiring the adequate means of defending itself and its citizens.

(7) Our NATO allies have committed ground forces to the United Nations Protection Force (UNPROFOR) in former Yugoslavia. At the present time France has 5,518 troops, Britain 3,435, the Netherlands 2,073, Canada 2,037, Turkey 1,696, Spain 1,417, and Belgium 1,000. Our NATO allies have thus far sustained 49 deaths and 936 wounded as a result of their participation in UNPROFOR.

(8) For the first time the so-called ''contact group'' composed of representatives of the United States, Russia, France and Britain is moving toward a unified position of using an incentives and disincentives ''carrot and stick'' strategy to bring about a peaceful settlement of the conflict in Bosnia and Hercegovina.

(d) It is the sense of the Congress that the United States should work with the NATO Member nations and the other permanent members of the United Nations Security Council to endorse the efforts of the contact group to bring about a peaceful settlement of the conflict in Bosnia Hercegovina, including the following:

(A) the preservation of an economically, politically and militarily viable Bosnian state capable of exercising its rights under the United Nations Charter as part of a peaceful settlement, the lifting of the United Nations arms embargo on the Government of Bosnia and Hercegovina so that it can exercise the inherent right of a sovereign state to self-defense;

(B) if the Bosnian Serbs, while the contact group's peace proposal is being considered and discussed, attack the safe areas designated by the United Nations Security Council, the partial lifting of the arms embargo on the Government of Bosnia and Hercegovina and the provision to that Government of defensive weapons and equipment appropriate and necessary to defend those safe areas;

(C) if the Bosnian Serbs do not respond constructively to the peace negotiations, the President or his representative shall promptly propose or support a resolution in the United Nations Security

Council to terminate the intentional arms embargo on Bosnia and Hercegovina (and the orderly withdrawal of the United Nationals Protection Force and humanitarian relief personnel). If the Security Council fails to pass such a resolution, the President shall within 5 days consult with Congress regarding unilateral termination of the arms embargo on the Government of Bosnia and Hercegovina.

SEC. 1089. PROVISION OF INTELLIGENCE AND OTHER ASSISTANCE WHERE DRUG TRAFFICKING THREATENS NATIONAL SECURITY.

(a) Notwithstanding any other provision of law, it shall not be unlawful for authorized employees or agents of a foreign country to damage, render inoperative, or destroy an aircraft in that country's territory or airspace, or to attempt to do so, if that aircraft is reasonably suspected to be primarily engaged in illicit narcotics trafficking, provided that the President of the United States prior to the actions described in this subparagraph being taken has determined:

(1) that such actions are necessary because of the extraordinary threat posed by drug trafficking to the national security of that country, and

(2) that the country has appropriate procedures in place to protect against innocent loss of life in the

air and on the ground, which shall at a minimum include effective means to identify and warn aircraft prior to the use of force.

(b) It shall not be unlawful for authorized employees or agents of the United States to provide assistance, including but not limited to operational, intelligence, logistical, technical and administration assistance, for the actions of foreign countries set forth in subsection (a), nor shall the provision of such assistance give rise to any civil action seeking money damages or any other form of relief against the United States or its agents or employees.

SEC. 1090. ADMINISTRATION OF ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4357. Administration of athletics program

''(a) The position of athletic director of the Academy shall be a position in the civil service (as defined in section 2101(1) of title 5). However, a member of the armed forces may fill such position as an active duty assignment.

''(b) Under regulations prescribed by the Secretary of the Army, the Superintendent of the Academy shall establish and administer a nonappropriated fund account for the athletics program of the Academy. The Superintend-

ent shall credit to such account all revenue received from the conduct of the athletics program of the Academy and all contributions received for such program.''.

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

''4357. Administration of athletics program.''.

(b) UNITED STATES NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 6975. Administration of athletics program

''(a) The position of athletic director of the Naval Academy shall be a position in the civil service (as defined in section 2101(1) of title 5). However, a member of the armed forces may fill such position as an active duty assignment.

''(b) Under regulations prescribed by the Secretary of the Navy, the Superintendent of the Naval Academy shall establish and administer a nonappropriated fund account for the athletics program of the Naval Academy. The Superintendent shall credit to such account all revenue received from the conduct of the athletics program of the Naval Academy and all contributions received for such program.''.

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

''6975. Administration of athletics program.''.

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Chapter 903 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9356. Administration of athletics program

''(a) The position of athletic director of the Academy shall be a position in the civil service (as defined in section 2101(1) of title 5). However, a member of the armed forces may fill such position as an active duty assignment.

''(b) Under regulations prescribed by the Secretary of the Air Force, the Superintendent of the Academy shall establish and administer a nonappropriated fund account for the athletics program of the Academy. The Superintendent shall credit to such account all revenue received from the conduct of the athletics program of the Academy and all contributions received for such program.''.

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

''9356. Administration of athletics program.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 240 days after the date of the enactment of this Act.

SEC. 1091. REVIEW OF THE BOTTOM UP REVIEW AND THE FUTURE YEAR DEFENSE PROGRAM AND ESTABLISHMENT OF NEW FUNDING REQUIREMENTS AND PRIORITIES.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas the Administration commissioned the Bottom Up Review to properly structure the Armed Forces of the United States for the Post-Cold War Era;

(2) Whereas the Secretary of Defense has testified that the Department of Defense's Future Years Defense Program includes $20 billion more in program funding requests during fiscal years 1996 through 1999 than the defense funding levels in the Administration's budget can support;

(3) Whereas, the Secretary of the Navy has testified that the Department of the Navy will only operate 330 ships rather than the 346 ships required by the Bottom Up Review;

(4) Whereas, in January 1994, in his Annual Report to the President and the Congress, the Secretary of Defense reported that the Air Force will field approximately 100 heavy bombers rather than the 184 required by the Bottom Up Review;

(5) Whereas the Department of Defense's plans for a major regional contingency in the Far East

call for 5 Army divisions and the plans for a major regional contingency in Southwest Asia call for 7 Army divisions, while the Bottom Up Review plans for an Army of only 10 active divisions;

(6) Whereas the Administration's budget assumes the Department of Defense will save at least $6 billion from procurement reform;

(7) Whereas the first and second rounds of the Base Realignment and Closure Commission have not yet achieved the level of savings initially estimated, and the 1995 base closure round may cost significantly more than is assumed in the Administration's budget.

(b) SENSE OF CONGRESS.—It is the Sense of Congress:

(1) that within 30 days after enactment of this legislation, the Secretary of Defense should initiate a review of the assumptions and conclusions of the President's Budget, the Bottom Up Review, and the Future Years Defense Program; and that not more than 180 days after the review is initiated the Secretary of Defense should submit to the President and to the Congress a report detailing the force structure required for an effective defense of the United States and its vital national interests;

(2) and that not more than 60 days after receipt of the report described in subsection (b)(1), the President should submit to the Congress a report detailing the steps the President will take to meet the force structure described in subsection (b)(1);

(3) and that the fiscal year 1996 budget submitted to the Congress by the President should reflect the funding level necessary to support the force structure described in subsection (b)(1).

SEC. 1092. GENOCIDE IN RWANDA.

(a) FINDINGS.—The Congress finds that—

(1) since April 6, 1994, elements of the Rwandan government forces, and their allied militias, have organized the massacres of more than 200,000 Rwandan civilians, of both Tutsi and Hutu ethnic origin;

(2) an estimated 2 million Rwandans have been internally displaced, and at least 500,000 have fled to neighboring countries;

(3) on April 26, 1994, the Senate agreed to Senate Resolution 207, deploring the massacres and urging prompt resolution of this crisis;

(4) the potential exists for retaliatory acts to be committed by elements within the Rwandan Patriotic Front against civilians;

(5) on June 8, 1994, the United Nations Security Council expanded and reinforced the United Nations Assistance Mission for Rwanda (UNAMIR) to 5,500 troops with a mandate to protect civilians;

(6) on June 22, 1994, the United Nations Security Council voted unanimously to support the deployment of military forces from France and Senegal for a temporary operation that would contribute to the security and protection of populations at risk in Rwanda.

(b) POLICY.—The Congress—

(1) calls upon the President to acknowledge that acts of genocide have been committed in Rwanda;

(2) urges the President to support the establishment of an impartial commission of experts to examine and analyze the evidence submitted of breaches of the Convention on Genocide, and other grave violations of international humanitarian law, committed in Rwanda;

(3) commends the Department of Defense for logistical help already provided and urges the Secretary of Defense to further expedite all United States military contributions to the humanitarian effort in Rwanda.

(4) implores the President to take the lead in the international community to expedite commitments of the necessary resources for, and to organize the speedy training and deployment of, the reinforced UNAMIR operation, with the mandate of protecting civilian populations at risk in Rwanda;

(5) strongly urges the President and the international community to expedite assistance needed for humanitarian operations in Rwanda, and neighboring states, for the support of Rwandan refugees;

(6) commends France and Senegal for cooperating with the Secretary General towards the fulfillment of the objectives of the United Nations in Rwanda; and

(7) urges France and Senegal pursuant to the United Nations Security Council resolution of June 22, 1994, to maintain the humanitarian character of their operation in Rwanda, with the view towards impartiality and neutrality.

SEC. 1093. STUDIES OF HEALTH CONSEQUENCES OF MILITARY SERVICE OR EMPLOYMENT IN SOUTHWEST ASIA DURING THE PERSIAN GULF WAR.

(a) EPIDEMIOLOGICAL STUDY.—

(1) IN GENERAL.—The Secretary of Defense shall award a grant under this subsection to one or

more non-Federal entities selected for the award under subsection (c). The purpose of a grant is to permit the entity receiving the award to carry out the study described in paragraph (2).

(2) NATURE OF STUDY.—The purpose of the study referred to in paragraph (1) is to determine the nature and scope of the illnesses and symptoms suffered by the individuals referred in paragraph (3) as a result of service or employment in the Southwest Asia theater of operations during the Persian Gulf War.

(3) INDIVIDUALS COVERED BY STUDY.—Paragraph (2) applies to the following individuals:

(A) Individuals who served as members of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(B) Individuals who were civilian employees of the Department of Defense in that theater during that period.

(C) Where appropriate, individuals who were employees of contractors of the Department in that theater during that period.

(D) Where appropriate, the spouses and children of individuals described in subparagraph (A).

(4) STUDY DESIGN.—The study required under this subsection shall be designed—

(A) to assess the extent, if any, of the association between—

(i) the illnesses and symptoms suffered by individuals referred to in paragraph (3);

(ii) the exposure of the individuals referred to in subparagraphs (A), (B), and (C) of that paragraph to chemical and biological agents, drugs and vaccines, endemic biological diseases, pesticides, toxins, and other potentially hazardous materials; and

(iii) the experiences of such individuals with stress-producing battlefield and wartime conditions;

(B) to identify risk factors for predicting the illnesses or symptoms relating to such exposure that will arise within 3 years of the arrival of an individual referred to in subparagraph (A), (B), or (C) of paragraph (3) in the Southwest Asia theater of operations;

(C) to determine—

(i) the incidence, prevalence, and nature of the illnesses and symptoms suffered

by the individuals referred to in paragraph (3), including—

(I) the incidence, prevalence, and nature of the illnesses and symptoms of such individuals before the commencement of the period of the Persian Gulf War and the incidence, prevalence, and nature of the illnesses of such individuals after the end of that period; and

(II) the incidence, prevalence, and nature of the illnesses, symptoms, and birth defects of any children conceived by such individuals before the commencement of that period and of any children conceived by such individuals during or after the end of that period; and

(ii) the incidence, prevalence, and nature of illnesses and symptoms of other individuals or groups of individuals, if any, who may suffer from an illness or symptom as a result of the service or employment of any person or group of persons in

the Southwest Asia theater of operations during the Persian Gulf War; and

(D) to evaluate a comparison sample or to evaluation any other matter that the Secretary or the entity determines appropriate to the purposes of the study.

(5) REPORTS.—

(A) INTERIM REPORTS.—Not later than each of July 1, 1995, and July 1, 1996, the Secretary shall submit to the congressional defense committees and the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the results of the study carried out under this subsection.

(B) FINAL REPORT.—Not later than January 1, 1998, the Secretary shall submit to the committees referred to in subparagraph (A) a final report on the results of the study.

(C) FORM OF REPORTS.—The reports submitted under this paragraph shall be submitted in unclassified form.

(b) STUDIES OF HEALTH CONSEQUENCES OF ADMINISTRATION OF PYRIDOSTIGMINE BROMIDE.—

(1) IN GENERAL.—The Secretary of Defense shall award a grant under this subsection to one or

more non-Federal entities selected for the award under subsection (c). The purpose of a grant is to permit the entity receiving the award to carry out a study or studies to determine the following:

(A) The long-term health consequences of the administration of pyridostigmine bromide as an antidote enhancer for chemical nerve agent toxicity during the Persian Gulf War.

(B) The short-term and long-term health consequences of the administration of pyridostigmine bromide under the chemical nerve agent pretreatment program of the Department of Defense and exposure to pesticides, environmental toxins, and other hazardous substances during battlefield conditions that prevailed in the Southwest Asia theater of operations during the Persian Gulf War.

(2) STUDIES.—The Secretary shall provide that an entity awarded a grant under this subsection shall carry out a study described in paragraph (3) or (4).

(3) RETROSPECTIVE STUDY.—A study referred to in paragraph (2) is a retrospective study on members of the Armed Forces who served in the South-

west Asia theater of operations during the Persian Gulf War in order to determine the following:

(A) The nature of the undiagnosed and chronic illnesses suffered by such members.

(B) The degree of association between such illnesses and—

(i) use of pyridostigmine bromide over a short period of time (as determined by the Secretary) during the Persian Gulf War;

(ii) use of pyridostigmine bromide over an extended period of time (as so determined) during that war; or

(iii) use of no pyridostigmine bromide.

(C) The degree of association between—

(i) such illnesses;

(ii) each extent of use of pyridostigmine bromide described in subparagraph (B);

(iii) receipt of other vaccinations or medications; and

(iv) exposure to pesticides, organophosphates, or carbamates.

(4) ANIMAL MODEL STUDY.—A study referred to in paragraph (2) is also a study using appropriate

animal research models in order to determine whether use of pyridostigmine bromide in combination with exposure to pesticides or other organophosphates, carbamates, or relevant chemicals results in increased toxicity in animals and is likely to have a similar effect on humans.

(5) REPORTS.—

(A) ANIMAL STUDY REPORT.—Not later than January 1, 1996, the Secretary shall submit to the congressional defense committees and the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the study carried out under paragraph (4).

(B) INTERIM REPORTS ON RETROSPECTIVE STUDY.—Not later than each of July 1, 1995, and July 1, 1996, the Secretary shall submit to the committees referred to in subparagraph (A) an interim report on the results of the study carried out under paragraph (3).

(C) FINAL REPORT ON RETROSPECTIVE STUDY.—Not later than January 1, 1998, the Secretary shall submit to the committees referred to in subparagraph (A) a final report on

the results of the study carried out under paragraph (3).

(D) FORM OF REPORTS.—The reports submitted under this paragraph shall be submitted in unclassified form.

(c) SELECTION OF STUDY ENTITIES.—

(1) IN GENERAL.—The Secretary of Defense shall select entities to which to award grants for the studies described in subsections (a) and (b) in accordance with this subsection.

(2) SUBMITTAL OF PROPOSALS.—An entity seeking to carry out a study under a grant under subsection (a) or (b) shall submit to the Secretary the following proposals:

(A) A proposal for a pilot study in order to determine the research design and research instrument to be used in the study.

(B) A proposal for the study.

(3) INDEPENDENT REVIEW.—The Secretary shall ensure that individuals described in paragraph (4)—

(A) review each proposal submitted to the Secretary under paragraph (2) for purposes of determining whether or not the proposal—

(i) addresses adequately the purposes of the study; and

(ii) meets the technical, scientific, and peer review requirements that apply to similar studies carried out under the direction of the Secretary of Health and Human Services; and

(B) submit to the Secretary recommendations for the selection by the Secretary of one or more entities to carry out the study.

(4) REVIEWING INDIVIDUALS.—Individuals referred to in paragraph (3) are any individuals who, as determined by the Secretary—

(A) are not employees of the Federal Government;

(B) have an expertise in epidemiology, toxicology, neurology, biology, biostatistics, post-traumatic stress disorder, or public health; and

(C) have no financial relationship with the Department of Defense or with any chemical company or pharmaceutical company whose productions may be addressed in the study.

(5) SELECTION.—The Secretary shall—

(A) select the entities that will carry out the studies described under subsections (a) and (b) from among the entities recommended for such selection under paragraph (3); and

(B) award such entities grants under the appropriate subsection.

(d) PERFORMANCE OF STUDIES.—

(1) PILOT STUDIES.—

(A) IMPLEMENTATION.—An entity to which the Secretary awards a grant for a study under subsection (a) or (b) shall carry out the pilot study for such study in accordance with the proposal for the pilot study submitted to the Secretary under subsection (c)(2)(A).

(B) RESPONSE TO RESULTS.—If an entity determines as a result of a pilot study under subparagraph (A) that revisions to the study proposed by the entity are necessary in order to meet the purposes of the study under this section, the entity shall submit to the Secretary a proposal for such revisions to the study.

(C) FINAL APPROVAL.—The Secretary shall—

(i) review any revisions to a proposal to a study that are submitted to the Secretary under subparagraph (B); and

(ii) approve the proposal for the study, as so revised, if the Secretary determines that the proposal meets the purposes of the study under this section.

(2) STUDIES.—An entity to which the Secretary awards a grant for a study under subsection (a) or (b) shall carry out the study in accordance the proposal for the study under this section.

(e) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the Secretary of Veterans Affairs, the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, the head of the Medical Follow-Up Agency of the Institute of Medicine, and the heads of other appropriate departments and agencies of the Federal Government.

(f) FUNDING.—Of the amount authorized to be appropriated pursuant to section 201, $10,000,000 shall be available for purposes of awarding grants for the studies described in subsections (a) and (b). Such funds shall be available for such purpose until expended.

(g) DEFINITION.—In this section, the term ''Persian Gulf War'' has the meaning given such term in section 101(33) of title 38, United States Code.

SEC. 1094. GRANTS FOR RESEARCH INTO THE HEALTH CONSEQUENCES OF THE PERSIAN GULF WAR.

(a) IN GENERAL.—(1) The Secretary of Defense shall award grants to appropriate non-governmental entities for purposes of permitting such entities to carry out research to determine—

(A) the nature and causes of any illnesses suffered by the individuals referred to in paragraph (2) as a result of service or employment in the Southwest Asia theater of operations during the Persian Gulf War;

(B) the methods of transmission, if any, of such illnesses from such individuals to other individuals; and

(C) the appropriate treatment for such illnesses.

(2) The individuals referred to in paragraph (1)(A) are the following individuals:

(i) Individuals who served as members of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(ii) Civilian employees of the Department of Defense who were employed by the Department in that theater of operations during that period.

(iii) Employees of contractors of the Department who were employed in that theater of operations during that period.

(iv) The spouses and children of the individuals referred to in clauses (i) through (iii).

(3) In carrying out research under this section, such entities shall give particular consideration to the following:

(A) Illnesses or other effects associated with exposure to depleted uranium particles, mycotoxins, genetically-altered organisms, petrochemical toxicity, pesticide poisoning, anthrax vaccines, botulinum toxoids, and other chemical hazards and agents.

(B) Endemic viral, fungal, bacterial, and rickettsial diseases (including diseases arising from biological warfare activities).

(C) Illnesses or other effects associated with ingestion of silica or sand.

(D) Assessment of risks to reproductive capacity arising from the illnesses and diseases referred to in subparagraphs (A) through (C).

(E) Pediatric disorders.

(F) Birth deficiencies.

(G) Post-traumatic stress disorder.

(H) Somatoform disorders.

(I) Chronic fatigue syndrome.

(J) Multiple chemical sensitivities.

(b) AWARD PROCESS.—(1) The Secretary of Defense shall award grants under this section in consultation with the Secretary of Health and Human Services.

(2) An entity seeking a grant under this section to carry out the research described in subsection (a)(1) shall submit to the Secretary a proposal for the research.

(3) The Secretary shall ensure that appropriate individuals who are not employees of the Federal Government—

(A) review each proposal submitted to the Secretary under paragraph (2) for purposes of determining that the proposal—

(i) addresses adequately the purposes of the research for which the proposal is submitted; and

(ii) meets the technical, scientific, and peer review requirements that apply to similar research carried out under the direction of the Secretary of Health and Human Services; and

(B) submit to the Secretary recommendations for the selection by the Secretary of one or more en-

tities so determined as recipients of a grant under subsection (a).

(4) The Secretary shall award grants under this section to entities selected by the Secretary for that purpose from among the entities identified in the recommendations under paragraph (3)(B).

(5) In awarding an entity a grant under paragraph (4), the Secretary shall ensure that the entity—

(A) carry out the research covered by the grant in accordance with the proposal submitted to the Secretary under paragraph (2); and

(B) not expose human beings to hazardous agents or materials as a result of the research.

(c) REPORTS.—(1) The Secretary of Defense and the Secretary of Health and Human Services shall submit to the congressional defense committees and the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the results of any research carried out under a grant awarded under this section.

(2) The Secretary of Defense and the Secretary of Health and Human Services shall submit a report under paragraph (1) on each of March 1, 1995, October 1, 1995, October 1, 1996, and October 1, 1997.

(3) Each report submitted under this subsection shall be submitted in unclassified form.

(d) FUNDING.—(1) Of the amount authorized to be appropriated by section 201, $10,000,000 shall be available for purposes of awarding grants under this section. Such funds shall be available for such purpose until expended.

(2) For each fiscal year in which activities under the study under this section will continue, the Secretary of Defense shall provide in the documents submitted to Congress in connection with the budget of the President for the fiscal year a request for such funds as the Secretary determines necessary in order to award grants under this section during that fiscal year.

SEC. 1095. COMPATABILITY OF HEALTH REGISTRIES.

The Secretary of Defense shall take appropriate actions to ensure that—

(1) the data collected by and the testing protocols of the Persian Gulf War Health Surveillance System are compatible with the data collected by and the testing protocols of the Persian Gulf War Veterans Health Registry; and

(2) information on individuals who register with the Department of Defense is provided to the Department of Veterans Affairs for incorporation into the Persian Gulf War Veterans Health Registry.

SEC. 1096. TECHNICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 113(e)(2) is amended by striking out ''section 104'' and inserting in lieu thereof ''section 108''.

(2) Section 133a(b) is amended by striking out ''Under Secretary of Defense for Acquisition'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''.

(3) Section 580a(a) is amended by striking out ''the date of the enactment of this section'' and inserting in lieu thereof ''November 30, 1993,''.

(4)(A) The section 1058 added by section 554(a) of Public Law 103–160 (107 Stat. 1663) is redesignated as section 1059.

(B) The item relating to that section in the table of sections at the beginning of chapter 53 is revised to conform to the redesignation made by subparagraph (A).

(5)(A) The section 1058 added by section 1433(b) of Public Law 103–160 (107 Stat. 1834) is redesignated as section 1060.

(B) The item relating to that section in the table of sections at the beginning of chapter 53 is

revised to conform to the redesignation made by subparagraph (A).

(6) Section 1141 is amended by striking out ''on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1994'' and inserting in lieu thereof ''after November 29, 1993,''.

(7) Section 1151(h)(3)(B)(v) is amended by inserting ''school'' after ''For the fifth''.

(8)(A) The heading of section 1482a is amended so that the first letter of the fifth word is lower case.

(B) The item relating to that section in the table of sections at the beginning of chapter 75 is revised to conform to the amendment made by subparagraph (A).

(9) Section 2399 is amended—

(A) in subsections (b)(5) and (c)(1), by striking out ''section 138(a)(2)(B)'' and inserting in lieu thereof ''section 139(a)(2)(B)'';

(B) in subsection (e)(3)(B), by striking out ''solely as a representative of'' and inserting in lieu thereof ''solely in testing for'';

(C) in subsection (g), by striking out ''section 138'' and inserting in lieu thereof ''section 139''; and

(D) in subsection (h)(1), by striking out ''section 138(a)(2)(A)'' and inserting in lieu thereof ''section 139(a)(2)(A)''.

(10) Section 2502(d) is amended by striking out ''Executive'' and inserting in lieu thereof ''executive''.

(11)(A) Sections 2540 and 2541, as added by section 822(a) of Public Law 103–160 (107 Stat. 1705), are redesignated as sections 2539a and 2539b, respectively.

(B) The items relating to those sections in the table of sections at the beginning of subchapter V of chapter 148 are revised to conform to the redesignations made by subparagraph (A).

(12) Section 2865(a)(4) is amended by adding a period at the end.

(13) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out ''section 137(c)'' and inserting in lieu thereof ''section 135(c)''.

(14) Section 9511 is amended by striking out ''In this subchapter'' and inserting in lieu thereof ''In this chapter''.

(b) PUBLIC LAW 103–160.—Effective as of November 30, 1993, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(1) Section 507(d)(3) (107 Stat. 1647) is amended by inserting ''note'' after ''10 U.S.C. 1293''.

(2) Section 551(a)(1) (107 Stat. 1661) is amended by striking out ''Section'' and inserting in lieu thereof ''Chapter''.

(3) Section 554(b) (107 Stat. 1666) is amended—

(A) in paragraph (1), by striking out ''Section 1058 of title 10, United States Code, as added by subsection (a),'' and inserting in lieu thereof ''The section of title 10, United States Code, added by subsection (a)(1)''; and

(B) in paragraph (2), by striking out ''1058''.

(4) Section 931(c)(1) (107 Stat. 1734) is amended by inserting closing quotation marks before the period at the end.

(5) Section 1314(3) (107 Stat. 1786) is amended by striking out ''adding at the end'' and inserting in lieu thereof ''inserting after subsection (f)''.

(6) Section 1433(d) (107 Stat. 1835) is amended by striking out ''Section 1058 of title 10, United States Code, as added by subsection (a),'' and inserting in lieu thereof ''The section of title 10, United States Code, added by subsection (b)(1)''.

(7) Section 1606(b)(4) (107 Stat. 1847) is amended by striking out ''section 1604(e)'' and inserting in lieu thereof ''section 1605(e)''.

(8) Section 2912(b)(2) (107 Stat. 1925) is amended by striking out ''section 637(d)(1)'' and inserting in lieu thereof ''section 8(d)(1)''.

(9) Section 2926(d) (107 Stat. 1932) is amended by striking out ''Subsection (d)(1)(2)(C)(iii)'' and inserting in lieu thereof ''Subsection (d)(2)(C)(iii)''.

(c) OTHER LAWS.—(1) Section 921 of Public Law 102–190 (10 U.S.C. 201 note; 105 Stat. 1452) is amended by striking out ''section 136(b)(3)'' in subsection (a) and inserting in lieu thereof ''section 138(b)(3)''.

(2) Section 908(c) of title 37, United States Code, is amended by striking out ''section 1058'' and inserting in lieu thereof ''section 1060''.

SEC. 1097. NORTH ATLANTIC TREATY ORGANIZATION.

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

(1) The North Atlantic Treaty Organization has served as a bulwark of peace, security, and democracy for the United States and the members of the alliance since 1949.

(2) The unswerving resolve of the member states of the North Atlantic Treaty Organization to mutual defense against the threat of communist aggression was central to the demise of the Warsaw Pact.

(3) The North Atlantic Treaty Organization is the most successful international security organization in history, and is well suited to help marshal our cooperative political, diplomatic, economic, and humanitarian efforts, buttressed by credible military capability aimed at deterring conflict, and thus contributing to international peace and security.

(4) The threat of instability in Eastern and Central Europe, as well as in the Southern and Eastern Mediterranean, continues to pose a fundamental challenge to the interests of the member states of the North Atlantic Treaty Organization.

(5) North Atlantic Treaty Organization assets have been deployed in recent years for more than the

territorial defense of alliance members; and the Rome Summit of October 1991 adopted a new strategic concept for the North Atlantic Treaty Organization that entertained the possibility of operations beyond the alliance's self-defense area.

(6) In Oslo in July 1992, and in Brussels in December 1992, the alliance embraced the deployment of North Atlantic Treaty Organization forces to peacekeeping operations under the auspices of the United Nations or the Conference on Security and Cooperation in Europe.

(7) The North Atlantic Treaty Organization should attempt to cooperate with and seek a mandate from international organizations such as the United Nations when considering responses to out of area crises.

(8) Not all members of the international community share a commonality of interests that would ensure timely action by the United Nations Security Council.

(9) The security interests of the member countries of the North Atlantic Treaty Organization must not be held hostage to indecision at the United Nations or a veto by a permanent member of the Security Council.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) it should be the policy of the United States that, in accordance with article 53 of the United Nations Charter, the North Atlantic Treaty Organization retains the right of autonomy of action regarding missions in addition to collective defense should the United Nations Security Council or the Conference on Security and Cooperation in Europe fail to act;

(2) while it is desirable to work with other international organizations and arrangements where feasible in dealing with threats to the peace, the North Atlantic Treaty Organization is not an auxiliary to the United Nations or any other organization; and

(3) the member states of the North Atlantic Treaty Organization reserve the right to act collectively in defense of their vital interests.

SEC. 1098. LIMITATION ON OBLIGATION OF FUNDS FOR MARK–6 GUIDANCE SETS FOR TRIDENT II MISSILES.

(a) LIMITATION.—Until the certification in subsection (b) has been provided to the congressional defense committees, funds appropriated for fiscal year 1995 for

the Navy may not be obligated to procure more than 14 Mark–6 guidance sets for Trident II missiles.

(b) CERTIFICATION.—Before the Secretary of Defense may obligate funds for Mark–6 guidance sets in addition to the 14 sets authorized in subsection (a), he shall certify to the congressional defense committees that failure to procure such additional units would pose an unacceptable risk to the long-term readiness and reliability of the Trident II missile program.

SEC. 1099. MILITARY PLANNING FOR THE SIZE AND STRUCTURE OF A FORCE REQUIRED FOR A MAJOR REGIONAL CONTINGENCY ON THE KOREAN PENINSULA.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas the Administration commissioned the Bottom-Up Review to properly size and structure the Armed Forces of the United States for the Post-Cold-War Era;

(2) Whereas the Bottom-Up Review itself cites the need for the Armed Forces of the United States to be large enough to prevail in two major regional conflicts, similar in nature to the 1991 war against Iraq, ''nearly simultaneously'';

(3) Whereas the Bottom-Up Review gives special consideration to a scenario that hypothesizes

that the two ''nearly simultaneous'' conflicts would occur in Korea and the Persian Gulf;

(4) Whereas the United States sent 7 Army divisions, the equivalent of 10 Air Force tactical fighter wings, 70 heavy bombers, 6 Navy aircraft carrier battle groups, and 5 Marine Corps brigades to the Persian Gulf to fight the war against Iraq;

(5) Whereas the Bottom-Up Review asserts that the forces needed to fight two conflicts similar to that with Iraq can be drawn from a total military force of between 15 and 16 Army divisions, 20 Air Force tactical fighter wings, 184 heavy bombers, 11 active Navy aircraft carriers (along with one reserve/training carrier), and the equivalent of 12 Marine Corp brigades;

(6) Whereas the Bottom-Up Review recognizes that approximately 100,000 members of the United States Armed Forces will be stationed in Europe;

(7) Whereas the Bottom-Up Review recognizes that sizeable numbers of United States forces could be involved in peace enforcement and intervention operations at any one time;

(8) Whereas the Bottom-Up Review makes no specific recommendation as to the number of forces to be held in reserve to provide a rotation base ei-

ther to relieve troops in the event one or both hypothetical conflicts result in lengthy deployments or to replace combat losses;

(9) Whereas military planners calculate that the number of United States forces needed to help defeat an invasion of South Korea by North Korea may exceed 430,000 United States military personnel;

(10) Whereas the size of the force military planners may request to help defend South Korea could exceed the levels that are consistent with the recommendations of Bottom-Up Review if the existing and future force requirements for a presence in Europe, possible peace enforcement operations, and an adequate rotation base, as well as a second regional conflict, must be fulfilled simultaneously.

(b) SENSE OF CONGRESS.—It is the Sense of Congress:

(1) that the force structure identified in the Bottom-Up Review may not be used to limit the size or structure of the force United States military commanders may request in preparation for a major regional contingency on the Korean peninsula;

(2) and that the Chairmen and Ranking Members of the House and Senate Committees on Armed

Services and Chairmen and Ranking members of the House and Senate Appropriations Subcommittees on Defense should receive regular briefings from the Department of Defense of the situation on the Korean peninsula;

(3) and that the conclusions of the Bottom-Up Review should be continuously examined in light of the lessons learned from preparation for a major regional contingency on the Korean peninsula and from other military operations.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1995''.

TITLE XXI—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 in the total amount of $396,750,000 for the installations and locations inside the United States, and

in the amounts for such installations and locations, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$2,600,000
Georgia	Fort Benning	$6,550,000
	Fort Gordon	$44,750,000
Hawaii	Schofield Barracks	$25,000,000
Kentucky	Fort Campbell	$67,400,000
	Fort Knox	$8,500,000
Maryland	Adelphi Laboratory Center	$6,600,000
	Fort Ritchie	$3,600,000
New Jersey	Bayonne Military Ocean Terminal	$4,050,000
New York	United States Military Academy, West Point	$28,000,000
North Carolina	Fort Bragg	$29,000,000
	Sunny Point Military Ocean Terminal	$22,200,000
Oklahoma	Fort Sill	$18,000,000
South Carolina	Charleston Naval Weapons Station.	$24,000,000
Texas	Fort Hood	$29,000,000
	Fort Sam Houston	$4,300,000
Virginia	Fort Myer	$7,300,000
Washington	Fort Lewis	$64,000,000
CONUS Classified	Classified Location	$1,900,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects in the total amount of $31,400,000 for the installation and location outside the United States, and in the amount, set forth in the following table:

Army: Outside the United States

Country or other	Installation or location	Amount
Kwajalein Atoll	Kwajalein	$6,400,000
Worldwide	Host Nation Support	$25,000,000

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) in the total amount of $117,750,000 at the installations, for the purposes, and in the amounts for such installations set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Amount
Alaska	Fort Richardson	72 units	$5,000,000
Colorado	Fort Carson	145 units	$16,500,000
Georgia	Fort Stewart	128 units	$10,600,000
Hawaii	Helemano Military Reservation	Roadway improvements for family housing.	$3,500,000
	Schofield Barracks	190 units	$26,000,000
Kansas	Fort Riley	126 units	$12,600,000
Massachusetts	Natick Research Center	35 units	$4,150,000
New York	United States Military Academy, West Point.	56 units	$8,000,000
Texas	Fort Bliss	215 units	$21,400,000
	Fort Sam Houston	100 units	$10,000,000

(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 $5,992,000.

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 in an amount not to exceed $49,760,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,731,286,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $396,750,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $31,400,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $12,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $63,926,000.

(5) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $173,502,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,067,708,000, of which not more than $243,442,000 may be obligated or expended for the leasing of military family housing worldwide.

(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 total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2105. RELOCATION OF ARMY FAMILY HOUSING UNITS FROM FORT HUNTER LIGGETT, CALIFORNIA, TO FORT STEWART, GEORGIA.

Section 2102(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511) is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following new paragraph (1):

''(1) Fort Hunter Liggett, California, one hundred fifty-four units, $12,300,000.''; and

(2) by striking out paragraph (5) and inserting in lieu thereof the following new paragraph (5):

''(5) Fort Stewart, Georgia, one hundred twenty-one units, $9,890,000.''.

SEC. 2016. HIGHWAY SAFETY AT HAWTHORNE ARMY AMMUNITION PLANT, NEVADA.

(a) STUDY.—The Secretary of the Army shall carry out a study of traffic safety on the highway at the Hawthorne Army Ammunition Plant, Nevada. In carrying out the study, the Secretary shall—

(1) evaluate traffic safety on the highway, including traffic safety with respect to the rail and truck crossing of the highway at the Plant;

(2) evaluate the feasibility and desirability of constructing a vehicle bridge over the rail and truck crossing; and

(3) determine whether any construction required to improve traffic safety on the highway be funded as a military construction project or as a defense access road construction project.

(b) ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.—If the Secretary determines as a result of the study under subsection (a) that construction of a vehicle bridge over the rail and truck crossing referred to in paragraph (1) of that subsection is feasible and desirable, the Secretary should—

(1) obtain architectural and engineering activities and carry out construction design with respect to the construction of the bridge; or

(2) request that the Secretary of Transportation carry out the construction of the bridge as project for the construction of a defense access road under section 210 of title 23, United States Code.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects in the total amount of $239,265,000 for the in-

stallations and locations inside the United States, and in the amounts for such installations and locations, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Yuma Marine Corps Air Station	$15,085,000
California	Camp Pendleton Amphibious Task Force	$10,700,000
	Camp Pendleton Marine Corp Base	$570,000
	China Lake Naval Air Warfare Center	$6,000,000
	El Centro Naval Air Facility	$3,000,000
	Lemoore Naval Air Station	$7,000,000
	North Island Naval Air Station	$18,830,000
	Port Hueneme Naval Construction Battalion Center	$9,650,000
	San Diego Marine Corps Recruit Depot	$1,090,000
	San Diego Naval Station	$4,100,000
	Twentynine Palms Marine Corps Air-Ground Combat Center	$2,900,000
Florida	Jacksonville Fleet and Industrial Supply Center	$2,200,000
	Pensacola Naval Air Station	$2,100,000
Hawaii	Kaneohe Bay	$4,900,000
Illinois	Great Lakes Navy Public Works Center	$13,000,000
New Jersey	Lakehurst Naval Air Warfare Center	$2,950,000
New Mexico	White Sands Naval Ordnance Missile Test Station	$1,390,000
North Carolina	Cherry Point Marine Corps Air Station	$2,100,000
	Camp Lejeune Marine Corp Base	$14,850,000
Rhode Island	Newport Naval Education and Training Center	$14,500,000
South Carolina	Parris Island Marine Corps Recruit Depot	$2,550,000
Texas	Ingleside Naval Station	$14,110,000
Virginia	Chesapeake Naval Security Group Activity	$1,150,000
	Dam Neck Fleet Combat Training Center	$1,600,000
	Norfolk Marine Corps Security Force Battalion Atlantic	$6,480,000
	Norfolk Naval Station	$16,430,000
	Quantico Marine Corps Combat Development Command	$19,900,000
Washington	Bremerton Puget Sound Naval Shipyard	$11,040,000
	Everett Naval Station	$21,690,000
	Whidbey Island Naval Air Station	$5,200,000
Various Locations	Aircraft Fire Rescue and Vehicle Maintenance Facilities	$2,200,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects in the total amount of $50,810,000 for the installations and locations outside the United States, and in the amounts for such installations and locations, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Greece	Souda Bay, Crete Naval Support Activity	$3,050,000
Italy	Naples Naval Support Activity	$28,460,000
	Sigonella Naval Air Station	$13,750,000
Puerto Rico	Sabana Seca Naval Security Group Activity	$1,650,000
United Kingdom	Saint Mawgan Joint Maritime Communications Center	$3,900,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) in the total amount of $49,012,000 at the installations, for the purposes, and in the amounts for such installations and purposes set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
California	Camp Pendleton Marine Corps Base	196 units	$28,552,000
	San Diego Naval Public Works Center	136 units	$18,262,000
Maryland	Patuxent River Naval Air Station	Housing Office .	$863,000
Virginia	Norfolk Naval Public Works Center	Warehouse/Self Help Center.	$555,000
Washington	Everett Naval Station	Housing Office .	$780,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy 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 $24,681,000.

SEC. 2203. 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 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in the amount of $155,602,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,507,349,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $239,265,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,810,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $43,380,000.

(5) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $229,295,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $937,599,000, of which not more than $114,336,000 may be

obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF 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 total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2205. AUTHORITY TO CARRY OUT CONSTRUCTION PROJECT, NAVAL SUPPLY CENTER, PENSACOLA, FLORIDA.

Funds appropriated by the Military Construction Appropriations Act, 1994 (Public Law 103–110; 107 Stat. 1037) that are available for construction of a cold storage facility at Naval Supply Center, Pensacola, Florida, in accordance with authorizations provided in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1514), as enacted, may be expended for the portion of the construction of such facility that is associated with Department of the Navy contract N62467–86–C–0421.

SEC. 2206. RELOCATION OF PASCAGOULA COAST GUARD STATION, MISSISSIPPI.

(a) AGREEMENT ON RELOCATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Navy and the Secretary of Transportation shall enter into an agreement that provides for the relocation of the activities and functions of Pascagoula Coast Guard Station to Pascagoula Naval Station, Pascagoula, Mississippi.

(b) CONDITIONS.—The agreement under subsection (a) shall include the following provisions:

(1) That the Navy not incur any construction costs relating to the relocation.

(2) That the design, construction, and location of Coast Guard facilities, and the conduct of activities by the Coast Guard, at Pascagoula Naval Station not interfere with the performance of the mission of the Navy.

SEC. 2207. AUTHORITY TO CARRY OUT CONSTRUCTION DESIGN FOR MAYPORT NAVAL STATION, FLORIDA.

(a) AUTHORITY TO CARRY OUT CONSTRUCTION DESIGN.—Subject to subsection (b), the Secretary of the Navy may carry out construction design activities in connection with the military construction projects that the Secretary identifies as necessary for the improvement of

the facilities located at Mayport Naval Station, Florida, so that such facilities may be used as the homeport of a nuclear powered aircraft carrier.

(b) REQUIREMENT RELATING TO COMMENCEMENT OF DESIGN.—The Secretary may not carry out the construction design activities authorized under subsection (a) until the Secretary—

(1) completes a study that identifies the improvements to the facilities referred to in that subsection that are necessary so that such facilities may be used as the homeport of a nuclear powered aircraft carrier; and

(2) completes a programmatic environmental impact study on the effect of such improvements on the environment.

(c) CONSTRUCTION OF AUTHORITY.—This section may not be construed or interpreted as an authorization for the Secretary to commence or proceed with any military construction project relating to the improvement of the facilities of Mayport Naval Station, Florida, for the purpose referred to in subsection (a).

TITLE XXIII—AIR FORCE

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 in the total amount of $412,004,000 for the installations and locations inside the United States, and in the amounts for such installations and locations, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$9,600,000
Alaska	Cape Lisburne Long Range Radar Site.	$2,800,000
	Eielson Air Force Base	$3,300,000
	Elmendorf Air Force Base	$5,000,000
Arizona	Luke Air Force Base	$4,900,000
Arkansas	Little Rock Air Force Base	$4,800,000
California	Beale Air Force Base	$1,450,000
	Edwards Air Force Base	$7,050,000
	Travis Air Force Base	$3,600,000
	Vandenberg Air Force Base	$6,550,000
Colorado	Peterson Air Force Base	$1,750,000
	United States Air Force Academy	$3,600,000
Delaware	Dover Air Force Base	$10,500,000
Florida	Cape Canaveral Air Force Station	$10,450,000
Georgia	Moody Air Force Base	$14,300,000
	Robins Air Force Base	$21,200,000
Idaho	Mountain Home Air Force Base	$15,950,000
Illinois	Scott Air Force Base	$2,700,000
Kansas	McConnell Air Force Base	$500,000
Louisiana	Barksdale Air Force Base	$27,100,000
Maryland	Andrews Air Force Base	$10,800,000
Mississippi	Columbus Air Force Base	$3,400,000
	Keesler Air Force Base	$11,240,000
Missouri	Whiteman Air Force Base	$24,290,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Montana	Malmstrom Air Force Base	$7,200,000
Nebraska	Offutt Air Force Base	$2,260,000
Nevada	Nellis Air Force Base	$10,500,000
New Jersey	McGuire Air Force Base	$17,000,000
New Mexico	Holloman Air Force Base	$10,950,000
	Kirtland Air Force Base	$31,000,000
North Carolina	Pope Air Force Base	$2,600,000
North Dakota	Ellsworth Air Force Base	$4,500,000
	Grand Forks Air Force Base	$5,200,000
	Minot Air Force Base	$10,350,000
Ohio	Wright-Patterson Air Force Base	$32,700,000
Oklahoma	Altus Air Force Base	$3,750,000
	Tinker Air Force Base	$9,643,000
	Vance Air Force Base	$11,680,000
South Carolina	Charleston Air Force Base	$11,400,000
South Dakota	Ellsworth Air Force Base	$1,450,000
Tennessee	Arnold Air Force Base	$1,900,000
Texas	Kelly Air Force Base	$8,950,000
	Lackland Air Force Base	$5,200,000
	Sheppard Air Force Base	$3,300,000
Washington	Fairchild Air Force Base	$8,850,000
Wyoming	F.E. Warren Air Force Base	$2,650,000
CONUS Classified	Classified Location	$2,141,000

(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 may carry out military construction projects in the total amount of $38,273,000 for the installations and locations outside the United States, and in the amounts for such installations and locations, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	$12,350,000
	Spangdahlem Air Base	$9,473,000
Greenland	Thule Air Base	$2,450,000

Air Force: Outside the United States—Continued

Country	Installation or location	Amount
Portugal	Lajes Field	$2,850,000
United Kingdom	RAF Lakenheath	$7,100,000
Overseas Classified	Classified Location	$4,050,000

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) in the total amount of $172,310,000 at the installations, for the purposes, and in the amounts for such installations and purposes set forth in the following table:

Air Force: Family Housing

State or Country	Installation	Purpose	Amount
Alabama	Maxwell Air Force Base	25 units	$2,100,000
Arizona	Davis-Monthan Air Force Base	60 units	$5,940,000
California	Beale Air Force Base	76 units	$8,842,000
	Edwards Air Force Base	34 units	$4,629,000
	Los Angeles Air Force Base	50 units	$8,962,000
	Vandenberg Air Force Base	128 units	$16,460,000
District of Columbia.	Bolling Air Force Base	100 units	$9,000,000
Florida	Patrick Air Force Base	75 units	$7,145,000
Idaho	Mountain Home Air Force Base	4 unit	$881,000
	Mountain Home Air Force Base	60 units	$5,712,000
Kansas	McConnell Air Force Base	70 units	$8,322,000

Air Force: Family Housing—Continued

State or Country	Installation	Purpose	Amount
Louisiana	Barksdale Air Force Base	82 units	$8,236,000
Missouri	Whiteman Air Force Base	Housing Office .	$567,000
New Mexico	Cannon Air Force Base	1 unit	$230,000
	Holloman Air Force Base	76 units	$7,733,000
	Kirtland Air Force Base	106 units	$10,058,000
North Carolina .	Pope Air Force Base	120 units	$14,874,000
	Seymour Johnson Air Force Base	74 units	$6,025,000
North Dakota ..	Grand Forks Air Force Base	Housing Office .	$709,000
South Carolina .	Shaw Air Force Base	3 units	$631,000
Texas	Dyess Air Force Base	59 units	$7,077,000
Utah	Hill Air Force Base	138 units	$11,400,000
Virginia	Langley Air Force Base	148 units	$14,421,000
Washington	Fairchild Air Force Base	6 units	$1,035,000
Wyoming	F.E. Warren Air Force Base	106 units	$11,321,000

(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 $9,275,000.

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 $61,770,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,594,863,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $412,004,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $38,273,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $49,386,000.

(5) For the balance of the amount authorized under section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2593) for the construction of the climatic test chamber at Eglin Air Force Base, Florida, $20,000,000.

(6) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $243,355,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $824,845,000 of which not more than $112,757,000 may be obligated or expended for leasing of military family housing units worldwide.

(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) and (2) of subsection (a).

SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECTS AT TYNDALL AIR FORCE BASE, FLORIDA, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

The table in section 2301 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1866) is amended in the item relating to Tyndall Air Force Base, Florida, by striking out ''$2,600,000'' in the column under the heading ''Amount'' and inserting in lieu thereof ''$8,200,000''.

SEC. 2306. REVISION OF AUTHORIZED FAMILY HOUSING PROJECT, TYNDALL AIR FORCE BASE, FLORIDA.

The table in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1869) is amended in the item relating to Tyndall Air Force Base, Florida, by striking out ''Infrastructure'' in the third column and inserting in lieu thereof ''45 units''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

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 in the total amount of $413,700,000 for the installations and locations inside the United States, and in the amounts for such installations and locations, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Agents and Munitions Destruction	Anniston Army Depot, Alabama	$5,000,000
	Pine Bluff Arsenal, Arkansas	$102,000,000
	Umatilla Army Depot, Oregon	$183,000,000
	Tooele Army Depot, Utah	$4,000,000
Defense Intelligence Agency	Bolling Air Force Base, Washington, District of Columbia.	$600,000
Defense Logistics Agency	Defense Contract Management Office, El Segundo, California.	$5,100,000
	Defense Construction Supply Center, Columbus, Ohio	$2,200,000
	Defense Fuel Support Point, Craney Island, Virginia	$3,652,000
	Headquarters, Defense Logistics Agency, Fort Belvoir, Virginia	$4,600,000
Defense Medical Facilities Office	McClellan Air Force Base, California.	$10,280,000
	Fort McPherson, Georgia	$13,400,000
	Fort Dix, New Jersey	$2,000,000
National Security Agency	Fort Meade, Maryland	$20,258,000
Office of Secretary of Defense	Various Locations, Special Activities, Air Force.	$5,300,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
Section 6 Schools	Naval Surface Warfare Center, Virginia.	$1,560,000
Special Operations Force	Eglin Auxiliary Field No. 9, Florida.	$21,750,000
	Fort Bragg, North Carolina	$16,000,000
	Kirtland Air Force Base, New Mexico	$9,600,000
	Naval Amphibious Base, Coronado, San Diego, California	$3,400,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11)(A), the Secretary of Defense may construct or acquire family housing units (including land acquisition) at the installation, for the purpose, and in the amount set forth in the following table:

Defense Agencies: Family Housing

Location	Installation	Purpose	Amount
Belgium	National Security Agency	1 unit	$300,000

SEC. 2403. 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 2405(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $50,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, 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 $3,252,058,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $152,700,000.

(2) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $120,000,000.

(3) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military

Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $66,000,000.

(4) For military construction projects at Fort Bragg, North Carolina, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $75,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $22,348,000.

(6) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $8,511,000.

(7) For architectural and engineering services and for construction design under section 2807 of title 10, United States Code, $51,960,000.

(8) For energy conservation projects authorized by section 2404, $50,000,000.

(9) For base closure and realignment activities as authorized by the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–526; 10 U.S.C. 2687 note), $87,600,000.

(10) 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):

(A) For military installations approved for closure or realignment in 1991, $398,700,000.

(B) For military installations approved for closure or realignment in 1993, $2,189,858,000.

(11) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $350,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $29,031,000, of which not more than $24,051,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and subsection (b);

(2) $94,000,000 (the balance of the amount authorized for construction of a chemical munitions demilitarization facility at Pine Bluff Arsenal, Arkansas); and

(3) $167,000,000 (the balance of the amount authorized for construction of a chemical munitions demilitarization facility at Umatilla Army Depot, Oregon).

SEC. 2406. TERMINATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1993 PROJECT.

(a) TERMINATION OF AUTHORITY.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599) is amended by striking out the item relating to Fitzsimons Army Medical Center, Colorado.

(b) CONFORMING AMENDMENTS.—(1) Subsection (a) of section 2403 of such Act (106 Stat. 2600) is amended—

(A) in the matter above paragraph (1), by striking out ''$2,567,146,000'' and inserting in lieu thereof ''$2,565,146,000''; and

(B) in paragraph (1), by striking out ''$87,950,000'' and inserting in lieu thereof ''$85,950,000''.

(2) Subsection (c) of such section is amended—

(A) by inserting ''and'' at the end of paragraph (4);

(B) by striking out ''; and'' at the end of paragraph (5) and inserting lieu thereof a period; and

(C) by striking out paragraph (6).

SEC. 2407. COMMUNITY IMPACT ASSISTANCE WITH REGARD TO NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA.

Of the amount appropriated pursuant to the authorization of appropriations in section 2405(a)(10)(B), the Secretary of the Navy shall transfer $3,000,000 to the South Carolina Department of Highways and Public Transportation. Funds transferred pursuant to this section shall be used for making improvements to North Rhett Avenue, Charleston, South Carolina.

SEC. 2408. PLANNING AND DESIGN FOR CONSTRUCTION IN SUPPORT OF CONSOLIDATION OF OPERATIONS OF THE DEFENSE FINANCE AND ACCOUNTING SERVICE.

Of the amount authorized to be appropriated by section 2405(a)(7), $6,000,000 shall be available for plan-

ning and design activities relating to military construction in support of the consolidation of operations of the Defense Finance and Accounting Service.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure 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, 1994, 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 Infrastructure Program as authorized by section 2501, in the amount of $219,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1994, 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 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $180,312,000; and

(B) for the Army Reserve, $37,870,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $17,355,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $240,003,000; and

(B) for the Air Force Reserve, $43,840,000.

SEC. 2602. AUTHORIZATION OF CERTAIN NATIONAL GUARD AND RESERVE PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) FISCAL YEAR 1994 GUARD AND RESERVE PROJECTS.—Section 2601 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1878) is amended—

(1) in paragraph (1)(A), by striking out ''$283,483,000'' and inserting in lieu thereof ''$287,958,000''; and

(2) in paragraph (2), by striking out ''$25,013,000'' and inserting in lieu thereof ''$33,713,000''.

(b) FISCAL YEAR 1993 AIR NATIONAL GUARD PROJECT.—Section 2601(3)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602) is amended by striking out ''$305,759,000'' and inserting in lieu thereof ''$306,959,000''.

TITLE XXVII—EXPIRATION OF AUTHORIZATIONS

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 author-

izations 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 Infrastructure program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1997; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998.

(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 Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1997; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1998 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701(b) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535) authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2301, or 2601 of that Act, shall remain in effect until October 1, 1995, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1996, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Colorado..	Fort Carson	Family Housing New Construction (1 Unit)	$150,000
Georgia ..	Fort Benning	General Instruction Facility	$2,150,000
	Camp Merrill	Family Housing New Construction (40 units) .	$4,550,000
	Fort Stewart	Family Housing New Construction (120 units)	$9,700,000
Oregon ...	Umatilla Depot Activity	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Depot Activity	Ammunition Demilitarization Utilities.	$7,500,000

Air Force: Extension of 1992 Project Authorization

State	Installation or location	Project	Amount
Alaska	Eareckson Air Force Station (formerly Shemya Air Force Station) ..	Hazardous Materials Storage.	$4,000,000

Army National Guard: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
California	Stockton	Add/Alter Combined Support Maintenance Shop .	$1,613,000
District of Columbia ..	Fort Belvoir	Army Aviation Support Facility	$2,765,000
Maryland	Towson	Direct Logistics Warehouse.	$373,000
	Cheltenham	Armory	$3,300,000
Mississippi .	West Point	Organizational Maintenance Shop	$1,270,000
	Tupelo	Organizational Maintenance Shop	$992,000
	Senatobia	Organizational Maintenance Shop	$723,000
Nevada ...	Washoe County ...	Organizational Maintenance Shop	$1,050,000
North Carolina	Camp Butler	Range, Modified Record Fire	$986,000
Rhode Island	Camp Varnum	Sewer and Water System	$578,000
	Camp Fogarty	Armory	$5,151,000
West Virginia	Huntington	Guard/Reserve Center	$2,983,000

Army Reserve: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Massachusetts	Taunton	Reserve Center	$3,526,000
Ohio	Perrysburg	Reserve Center Addition	$2,749,000
Pennsylvania	Johnstown	Army/Marine Corps Aviation Facility	$30,224,000
Tennessee	Jackson	Joint Training Facility	$1,537,000
West Virginia	Huntington	Guard and Reserve Center	$6,617,000

SEC. 2703. CLARIFICATION OF EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1991 PROJECTS.

(a) CLARIFICATION.—The table relating to the extension of authorization of certain fiscal year 1991 projects of the Defense Agencies in section 2702(b) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1882) is amended by inserting before the item relating to the Defense Logistics Agency, Defense Reutilization and Marketing Office, Fort Meade, Maryland, the following:

California	Defense Language Institute, Monterey	Audio Visual Facility	$2,322,000
	Defense Language Institute, Monterey	Print Plant	$1,860,000

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the provi-

sions of the Military Construction Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1822) to which such amendment relates.

SEC. 2704. EXTENSION OF CERTAIN FISCAL YEAR 1991 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701(b) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1782), authorizations for the projects set forth in the table in subsection (b) as provided in section 2401(a) of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535) and section 2702 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1880), as amended by section 2703 of this Act, shall remain in effect until October 1, 1995, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1995, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Defense Agencies: Extension of 1991 Project Authorizations

State	Installation or location	Project	Amount
California	Defense Language Institute, Monterey.	Audio Visual Instructional Media Facility	$2,322,000

Defense Agencies: Extension of 1991 Project Authorizations—Continued

State	Installation or location	Project	Amount
	Defense Language Institute, Monterey.	Print Plant	$1,860,000
Maryland	Defense Logistics Agency, Defense Reutilization and Marketing Office, Fort Meade	Covered Storage	$9,500,000

SEC. 2705. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1994; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. CLARIFICATION OF REQUIREMENT FOR NOTIFICATION OF CONGRESS OF IMPROVEMENTS IN FAMILY HOUSING UNITS.

Section 2825(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) The limitation contained in the first sentence of paragraph (1) does not apply to a project for the improvement of a family housing unit or units referred to in that

sentence if the project (including the amount requested for the project) is identified in the budget materials submitted to Congress by the Secretary of Defense in connection with the submission to Congress of the budget for a fiscal year pursuant to section 1105 of title 31.''.

SEC. 2802. AUTHORITY TO PAY CLOSING COSTS UNDER HOMEOWNERS ASSISTANCE PROGRAM.

Section 1013(c) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374(c)) is amended by inserting after the first sentence the following: ''The Secretary may also pay a person who elects to receive a cash payment under clause (1) of the preceding sentence an amount that the Secretary determines appropriate to reimburse the person for the costs incurred by the person in the sale of the property if the Secretary determines that such payment will benefit the person and is in the best interest of the Federal Government.''.

Subtitle B—Base Closure Matters

SEC. 2811. PROHIBITION AGAINST CONSIDERATION IN BASE CLOSURE PROCESS OF ADVANCE CONVERSION PLANNING UNDERTAKEN BY POTENTIAL AFFECTED COMMUNITIES.

(a) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Subsection (c)(3) of section 2903 of the Defense

Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by inserting ''(A)'' before ''In considering''; and

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

''(B) In considering military installations for closure or realignment, the Secretary may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of an installation.

''(C) For purposes of subparagraph (B), in the case of a community anticipating the economic effects of a closure or realignment of a military installation, advance conversion planning—

''(i) shall include community adjustment and economic diversification planning undertaken by the community before an anticipated selection of a military installation in or near the community for closure or realignment; and

''(ii) may include the development of contingency redevelopment plans, plans for economic development and diversification, and plans for the joint use (including civilian and military use, public and

private use, civilian dual use, and civilian shared use) of the property or facilities of the installation after the anticipated closure or realignment.''.

(b) COMMISSION RECOMMENDATIONS.—Subsection (d)(2) of such section is amended by adding at the end the following:

''(E) In making recommendations under this paragraph, the Commission may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of a military installation.''.

SEC. 2812. CLARIFYING AND TECHNICAL AMENDMENTS TO BASE CLOSURE LAWS.

(a) CLARIFICATION OF SCOPE OF TERMINATION OF AUTHORITY UNDER 1988 ACT.—Section 202(c) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) by striking out ''The authority'' and inserting in lieu thereof ''(1) Except as provided in paragraph (2), the authority''; and

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

''(2) The termination of authority set forth in paragraph (1) shall not apply to the authority of the Secretary

to carry out environmental restoration and waste management at, or disposal of property of, military installations closed or realigned under this title.''.

(b) USE OF UNOBLIGATED FUNDS IN 1988 ACCOUNT FOR ENVIRONMENTAL RESTORATION AND PROPERTY DISPOSAL.—Section 207(a)(5) of such Act is amended—

(1) by striking out ''Unobligated funds'' and inserting in lieu thereof ''(A) Except as provided in subparagraph (B), unobligated funds''; and

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

''(B) The Secretary may, after the termination of authority referred to in subparagraph (A), use any unobligated funds referred to in that subparagraph that are not transferred in accordance with that subparagraph to carry out environmental restoration and waste management at, or disposal of property of, military installations closed or realigned under this title.''.

(c) CLARIFICATION OF DISPOSAL AUTHORITY.—

(1) UNDER 1988 ACT.—Section 204(b)(1) of such Act is amended in the matter above paragraph (1) by striking out ''real property and facilities'' and inserting in lieu thereof ''real property, facilities, and personal property''.

(2) UNDER 1990 ACT.—Section 2905(b)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended in the matter above paragraph (1) by striking out ''real property and facilities'' and inserting in lieu thereof ''real property, facilities, and personal property''.

(d) DEFINITION OF REDEVELOPMENT AUTHORITY.—

(1) UNDER 1988 ACT.—Section 209(10) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking out ''and for'' and inserting in lieu thereof ''or for''.

(2) UNDER 1990 ACT.—Section 2910(9) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out ''and for'' and inserting in lieu thereof ''or for''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall take effect as if included in the amendments made by 2918 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1927).

(e) TECHNICAL AMENDMENTS FOR INTERNAL CONSISTENCY.—

(1) 1988 ACT.—Section 204(b)(3) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (A)(ii), by striking out ''determines to be related to real property and''; and

(B) in subparagraph (E), by striking out ''related'' in the matter above clause (i).

(2) 1990 ACT.—Section 2905(b)(3)(A)(ii) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out ''determines to be related to real property and''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall take effect as if included in the amendments made by 2902 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1909).

SEC. 2813. SENSE OF SENATE ON THE ACTIVITIES OF THE SECRETARY OF DEFENSE IN SUPPORT OF COMMUNITIES AFFECTED BY BASE CLOSURES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The closure or realignment of a major military installation can cause severe economic disruption to the host community for the installation.

(2) Communities affected by the closure of a major military installation under a base closure law dedicate significant time, effort, and resources to planning for the economic redevelopment of the installation.

(3) The Federal Government can ease the disruption caused by the closure of a military installation by working cooperatively with the host community for the installation to implement the community's redevelopment plan for the installation.

(4) In recent years, the Federal Government has not always provided sufficient assistance to communities affected by the closure of a military installation under a base closure law in the efforts of such communities to provide for the economic redevelopment of the installation.

(5) In July 1993, the President issued a five-point plan for revitalizing base closure communities which emphasized the economic recovery of communities affected by the closure of a military installation under a base closure law.

(6) In November 1993, Congress agreed to the provisions of subtitle A of title XXIX of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1909), and the amendments made thereunder, in order to implement the plan referred to in paragraph (5) and to provide other assistance to communities attempting to redevelop military installations approved for closure under a base closure law.

(7) The Secretary of Defense is accepting public comment on the guidelines for implementation of the provisions of law referred to in paragraph (6).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense should—

(1) ensure that the regulations implementing the provisions of subtitle A of title XXIX of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1909), and the amendments made thereunder, reflect the intent of Congress that, to the maximum extent prac-

ticable, the Secretary take into consideration the redevelopment plans of affected communities when taking actions or implementing decisions on the closure of a military installation approved for closure under a base closure law;

(2) ensure that the regulations implementing such provisions reflect the intent of Congress to encourage and promote cooperation and dialogue between the Federal Government and communities affected by the closure of an installation throughout the base closure process; and

(3) develop a system of incentives or awards to encourage Department of Defense personnel to provide greater assistance to and cooperation with communities affected by the closure of an installation during the ongoing effort of revitalizing the economy of such communities.

Subtitle C—Land Transactions Generally

SEC. 2821. LAND TRANSFER, HOLLOMAN AIR FORCE BASE, NEW MEXICO.

(a) IN GENERAL.—Subject to subsections (c) through (g), not later than 90 days after the date of enactment of this Act, the Secretary of the Interior shall transfer to the Department of the Air Force, without reimburse-

ment, jurisdiction and control of approximately 1,262 acres of public lands described in subsection (b). Such public lands are located in Otero County, New Mexico, and are contiguous to Holloman Air Force Base.

(b) DESCRIPTION OF LANDS TRANSFERRED.—The lands described in this subsection are as follows:

(1) T17S, R8E, Section 21:	S½ N½:	160 acres
	E½ NW¼ NE¼:	20 acres
	NE¼ NE¼:	40 acres
(2) T17S, R8E, Section 22:	W½:	320 acres
	W½ E½:	160 acres
(3) T17S, R8E, Section 27:	All that part north of New Mexico Highway 70 except for the E½ E½	192 acres more or less
(4) T17S, R8E, Section 28:	NE¼:	160 acres
	N½ SE¼:	80 acres
	SW¼ SE¼:	40 acres
	W½ SE¼ SE¼:	20 acres
(5) T17S, R8E, Section 33:	NW¼ NE¼:	40 acres
	NW¼ NE¼ NE¼:	10 acres
	W½ SW¼ NE¼:	20 acres

(c) USE OF TRANSFERRED LAND.—The lands transferred to the Department of the Air Force under subsection (a) shall be used by the Secretary of the Air Force for the construction of new evaporation ponds to support a wastewater treatment facility that the Secretary shall construct at Holloman Air Force Base.

(d) CATTLE GRAZING RIGHTS.—

(1) IN GENERAL.—The United States recognizes a grazing preference on the lands transferred to the Department of the Air Force under subsection (a).

(2) ADJUSTMENT OF GRAZING ALLOTMENT.—(A) The Secretary of the Air Force shall take such action as is necessary to ensure that—

(i) the boundary of the grazing allotment that contains the lands transferred to the Department of the Air Force is adjusted in such manner as to retain the portion of the allotment located south of United States Highway 70 in New Mexico and remove the portion of the lands that is located north of such highway; and

(ii) the grazing preference referred to in paragraph (1) is retained by means of transferring the preference for the area removed from the allotment under subparagraph (A) to public lands located south of such highway.

(B) The Secretary of the Air Force shall offer to enter into an agreement with each person who holds a permit for grazing on the lands transferred to the Department of the Air Force at the time of the transfer to provide for the continued grazing by livestock on the portion of the lands located south of such highway.

(e) ADDITIONAL REQUIREMENTS.—

(1) NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—The Secretary of the Air Force shall ensure that the transfer made pursuant to subsection (a) and the use specified in subsection (c) meet any ap-

plicable requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) ENVIRONMENTAL LAWS.—The Secretary of the Air Force shall use and manage the lands transferred under the authority in subsection (a) in such manner as to ensure compliance with applicable environmental laws (including regulations) of the Federal Government and State of New Mexico, and political subdivisions thereof.

(3) RESPONSIBILITY FOR CLEANUP OF HAZARDOUS SUBSTANCES.—Notwithstanding any other provision of law, the Secretary of the Air Force shall, upon the transfer of the lands under subsection (a), assume any existing or subsequent responsibility and liability for the cleanup of hazardous substances (as defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14))) located on or within the lands transferred.

(4) MINING.—The transfer of lands under subsection (a) shall be made in such manner as to ensure the continuation of valid, existing rights under the mining laws and the mineral leasing and geothermal leasing laws of the United States. Subject to the preceding sentence, upon the transfer of the

lands, mining and mineral management activities shall be carried out in the lands in a manner consistent with the policies of the Department of Defense concerning mineral exploration and extraction on lands under the jurisdiction of the Department.

(f) RIGHTS-OF-WAY.—The transfer of lands under subsection (a) shall not affect the following rights-of-way:

(1) The right-of-way granted to the Otero County Electric Cooperative, numbered NMNM 58293.

(2) The right-of-way granted to U.S. West Corporation, numbered NMNM 59261.

(3) The right-of-way granted to the Highway Department of the State of New Mexico, numbered LC0 54403.

(g) PUBLIC ACCESS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of the Air Force shall permit public access to the lands transferred under subsection (a).

(2) CONSTRUCTION SITE.—The Secretary of the Air Force may not permit public access to the immediate area affected by the construction of a wastewater treatment facility in the area with the legal description of T17S, R8E, Section 22, except

that the Secretary of the Air Force shall permit public access on an adjoining unfenced parcel of land—

(A) located along the west boundary of such area; and

(B) that is 50 feet in width.

(3) PUBLIC USES.—Except as provided in paragraph (2), the Secretary of the Air Force shall permit, on the lands transferred under subsection (a), public uses that are consistent with the public uses on adjacent lands under the jurisdiction of the Secretary of the Interior.

(4) PERMIT NOT REQUIRED.—The Secretary of the Air Force may not require a permit for access authorized under this subsection to the lands transferred under subsection (a).

(5) ENTRY GATE.—The Secretary of the Air Force shall ensure that the entry gate to the lands transferred under subsection (a) that is located along United States Highway 70 shall be open to the public.

SEC. 2822. JOINT USE OF PROPERTY, PORT HUENEME, CALIFORNIA.

(a) AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Oxnard Harbor District, Port Hueneme, California, a special dis-

trict of the State of California (in this section referred to as the ''District''), to provide for the joint use by Secretary and the District of a parcel of real property consisting of approximately 25 acres, together with improvements thereto, that comprises United States Navy Wharf Number 3, the location of the Naval Construction Battalion Center, Port Hueneme, California.

(b) PERIOD.—The agreement authorized under subsection (a) shall—

(1) be for an initial period of not more than 15 years; and

(2) contain an option for the District to extend the agreement for three additional periods of 5 years each.

(c) CONDITIONS.—The agreement authorized under subsection (a) shall be subject to the following conditions:

(1) That the District suspend operations in the joint use area during the periods when the Navy conducts operations at the Naval Construction Battalion Center.

(2) That the District carry out activities in the joint use area in a manner that does not interfere with the capability of the Secretary to carry out contingency operations at the Naval Construction Battalion Center.

(d) CONSIDERATION.—(1) As consideration for the use of the real property under subsection (a), the District—

(A) shall pay to the Secretary the fair market rental value (as determined by the Secretary) of the District's interest in the property; and

(B) may be required to furnish additional consideration as provided in paragraph (2).

(2) The Secretary may require that the agreement include a provision that the District—

(A) either—

(i) pay the Secretary an amount (as determined by the Secretary) equal to the cost to the Navy of replacing at the Naval Construction Battalion Center the facilities vacated by the Navy in the joint use area; or

(ii) construct the replacement facilities for the Navy; and

(B) pay the Secretary an amount (as determined by the Secretary) equal to the cost to the Navy of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) NOTICE AND WAIT REQUIREMENTS.—The Secretary may not enter into the agreement authorized by subsection (a) until 21 days after the date on which the

Secretary submits to the Committees on Armed Services of the Senate and the House of Representatives a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PROCEEDS.—(1) The Secretary may use amounts received under subsection (d)(1)(A) to pay for general supervision, administration and overhead expenses incurred by the Secretary under the agreement and for improvement, maintenance, repair, construction, or restoration of the port operations area or of roads and railways serving the area at the Naval Construction Battalion Center.

(2) The Secretary may use amounts received under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy in the joint use area and for relocating operations of the Navy from the vacated facilities to the replacement facilities.

(g) AUTHORITY TO REPLACE FACILITIES.—The Secretary may authorize the District to demolish existing facilities in the joint use area and, consistent with the restrictions required by subsection (c)(2), construct new facilities on the property for the joint use of the Navy and the District.

(h) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property subject to the agreement authorized under this section shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2823. LEASE OF PROPERTY, NAVAL RADIO RECEIVING FACILITY, IMPERIAL BEACH, CORONADO, CALIFORNIA.

(a) LEASE AUTHORIZED.—The Secretary of the Navy may lease to the Young Men's Christian Association of San Diego County, a California nonprofit public benefit corporation (in this section referred to as the ''YMCA''), such interests in a parcel of real property (including any improvements thereon) consisting of approximately 45 acres at the Naval Radio Receiving Facility, Imperial Beach, Coronado, California, as the Secretary considers appropriate for the YMCA to operate and maintain a summer youth residence camp known as the YMCA San Diego Unified Recreational Facility (Camp SURF). Pursuant to

the lease, the Secretary may authorize the YMCA to construct facilities on the parcel.

(b) LEASE TERMS.—The lease authorized in subsection (a) shall be for a period of 50 years, or such longer period as the Secretary determines to be in the best interests of the United States.

(c) CONSIDERATION.—As consideration for the lease of real property under subsection (a), the YMCA shall—

(1) agree to maintain and enhance the natural resources of the leased premises; and

(2) pay to the United States an amount in cash equal to the difference between the rental price prescribed by the Secretary under subsection (d) and the value of natural resources maintenance and enhancements performed by the YMCA, as determined by the Secretary.

(d) DETERMINATION OF RENTAL PRICE.—The Secretary may prescribe a rental price for the real property leased under subsection (a) that is less than the fair market rental value of such property.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the lease under subsection (a) as the Secretary considers necessary to protect the operation of the Naval Radio Receiving Facility, Imperial Beach,

Coronado, California, and to protect the interests of the United States.

SEC. 2824. RELEASE OF REVERSIONARY INTEREST ON CERTAIN PROPERTY IN YORK COUNTY AND JAMES CITY COUNTY, VIRGINIA, AND NEWPORT NEWS, VIRGINIA.

(a) RELEASE AUTHORIZED.—The Secretary of the Navy may release the reversionary interest of the United States in the real property conveyed by the deed described in subsection (b).

(b) DEED DESCRIPTION.—The deed referred to in subsection (a) is a deed between the United States and the Commonwealth of Virginia dated August 17, 1966, which conveyed to the Commonwealth of Virginia certain parcels of land located in York County and James City County, Virginia, and the city of Newport News, Virginia.

(c) ADDITIONAL TERMS.—The Secretary may require such terms or conditions in connection with the release under this section as the Secretary considers appropriate to protect the interests of the United States and to ensure that the real property will continue to be used for public purposes.

(d) INSTRUMENT OF RELEASE.—The Secretary may execute and file in the appropriate office or offices a deed of release, amended deed, or other appropriate instrument

effectuating the release of the reversionary interest under this section.

SEC. 2825. LAND TRANSFER, FORT DEVENS, MASSACHUSETTS.

(a) TRANSFER.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of the Army shall transfer administrative jurisdiction of approximately 800 acres of land at Fort Devens, Massachusetts, to the Secretary of the Interior for inclusion in the Oxbow National Wildlife Refuge, Massachusetts.

(b) LIMITATION ON TRANSFER.—The Secretary of the Army may not carry out the transfer referred to in subsection (a) unless the Secretary and the reuse authority for Fort Devens for the purposes 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), jointly determine that the transfer of the land under this section is consistent with the redevelopment plan prepared under section 2905(b) of such Act.

(c) ADMINISTRATION OF LAND.—The Secretary of the Interior shall administer the land transferred under this section in accordance with all laws applicable to areas in the National Wildlife Refuge System.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be transferred

under this section shall be determined by a survey satisfactory to the Secretary of the Army and the Secretary of the Interior.

SEC. 2826. LAND CONVEYANCE, CORNHUSKER ARMY AMMUNITION PLANT, HALL COUNTY, NEBRASKA.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may convey to the Hall County, Nebraska, Board of Supervisors (in this section referred to as the ''Board''), or the designee of the Board, all right, title and interest of the United States in and to the real property, together with any improvements thereon, located in Hall County, Nebraska, the site of the Cornhusker Army Ammunition Plant.

(b) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance authorized under subsection (a) until the Secretary completes any environmental restoration required with respect to the property to be conveyed.

(c) UTILIZATION OF PROPERTY.—The Board or its designee, as the case may be, shall utilize the real property conveyed under subsection (a) in a manner consistent with the Cornhusker Army Ammunition Plant Reuse Committee Comprehensive Reuse Plan.

(d) CONSIDERATION.—In consideration for the conveyance under subsection (a), the Board or its designee,

as the case may be, shall pay to the United States an amount equal to the fair market value of the real property to be conveyed, as determined by the Secretary.

(e) USE OF PROCEEDS.—(1) The Secretary shall deposit in the special account established under section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)) the amount received from the Board or its designee under subsection (d).

(2) Notwithstanding subparagraph (A) of such section 204(h)(2), the Secretary may use the entire amount deposited in the account under paragraph (1) for the purposes set forth in subparagraph (B) of such section 204(h)(2).

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board or its designee, as the case may be.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. TRANSFER OR CONVEYANCE OF CERTAIN PARCELS OF PROPERTY THROUGH GENERAL SERVICES ADMINISTRATION.

(a) IN GENERAL.—(1) Subject to paragraph (2), the Administrator of General Services shall—

(A) transfer jurisdiction over all or a portion of a parcel of real property described in subsection (b) to another executive agency if the Administrator determines under subsection (c) that the transfer of jurisdiction to the agency is appropriate;

(B) convey all or a portion of such a parcel to a State or local government or nonprofit organization if the Administrator determines under subsection (d) that the conveyance to the government or organization is appropriate; or

(C) convey all or a portion of such a parcel to the entity specified to receive the conveyance under subsection (e) in accordance with that subsection.

(2) The Administrator shall carry out an action referred to in subparagraph (A), (B), or (C) of paragraph (1) only upon direction by the Secretary of Defense. The Secretary shall make the direction, if at all, in accordance with subsection (g).

(3) Upon the direction of the Secretary of Defense, the Secretary of the military department concerned shall transfer jurisdiction over an appropriate portion of a par-

cel of real property referred to in paragraph (1) to the Administrator in order to permit the Administrator to carry out the transfer of jurisdiction over or conveyance of the portion of the parcel under this section.

(b) COVERED PROPERTY.—(1) The parcels of real property referred to in subsection (a)(1) are the following:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 337 acres and located in Tulsa, Oklahoma, the location of Air Force Plant No. 3.

(B) A parcel of real property, including any improvements thereon, consisting of approximately 2,900 acres and located in Calverton, New York, the location of the Naval Weapons Industrial Reserve Plant.

(C) A parcel of real property, including any improvements thereon, located in Johnson City (Westover), New York, the location of Air Force Plant No. 59.

(D) A parcel of real property, including any improvements thereon, consisting of approximately 4 acres and located in Dickinson, North Dakota, the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Dickinson, North Dakota.

(E) A parcel of real property, including any improvements thereon, consisting of approximately 12 acres and located west of Finley, North Dakota, the location of a support complex, recreational facilities, and housing facilities for the Finley Air Force Station and Radar Bomb Scoring Site, Finley, North Dakota.

(F) A parcel of property, including any improvements thereon, consisting of approximately 440 acres located at the Hawthorne Army Ammunition Plant, Mineral County, Nevada, and commonly referred to as the Babbitt Housing Site.

(G) A parcel of real property, including any improvements thereon and the pier associated therewith, consisting of approximately 118 acres and located in Harpswell, Maine, the location of the Defense Fuel Supply Point, Casco Bay, Maine.

(2) The exact acreage and legal description of the real property referred to in paragraph (1) that is transferred or conveyed under this section shall be determined by a survey satisfactory to the Secretary of the military department concerned. The cost of the survey shall be borne by the Secretary concerned. The transferee or conveyee, if any, of the property under this section shall reimburse the

Secretary concerned for the cost borne by that Secretary for the survey of the property.

(c) DETERMINATION OF TRANSFEREES.—(1) Subject to subsection (a)(2), the Administrator shall transfer jurisdiction over all or a portion of a parcel of real property referred to in subsection (b)(1) to an executive agency if the Administrator determines under this subsection that the transfer is appropriate.

(2) Not later than 5 days after the date of the enactment of this Act, the Administrator shall inform the heads of the executive agencies of the availability of the parcels of real property referred to in subsection (b)(1).

(3) The head of an executive agency having an interest in obtaining jurisdiction over any portion of a parcel of real property referred to in paragraph (2) shall notify the Administrator, in writing, of the interest within such time as the Administrator shall specify with respect to the parcel in order to permit the Administrator to determine under paragraph (4) whether the transfer of jurisdiction to the agency is appropriate.

(4)(A) The Administrator shall—

(i) evaluate in accordance with section 202(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(a)) the notifications of

interest, if any, received under paragraph (3) with respect to a parcel of real property; and

(ii) determine in accordance with that section the executive agency, if any, to which the transfer of jurisdiction is appropriate.

(B) The Administrator shall complete the determination under subparagraph (A) with respect to a parcel not later than 30 days after informing the heads of the executive agencies of the availability of the parcel.

(d) DETERMINATION OF CONVEYEES.—(1) Subject to subsection (a)(2), the Administrator shall convey all right, title, and interest of the United States in and to all or a portion of a parcel of real property referred to in paragraph (2) to a government or organization referred to in paragraph (3) if the Administrator determines under this subsection that the conveyance is appropriate.

(2) Paragraph (2) applies to any portion of a parcel of real property referred to in subsection (b)(1)—

(A) for which the Administrator receives no notification of interest from the head of an executive agency under subsection (c); or

(B) with respect to which the Administrator determines under paragraph (4)(B) of that subsection that a transfer of jurisdiction under this section would not be appropriate.

(3)(A) In the case of the property referred to in paragraph (2), the governments and organizations referred to in that paragraph are the following:

(i) The State government of the State in which the property is located.

(ii) Local governments affected (as determined by the Administrator) by operations of the Department of Defense at the property.

(iii) Nonprofit organizations located in the vicinity of the property and eligible under Federal law to be supported through the use of Federal surplus real property.

(B) In this paragraph, the term ''nonprofit organization'' means any organization listed in subsection (c)(3) of section 501 of the Internal Revenue Code of 1986 (26 U.S.C. 501) that is exempt from taxation under subsection (a) of that section.

(4) Not later than 5 days after completing the determination under subsection (c)(4)(B), the Administrator shall determine what, if any, parcels of property referred to in subsection (b)(1) are available for conveyance under this subsection and shall inform the appropriate governments and organizations of the availability of the parcels for conveyance under this section.

(5) A government or organization referred to in paragraph (4) shall notify the Administrator, in writing, of the interest of the government or organization, as the case may be, in the conveyance of all or a portion of the parcel of real property concerned to the government or organization. The government or organization shall notify the Administrator within such time as the Administrator shall specify with respect to the parcel in order to permit the Administrator to determine under paragraph (6) whether the conveyance of the parcel to the government or organization, as the case may be, is appropriate.

(6)(A) The Administrator shall—

(i) evaluate in accordance with section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) the notifications, if any, received under paragraph (5) with respect to a parcel of real property; and

(ii) determine in accordance with that section the government or organization, if any, to which the conveyance is appropriate.

(B) The Administrator shall complete the determination under subparagraph (A) with respect to a parcel not later than 70 days after notifying the governments and organizations concerned of the availability of the parcel for conveyance.

(e) ADDITIONAL CONVEYANCE AUTHORITY.—(1) Subject to subsection (g)(2), the Administrator shall, in lieu of transferring jurisdiction over or conveying the parcels of real property referred to in subsection (b)(1) in accordance with subsections (c) and (d), convey all or a portion of such parcels as follows:

(A) In the case of the parcel referred to in subparagraph (A) of subsection (b)(1), by conveying without consideration all right, title, and interest of the United States in and to the parcel to the City of Tulsa, Oklahoma.

(B) In the case of the parcel referred to in subparagraph (B) of that subsection, by conveying without consideration all right, title, and interest of the United States in and to the parcel to any economic development authority that the Governor of New York determines appropriate and identifies as such for the Administrator.

(C) In the case of the parcel referred to in subparagraph (C) of that subsection, by conveying without consideration all right, title, and interest of the United States in and to the parcel to the Broome County Industrial Development Authority.

(D) In the case of the parcel referred to in subparagraph (D) of that subsection, by conveying with-

out consideration all right, title, and interest of the United States in and to the parcel to the North Dakota Board of Higher Education.

(E) In the case of the parcel referred to in subparagraph (E) of that subsection, by conveying without consideration all right, title, and interest of the United States in and to the parcel to the City of Finley, North Dakota.

(F) In the case of the parcel referred to in subparagraph (F) of that subsection, by conveying without consideration all right, title, and interest of the United States in and to the parcel to the government of Mineral County, Nevada.

(G) In the case of the parcel referred to in subparagraph (F) of that subsection, by conveying without consideration all right, title, and interest of the United States in and to the parcel to the Town of Harpswell, Maine.

(2) The Administrator may require such additional terms and conditions in connection with a conveyance under this subsection as the Administrator and the Secretary of Defense jointly consider appropriate to protect the interests of the United States.

(f) REPORT BY ADMINISTRATOR.—(1) Not later than 125 days after the date of the enactment of this Act, the

Administrator shall submit to the Committees on Armed Services of the Senate and House of Representatives and to the Secretary of Defense a report on the activities of the Administrator under this section.

(2) The report shall include with respect to each parcel of real property referred to in subsection (b)(1) the following information:

(A) The interest, if any, for all or a portion of the parcel that was expressed by executive agencies under subsection (c) or by governments or nonprofit organizations under subsection (d).

(B) The use, if any, proposed for the portion of the parcel under each expression of interest.

(C) The determination of the Administrator whether a transfer or conveyance of all or a portion of the parcel, as the case may be, to the agency, government, or organization was appropriate.

(D) The other disposal options, if any, that the Administrator has identified for the parcel.

(E) Any other matters that the Administrator considers appropriate.

(g) DESIGNATION OF AUTHORITY TO BE USED.—(1) If the Administrator submits the report required under subsection (f) within the time specified in that subsection, the Secretary of Defense may direct the Administrator

under subsection (a)(2) to carry out the transfer or conveyance under subsection (c) or (d) of all or a portion of a parcel of property referred to in subsection (b)(1) in accordance with the determinations made by the Administrator with respect to the transfer or conveyance of the parcel under subsection (c) or (d), respectively.

(2) If the Administrator does not submit the report required under subsection (f) within the time specified in that subsection, the Secretary may direct the Administrator to carry out the conveyances of the parcels of property that are authorized under subsection (e) in accordance with such subsection (e).

Subtitle D—Changes to Existing Land Transaction Authority

SEC. 2831. MODIFICATIONS OF LAND CONVEYANCE, FORT A.P. HILL MILITARY RESERVATION, VIRGINIA.

(a) PARTICIPATION OF ADDITIONAL POLITICAL SUBDIVISIONS IN REGIONAL CORRECTIONAL FACILITY.—Subparagraph (B) of subsection (c)(3) of section 603 of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102–25; 105 Stat. 108) is amended to read as follows:

''(B) Subparagraph (A) shall not be construed to prohibit any political subdivision not named in such subparagraph from—

''(i) participating initially in the written agreement referred to in paragraph (2); or

''(ii) agreeing at a later date to participate as a member of the governmental entity referred to in paragraph (2)(A), or by contract with such entity, in the construction or operation of the regional facility to be constructed on the parcel of land conveyed under this section.''.

(b) TIME FOR CONSTRUCTION AND OPERATION OF CORRECTIONAL FACILITY.—(1) Subsection (d)(1)(A)(i) of such section is amended by striking out ''not later than 24 months after the date of the enactment of this Act'' and inserting in lieu thereof ''not later than April 1, 1997''.

(2) The Secretary of the Army shall provide the recipient of the conveyance of property under section 603 of such Act with such legal instrument as is appropriate to modify, in accordance with the amendment made by paragraph (1), any statement of conditions contained in any existing instrument which conveyed the property to that recipient. The Secretary shall record the instrument in the appropriate office or officers of the Commonwealth of Virginia or political subdivision within the Commonwealth.

SEC. 2832. MODIFICATION OF CONVEYANCE OF ELECTRICITY DISTRIBUTION SYSTEM, FORT DIX, NEW JERSEY.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1904) is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

SEC. 2833. MODIFICATION OF LAND CONVEYANCE, FORT KNOX, KENTUCKY.

Section 2816 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1655) is amended—

(1) in subsection (c), by striking out ''for the construction of up to four units of military family housing at Fort Knox, Kentucky'' and inserting in lieu thereof ''for improvements to military family housing at Fort Knox, Kentucky, in an amount not to exceed $255,000'';

(2) by striking out subsection (d); and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 2834. PRESERVATION OF CALVERTON PINE BARRENS, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, NEW YORK, AS NATURE PRESERVE.

(a) PRESERVATION AS NATURE PRESERVE REQUIRED.—Section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2626) is amended—

(1) by redesignating subsections (a) and (b) as subsections (c) and (d); and

(2) by inserting before subsection (c), as so redesignated, the following new subsections (a) and (b):

''(a) PURPOSE.—It is the purpose of this section to ensure that the Calverton Pine Barrens is maintained and preserved, in perpetuity, as a nature preserve in its current undeveloped state.

''(b) PROHIBITION ON INCONSISTENT DEVELOPMENT.—(1) The Secretary of the Navy may not carry out or permit any commercial or residential development of the property referred to in paragraph (2) that is inconsistent with the purpose specified in subsection (a).

''(2) Paragraph (1) applies to any parcel of real property within the Calverton Pine Barrens that is under the jurisdiction of the Secretary.''.

(b) CONFORMING AMENDMENTS.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended—

(1) by striking out ''PROHIBITION.—'' and inserting in lieu thereof ''REVERSIONARY INTEREST.—''; and

(2) by striking out ''for commercial purposes'' and all that follows through the period and inserting in lieu thereof ''in a manner inconsistent with the purpose specified in subsection (a) (as determined by the head of the department or agency making the conveyance).''.

Subtitle E—Other Matters

SEC. 2841. JOINT CONSTRUCTION CONTRACTING FOR COMMISSARIES AND NONAPPROPRIATED FUND INSTRUMENTALITY FACILITIES.

(a) SINGLE CONTRACT CONSTRUCTION.—Section 2685 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d)(1) The Secretary of a military department may authorize a nonappropriated fund instrumentality of the United States to enter into a contract for construction of a shopping mall or similar facility for a commissary store and one or more nonappropriated fund instrumentality activities. The Secretary may use the proceeds of adjust-

ments or surcharges authorized by subsection (a) to reimburse the nonappropriated fund instrumentality for the portion of the cost of the contract that is attributable to construction of the commissary store or to pay the contractor directly for that portion of such cost.

''(2) In paragraph (1), the term 'construction', with respect to a facility, includes acquisition, conversion, expansion, installation, or other improvement of the facility.''.

(b) OBLIGATION OF ANTICIPATED PROCEEDS.—Subsection (c) of such section is amended by inserting ''or (d)'' after ''subsection (b)'' both places it appears.

SEC. 2842. NATIONAL GUARD FACILITY CONTRACTS SUBJECT TO PERFORMANCE SUPERVISION BY THE ARMY OR THE NAVY.

(a) CONTRACTS SUBJECT TO SUPERVISION.—Subsection (a) of section 2237 of title 10, United States Code, is amended by striking out ''under any provision'' and all that follows through ''and (4)'' and inserting in lieu thereof ''under section 2233(a)(1)''.

(b) CONFORMING AMENDMENT.—Subsection (b) of such section is amended by striking out ''or (4)'' and inserting in lieu thereof ''(4), (5), or (6)''.

SEC. 2843. WAIVER OF REPORTING REQUIREMENTS FOR CERTAIN REAL PROPERTY TRANSACTIONS IN THE EVENT OF WAR OR NATIONAL EMERGENCY.

Section 2662 of title 10, United States Code, is amended by adding at the end the following:

''(g)(1) Subsections (a) and (e) do not apply—

''(A) during a period described in paragraph (2); or

''(B) to transactions described in such subsections that are undertaken to restore Federal Government operations, to provide public assistance or relief, or to restore public order in relation to a major disaster declared in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(2) The periods referred to in paragraph (1)(A) are as follows:

''(A) A period of war declared by Congress.

''(B) A period of national emergency declared by the President in accordance with the National Emergencies Act (50 U.S.C. 1601 et seq.)

''(3) Not later than 30 days after taking an action for which prior notification would, except for this subsection, otherwise be required under subsection (a) or (e), the Secretary of the military department concerned or, in

the case of an element of the Department of Defense not within a military department, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the action taken.''.

SEC. 2844. REPORT ON USE OF FUNDS FOR ENVIRONMENTAL RESTORATION AT CORNHUSKER ARMY AMMUNITION PLANT, HALL COUNTY, NEBRASKA.

(a) REPORT REQUIRED.—The Secretary of the Army shall submit to Congress a report describing the manner in which funds available to the Army for operation and maintenance (including funds in the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code) will be used by the Secretary for environmental restoration and maintenance of the real property that comprises the Cornhusker Army Ammunition Plant, Hall County, Nebraska.

(b) CONTENTS.—The report shall include the following:

(1) The funding plan for environmental restoration at the Cornhusker Army Ammunition Plant.

(2) A legal opinion stating whether any portion of the funds to be used for such environmental res-

toration may be used for the repair of the roads at the Plant in order to bring such roads into compliance with applicable State and local public works codes.

(3) A survey of the roads at the Plant that identifies which roads, if any, are in need of repair in order to bring the roads at the Plant into compliance with such codes.

(4) An estimate of the cost of the repair of the roads referred to in paragraph (3) in order to bring the roads into compliance.

(5) An explanation of the purpose, cost, and source of funds for any proposed preservation of documents or other materials relating to the cultural, historical, and natural resources associated with the Plant.

(c) SUBMISSION OF REPORT.—The Secretary shall submit the report required by this section not later than May 1, 1995.

SEC. 2845. DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a Department of Defense Laboratory Revitalization Demonstration Program. Under the program the Secretary may carry out minor military construction

projects in accordance with subsection (b) and other applicable law to improve Department of Defense laboratories covered by the program.

(b) INCREASED MAXIMUM AMOUNTS APPLICABLE TO MINOR CONSTRUCTION PROJECTS.—For purpose of any military construction project carried out under the program—

(1) the amount provided in subsection (a)(1) of section 2805 of title 10, United States Code, shall be deemed to be $3,000,000;

(2) the amount provided in subsection (b)(1) of such section shall be deemed to be $1,500,000; and

(3) the amount provided in subsection (c)(1) of such section shall be deemed to be $1,000,000.

(c) DESIGNATION OF COVERED LABORATORIES.—Not later than 30 days before commencing the program, the Secretary shall designate the Department of Defense laboratories that are to be covered by the program and notify Congress of the laboratories so designated. Only the designated laboratories may be covered by the program.

(d) REPORT.—Not later than September 30, 1998, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendations regarding the desirability and feasibility of extending the authority set forth in sub-

section (b) to cover all Department of Defense laboratories.

(e) EXCLUSIVITY OF PROGRAM.—Nothing in this section may be construed to limit any other authority provided by law for any military construction project at a Department of Defense laboratory covered by the program.

(f) DEFINITIONS.—In this section:

(1) The term ''laboratory'' includes—

(A) a research, engineering, and development center;

(B) a test and evaluation activity owned, funded, and operated by the Federal Government through the Department of Defense; and

(C) a supporting facility of a laboratory.

(2) The term ''supporting facility'', with respect to a laboratory, means any building or structure that is used in support of research, development, test, and evaluation at a laboratory.

(3) The term ''Department of Defense laboratory'' does not include a contractor owned laboratory.

(g) EXPIRATION OF AUTHORITY.—The Secretary may not carry out the program after September 30, 1999.

SEC. 2846. AGREEMENTS OF SETTLEMENT FOR RELEASE OF IMPROVEMENTS AT OVERSEAS MILITARY INSTALLATIONS.

(a) AGREEMENTS SUBJECT TO OMB REVIEW.—Subsection (g) of section 2921 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 10 U.S.C. 2687 note) is amended by inserting after the first sentence the following: ''The prohibition set forth in the preceding sentence shall apply only to agreements of settlement for improvements having a value in excess of $10,000,000.''.

(b) REPORTS TO CONGRESS.—Such subsection, as amended by subsection (a), is further amended—

(1) by inserting ''(1)'' before ''The Secretary of Defense''; and

(2) by adding at the end the following:

''(2) Each year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on each proposed agreement of settlement that was not submitted by the Secretary to the Director of the Office of Management and Budget in the previous year under paragraph (1) because the value of the improvements to be released pursuant to the proposed agreement did not exceed $10,000,000.''.

SEC. 2847. REVISIONS TO RELEASE OF REVERSIONARY INTEREST, OLD SPANISH TRAIL ARMORY, HARRIS COUNTY, TEXAS.

(a) CLERICAL AMENDMENTS.—Section 2820 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1894) is amended—

(1) in subsection (a), by striking out ''1936'' and inserting in lieu thereof ''1956''; and

(2) in subsection (b)(1), by striking out ''value'' and inserting in lieu thereof ''size''.

(b) PAYMENT FOR SURVEY.—Subsection (c) of such section is amended by adding at the end the following: ''The cost of the survey shall be borne by the State of Texas.''.

SEC. 2848. TRANSFER OF JURISDICTION, AIR FORCE HOUSING AT RADAR BOMB SCORING SITE, HOLBROOK, ARIZONA.

(a) TRANSFER AUTHORIZED.—As part of the closure of an Air Force Radar Bomb Scoring Site located near Holbrook, Arizona, the Secretary of the Air Force may transfer without reimbursement the administrative jurisdiction, accountability and control of the housing units and associated support facilities used in connection with the site to the Secretary of the Interior for use in connection with the Petrified Forest National Park.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Air Force and the Secretary of the Interior.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the transfer of real property under subsection (a) as the Secretary considers appropriate.

SEC. 2849. ASSISTANCE FOR PUBLIC PARTICIPATION IN DEFENSE ENVIRONMENTAL RESTORATION ACTIVITIES.

(a) ESTABLISHMENT OF RESTORATION ADVISORY BOARDS.—Section 2705 of title 10, United States Code, is amended by adding after subsection (c) the following:

''(d) RESTORATION ADVISORY BOARD.—(1) In lieu of establishing a technical review committee under subsection (c), the Secretary may permit the establishment of a restoration advisory board in connection with any installation (or group of nearby installations) where the Secretary is planning or implementing environmental restoration activities.

''(2) The Secretary shall prescribe regulations regarding the characteristics, composition, funding and es-

tablishment of restoration advisory boards pursuant to this subsection, if the Secretary decides to use this authority. Prescription of regulations shall not be a precondition to establishment of a restoration advisory board or impact restoration advisory board established prior to the date of enactment of this section.

''(3) The Secretary may provide for the payment of routine administrative expenses of a restoration advisory board from funds available for the operation and maintenance of the installation (or installations) for which the board is established or from the funds available under subsection (e)(4).''.

(b) ASSISTANCE FOR CITIZEN PARTICIPATION ON TECHNICAL REVIEW BOARDS AND RESTORATION ADVISORY BOARDS.—Such section is further amended by adding after subsection (d), as added by subsection (a), the following:

''(e) ASSISTANCE FOR CITIZEN PARTICIPATION.—(1)(A) Subject to subparagraph (B), the Secretary shall make available under paragraph (4) funds to facilitate the participation of individuals from the private sector on technical review committees and restoration advisory boards for the purpose of ensuring public input into the planning and implementation of environmental restoration

activities at installations where such committees and boards are in operation.

''(B) A committee or advisory board for an installation is eligible for funding assistance under this subsection only if the committee or board is composed of individuals from the private sector who reside in a community in the vicinity of the installation and who are not potentially responsible parties with respect to environmental hazards at the installation.

''(2) Individuals who are local community members of a technical review committee or restoration advisory board may use funds made available under this subsection only—

''(A) to obtain technical assistance in interpreting scientific and engineering issues with regard to the nature of environmental hazards at an installation and the restoration activities proposed or conducted at the installation; and

''(B) to assist such members and affected citizens to participate more effectively in environmental restoration activities at the installation.

''(3) The members of a technical review committee or restoration advisory board may employ technical or other experts in accordance with regulations prescribed

under subsections (d) and (e)(1) of title 10, United States Code as added by this section.

''(4)(A) Subject to subparagraph (B), the Secretary shall make funds available under this subsection using funds in the following accounts:

''(i) In the case of a military installation not closed pursuant to a base closure law, the Defense Environmental Restoration Account established in section 2703(a) of this title .

''(ii) In the case of a technical review committee or restoration advisory board established for a military installation to be closed, the Department of Defense Base Closure Account 1990 established under section 2906(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).

''(B) The total amount of funds available under this subsection for fiscal year 1995 may not exceed $7,500,000.''.

(c) INVOLVEMENT OF COMMITTEES AND BOARDS IN DEFENSE ENVIRONMENTAL RESTORATION PROGRAM.—Such section is further amended by adding after subsection (e), as added by subsection (b), the following:

''(f) INVOLVEMENT IN DEFENSE ENVIRONMENTAL RESTORATION PROGRAM.—If a technical review commit-

tee or restoration advisory board is established with respect to an installation, the Secretary shall consult with and seek the advice of the committee or board on the following issues:

''(1) Identifying environmental restoration activities and projects at the installation.

''(2) Monitoring progress on these activities and projects.

''(3) Collecting information regarding restoration priorities for the installation.

''(4) Addressing land use, level of restoration, acceptable risk, and waste management and technology development issues related to environmental restoration at the installation.

''(5) Developing environmental restoration strategies for the installation.''.

(d) IMPLEMENTATION REQUIREMENTS.—Not later than 180 days after the date on which the Secretary announces a decision to establish restoration advisory boards, the Secretary of Defense shall—

(1) prescribe the regulations required under subsections (d) and (e)(1) of title 10, United States Code, as added by this section; and

(2) take appropriate actions to notify the public of the availability of funding under subsection (e) of such section, as so added.

''(e) REPORT.—The Secretary shall report to the Committees on Armed Services of the Senate and the House of Representatives by May 1, 1996, on the establishment of restoration advisory boards and funds expended for assistance for citizen participation.

SEC. 2850. SENSE OF THE SENATE ON AUTHORIZATION OF FUNDS FOR MILITARY CONSTRUCTION PROJECTS NOT REQUESTED IN THE PRESIDENT'S ANNUAL BUDGET REQUEST.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that, to the maximum extent practicable, the Senate should consider the authorization for appropriation of funds for a military construction project not included in the annual budget request of the Department of Defense only if:

(1) the project is consistent with past actions of the Base Realignment and Closure process;

(2) the project is included in the military construction plan of the military department concerned incorporated in the Future Years Defense Program;

(3) the project is necessary for reasons of the national security of the United States; and

(4) a contract for construction of the project can be awarded in that fiscal year.

(b) VIEWS OF THE SECRETARY OF DEFENSE.—In considering these criteria, the Senate should obtain the views of the Secretary of Defense. These views should include whether funds for a military construction project not included in the budget request can be offset by funds for other programs, projects, or activities, including military construction projects, in the budget request and, if so, the specific offsetting reductions recommended by the Secretary of Defense.

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. WEAPONS ACTIVITIES.

(a) RESEARCH AND DEVELOPMENT.—Subject to subsection (f), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for research and development in carrying out weapons activities

necessary for national security programs in the amount of $1,187,818,000, to be allocated as follows:

(1) For core research and development, $795,551,000, to be allocated as follows:

(A) For operating expenses, $649,341,000.

(B) For capital equipment, $69,420,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $76,790,000, to be allocated as follows:

Project GPD–101, general plant projects, various locations, $8,500,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $3,300,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $13,000,000.

Project 92–D–102, nuclear weapons research, development, and testing facili-

ties revitalization, Phase IV, various locations, $21,810,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $7,700,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $22,480,000.

(2) For inertial fusion, $176,473,000, to be allocated as follows:

(A) For operating expenses, $166,755,000.

(B) For capital equipment, $9,718,000.

(3) For technology transfer, $215,794,000, to be allocated as follows:

(A) For operating expenses, $209,794,000.

(B) For capital equipment, $6,000,000.

(b) TESTING.—Subject to subsection (f), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for testing in carrying out weapons activities necessary for national security programs in the amount of $384,719,000, to be allocated as follows:

(1) For testing capabilities and readiness $374,719,000, to be allocated as follows:

(A) For operating expenses, $338,249,000.

(B) For capital equipment, $15,470,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $21,000,000, to be allocated as follows:

Project GPD–101, general plant projects, various locations, $4,000,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $17,000,000.

(2) For operating expenses for solar energy development, $10,000,000.

(c) STOCKPILE SUPPORT.—Subject to subsection (f), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for stockpile support in carrying out weapons activities necessary for national security programs in the amount of $1,557,085,000, to be allocated as follows:

(1) For operating expenses for stockpile support, $1,487,085,000.

(2) For capital equipment, $15,880,000.

(3) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $54,120,000, to be allocated as follows:

Project GPD–121, general plant projects, various locations, $1,000,000.

Project 95–D–122, sanitary sewer upgrade Oak Ridge Y-12 Plant, Oak Ridge, Tennessee, $2,200,000.

Project 95–D–123, replace transportation safeguards, aviation facility, Albuquerque, New Mexico, $2,000,000.

Project 94–D–124, hydrogen fluoride supply system, Oak Ridge Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $1,000,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $1,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $1,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $5,000,000.

Project 88–D–122, facilities capability assurance program, various locations, $19,620,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $15,000,000.

(d) PROGRAM DIRECTION.—Subject to subsection (f), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for program direction in carrying out weapons activities necessary for national security programs in the amount of $169,852,000, to be allocated as follows:

(1) For operating expenses for weapons program direction, $167,498,000.

(2) For capital equipment, $2,354,000.

(e) RECONFIGURATION.—Subject to subsection (f), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for nuclear weapons complex reconfiguration in carrying out weapons ac-

tivities necessary for national security programs in the amount of $152,271,000, to be allocated as follows:

(1) For operating expenses for reconfiguration, $94,271,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $58,000,000, all of which to be allocated as follows:

Project 93–D–123, complex-21, various locations.

(f) ADJUSTMENTS.—Subject to section 3105, the total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (e) reduced by the sum of—

(1) $131,077,000, for use of prior year balances; and

(2) $11,000,000, for savings resulting from procurement reform.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (h), funds are hereby authorized to be appropriated to the

Department of Energy for fiscal year 1995 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,012,000, all of which to be allocated to a plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto) as follows:

Project 92–D–403, tank upgrades project, Lawrence Livermore National Laboratory, California.

(b) ENVIRONMENTAL RESTORATION.—(1) Subject to paragraph (2), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,531,969,000.

(2) Subject to subsection (h), the amount authorized to be appropriated pursuant to this subsection is the amount authorized to be appropriated in paragraph (1) reduced by $133,900,000, as a result of the productivity savings initiative.

(c) WASTE MANAGEMENT.—(1) Subject to paragraph (2), funds are hereby authorized to be appropriated to the

Department of Energy for fiscal year 1995 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,913,045,000, to be allocated as follows:

(A) For operating expenses, $2,408,029,000.

(B) For capital equipment, $104,790,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $400,226,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $23,742,000.

Project 95–D–401, radiological support facilities, Richland, Washington, $1,585,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $700,000.

Project 95–D–403, hazardous waste storage facility, Mound Plant, Miamisburg, Ohio, $597,000.

Project 95–D–405, industrial landfill V and construction demolition landfill VII, Oak

Ridge Y–12 Plant, Oak Ridge, Tennessee, $1,000,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $2,338,000.

Project 95–D–407, 219-S secondary containment upgrade, Richland, Washington, $2,000,000.

Project 95–D–408, Phase II liquid effluent treatment and disposal, Richland, Washington, $7,100,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,000,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $3,292,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $21,373,000.

Project 94–D–406, low-level waste disposal facilities, K–25, Oak Ridge, Tennessee, $6,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $17,700,000.

Project 94–D–408, office facilities—200 East, Richland, Washington, $4,000,000.

Project 94–D–411, solid waste operation complex, Richland, Washington, $42,200,000.

Project 94–D–416, solvent storage tanks installation, Savannah River, South Carolina, $1,700,000.

Project 94–D–417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $300,000.

Project 93–D–174, plant drain waste water treatment upgrades, Y–12 Plant, Oak Ridge, Tennessee, $1,400,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats, Golden, Colorado, $3,300,000.

Project 93–D–181, radioactive liquid waste line replacement, Richland, Washington, $3,300,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $18,910,000.

Project 93–D–183, multi-tank waste storage facility, Richland, Washington, $95,305,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River, Aiken, South Carolina, $26,525,000.

Project 92–D–177, tank 101–AZ waste retrieval system, Richland, Washington, $5,000,000.

Project 92–D–188, waste management ES&H, and compliance activities, various locations, $2,846,000.

Project 91–D–171, waste receiving and processing facility, module 1, Richland, Washington, $3,995,000.

Project 90–D–172, aging waste transfer line, Richland, Washington, $3,819,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $11,747,000.

Project 90–D–178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $7,594,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River, South Carolina, $18,000,000.

Project 89–D–175, hazardous waste/mixed waste disposal facility, Savannah River, South Carolina, $500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $9,500,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River, South Carolina, $6,000,000.

Project 81–T–105, defense waste processing facility, Savannah River, South Carolina, $45,058,000.

(2) Subject to subsection (h), the total amount authorized to be appropriated pursuant to this subsection is the sum of the amounts authorized to be appropriated in paragraph (1) reduced by $160,800,000, as a result of the productivity savings initiative.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995

for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $426,409,000, to be allocated as follows:

(1) For operating expenses, $400,974,000.

(2) For capital equipment, $25,435,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $20,684,000, to be allocated as follows:

(1) For operating expenses, $20,240,000.

(2) For capital equipment, $444,000.

(f) PROGRAM DIRECTION.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $84,948,000, to be allocated as follows:

(1) For operating expenses, $83,748,000.

(2) For capital equipment, $1,200,000.

(g) FACILITY TRANSITION AND MANAGEMENT.—(1) Subject to paragraph (2), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for facility transition and management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $791,857,000, to be allocated as follows:

(A) For operating expenses, $681,550,000.

(B) For capital equipment, $23,947,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $86,360,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $20,495,000.

Project 95–D–453, primary highway route north of the Wye Barricade, Richland, Washington, $2,500,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $1,500,000.

Project 95–D–455, Idaho National Engineering Laboratory radio communications up-

grade, Idaho National Engineering Laboratory, Idaho, $1,440,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $986,000.

Project 94–D–122, underground storage tanks, Rocky Flats, Colorado, $2,500,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,219,000.

Project 94–D–412, 300 area process sewer piping upgrade, Richland, Washington, $7,800,000.

Project 94–D–415, medical facilities, Idaho National Engineering Laboratory, Idaho, $4,920,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $10,600,000.

Project 93–D–172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $7,800,000.

Project 93–D–184, 325 facility compliance/renovation, Richland, Washington, $1,000,000.

Project 93–D–186, 200 area unsecured core area fabrication shop, Richland, Washington, $4,000,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $2,100,000.

Project 92–D–181, INEL fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,000,000.

Project 92–D–182, INEL sewer system upgrade, Idaho National Engineering Laboratory, Idaho, $1,900,000.

Project 92–D–186, steam system rehabilitation, Phase II, Richland, Washington, $5,600,000.

(2) Subject to subsection (h), the total amount authorized to be appropriated pursuant to this subsection is the sum of the amounts authorized to be appropriated in paragraph (1) reduced by $5,000,000, as a result of the productivity savings initiative.

(h) PRIOR YEAR BALANCES.—Subject to section 3105, the total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized

to be appropriated in subsections (a), (b)(2), (c)(2), (d), (e), (f), and (g)(2) reduced by the sum of—

(1) $240,300,000 for use of prior year balances; and

(2) $17,500,000 for savings resulting from procurement reform.

SEC. 3103. NUCLEAR MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS.

(a) MATERIALS SUPPORT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for materials support in carrying out nuclear materials support necessary for national security programs in the amount of $887,225,000, to be allocated as follows:

(1) For reactor operations, $163,634,000.

(2) For processing of nuclear materials, $369,468,000.

(3) For support services, $167,776,000.

(4) For capital equipment, $39,427,000.

(5) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,950,000, to be allocated as follows:

Project GPD–146, general plant projects, various locations, $21,000,000.

Project 95–D–154, health physics site support facility, Savannah River, South Carolina, $2,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $750,000.

Project 95–D–156, radio trunking system, Savannah River, South Carolina, $2,100,000.

Project 95–D–157, D–area powerhouse life extension, Savannah River, South Carolina, $4,000,000.

Project 95–D–158, disassembly basin upgrades K, L, and P, Savannah River, South Carolina, $13,000,000.

Project 93–D–147, domestic water system upgrade, Phases I and II, Savannah River, South Carolina, $11,300,000.

Project 93–D–148, replace high-level drain lines, Savannah River, South Carolina, $2,700,000.

Project 93–D–152, environmental modification for production facilities, Savannah River, South Carolina, $2,900,000.

Project 92–D–143, health protection instrument calibration facility, Savannah River, South Carolina, $3,000,000.

Project 90–D–149, plantwide fire protection, Phases I and II, Savannah River, South Carolina, $21,000,000.

Project 92–D–150, operations support facilities, Savannah River, South Carolina, $2,000,000.

Project 92–D–153, engineering support facility, Savannah River, South Carolina, $3,200,000.

(6) For program direction, $58,000,000.

(b) OTHER DEFENSE PROGRAMS.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for other defense programs in carrying out defense programs necessary for national security programs in the amount of $692,204,000, to be allocated as follows:

(1) For verification and control technology, $358,102,000, to be allocated as follows:

(A) For operating expenses, $342,229,000.

(B) For capital equipment, $15,873,000.

(2) For nuclear safeguards and security, $85,816,000, to be allocated as follows:

(A) For operating expenses, $82,421,000.

(B) For capital equipment, $3,395,000.

(3) For security investigations, $38,827,000.

(4) For security evaluations, $14,780,000.

(5) For the Office of Nuclear Safety, $24,679,000, to be allocated as follows:

(A) For operating expenses, $24,629,000.

(B) For capital equipment, $50,000.

(6) For worker and community transition, $120,000,000.

(7) For fissile material control and disposition, $50,000,000.

(c) NAVAL REACTORS.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 for naval reactors in carrying out nuclear materials support and other defense programs necessary for national security programs in the amount of $730,651,000, to be allocated as follows:

(1) For naval reactors development, $698,651,000, to be allocated as follows:

(A) For operating expenses:

(i) For plant development, $146,700,000.

(ii) For reactor development, $348,951,000.

(iii) For reactor operation and evaluation, $136,000,000.

(iv) For program direction, $18,800,000.

(B) For capital equipment, $28,200,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $20,000,000, to be allocated as follows:

Project GPN–101, general plant projects, various locations, $6,200,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $2,400,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $700,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $7,900,000.

Project 92–D–200, laboratories facilities upgrades, various locations, $2,800,000.

(2) For enrichment materials, for operating expenses, $32,000,000.

(d) ADJUSTMENTS.—Subject to section 3105, the total amount that may be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a), (b), and (c) reduced by the sum of—

(1) $40,000,000, for recovery of overpayment to the Savannah River Pension Fund;

(2) $6,500,000, for savings resulting from procurement reform; and

(3) $369,700,000, for transfer and use of prior year balances for materials support and other defense programs.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1995 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 $129,430,000.

SEC. 3105. GENERAL REDUCTION IN AUTHORIZATION OF APPROPRIATIONS.

The total amount authorized to be appropriated pursuant to sections 3101, 3102, 3103, and 3104 is the sum of the amounts authorized to be appropriated in such sections reduced by $220,000,000 for use of prior year balances from fiscal year 1994.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) NOTICE TO CONGRESS.—(1) Except as otherwise provided in this title—

(A) no amount appropriated pursuant to this title may be used for any program in excess of the lesser of—

(i) 105 percent of the amount authorized for that program by this title; or

(ii) $10,000,000 more than the amount authorized for that program by this title; and

(B) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress.

(2) An action described in paragraph (1) may not be taken until—

(A) the Secretary of Energy has submitted to the congressional defense committees a report con-

taining a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain.

(b) LIMITATION ON AMOUNT OBLIGATED.—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost

of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the action and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUNDS TRANSFER AUTHORITY.

The Secretary of Energy may transfer funds appropriated pursuant to this title to other agencies of the Federal Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

SEC. 3125. AUTHORITY FOR CONSTRUCTION DESIGN.

(a) IN GENERAL.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out advance planning and construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated

cost for such planning and design does not exceed $3,000,000.

(2) In the case of any project in which the total estimated cost for advance planning and design exceeds $600,000, the Secretary shall notify the congressional defense committees in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) SPECIFIC AUTHORITY REQUIRED.—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $3,000,000, funds for such planning and design must be specifically authorized by law.

SEC. 3126. REQUIREMENT FOR COMPLETION OF CONCEPTUAL DESIGN TO PRECEDE REQUEST FOR CONSTRUCTION FUNDS.

(a) REQUIREMENT.—Before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(b) EXCEPTIONS.—The requirement in subsection (a) does not apply to requests for funds—

(1) for the costs of preparing a conceptual design for a construction project referred to in that subsection; or

(2) for emergency planning, design, and construction activities under section 3127.

SEC. 3127. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy under sections 3101, 3102, and 3103, including those funds authorized to be appropriated for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b) does not apply to emergency planning, de-

sign, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall promptly report to the congressional defense committees any exercise of authority under this section.

SEC. 3128. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title that are made available for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3129. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. STOCKPILE STEWARDSHIP RECRUITMENT AND TRAINING PROGRAM.

(a) CONDUCT OF PROGRAM.—(1) As part of the stockpile stewardship program established pursuant to

section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note), the Secretary of Energy shall conduct a stockpile stewardship recruitment and training program at the Sandia National Laboratories, the Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory.

(2) The recruitment and training program shall be conducted in coordination with the Chairman of the Joint Nuclear Weapons Council established by section 179 of title 10, United States Code, and the directors of the laboratories referred to in paragraph (1).

(b) SUPPORT OF DUAL-USE PROGRAMS.—(1) As part of the recruitment and training program, the directors of the laboratories referred to in subsection (a)(1) may employ undergraduate students, graduate students, and postdoctoral fellows to carry out research sponsored by such laboratories for military or nonmilitary dual-use programs related to nuclear weapons stockpile stewardship.

(2) Of the amounts authorized to be appropriated to the Secretary of Energy pursuant to section 3101(a)(1) for weapons activities for core research and development and allocated by the Secretary for education initiatives, $4,000,000 shall be available for carrying out paragraph

(1). The amount available under this paragraph shall be allocated equally among the laboratories referred to in subsection (a)(1).

(c) ESTABLISHMENT OF RETIREE CORPS.—As part of the training and recruitment program, the Secretary, in coordination with the directors of the laboratories referred to in subsection (a)(1), shall establish for the laboratories a retiree corps of retired scientists who have expertise in research and development of nuclear weapons. The directors may employ the retired scientists on a part-time basis to provide appropriate assistance on nuclear weapons issues, to contribute relevant information to be archived, and to help to provide training to other scientists.

(d) REPORT.—(1) Not later than February 1, 1995, the Secretary of Energy shall submit to the congressional defense committees a report on the demographic trends of the personnel of the laboratories referred to in subsection (a)(1) and on actions taken by the Department of Energy to remedy identified deficiencies in various skill areas.

(2) The report shall be prepared in coordination with the Chairman of the Joint Nuclear Weapons Council and the directors of the laboratories. Information included in

the report shall be aggregated and compiled into statistical categories.

(3) The report shall include the following:

(A) An inventory of the weapons-related tasks that the laboratories need to perform to support their nuclear weapons responsibilities.

(B) An inventory of the skills necessary to complete the weapons-related tasks referred to in subparagraph (A).

(C) For each laboratory, the number of scientists needed in each skill area to perform such tasks.

(D) The number of the scientists providing services in each skill area at each laboratory, stated by age.

(E) An assessment of which skill areas are understaffed.

(F) The number of scientists entering the weapons program at each laboratory, and their skill areas.

(G) The number of full-time equivalent personnel with weapon skills, their distribution by skill and, for each such skill, their distribution by age.

(H) The number of scientists retiring from the weapons program in the 5- year period ending on

the date of the report and the skill areas in which they worked in the year preceding their retirement.

(I) Based on the information contained in subparagraphs (A) through (H), a projection of the skills areas that will become understaffed in the five years following the date of the report.

(J) Alternative actions that may be taken to retain and recruit scientists for the weapons programs at the laboratories in order to preserve a sufficient skill base and to fulfill stockpile stewardship responsibilities.

(K) Any plans of the Secretary to take any of the alternative actions referred to in subparagraph (J).

SEC. 3132. DEFENSE INERTIAL CONFINEMENT FUSION PROGRAM.

Of the funds authorized to be appropriated by this title to the Department of Energy for fiscal year 1995, $176,473,000 shall be available for the defense inertial confinement fusion program.

SEC. 3133. PAYMENT OF PENALTIES.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for

environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties assessed under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) in amounts as follows:

(1) $50,000, assessed against the Fernald Environmental Management Project, Ohio, under such Act.

(2) $50,000, assessed against the Portsmouth Gaseous Diffusion Plant, Ohio, under such Act.

SEC. 3134. WATER MANAGEMENT PROGRAMS.

From funds authorized to be appropriated pursuant to section 3102 to the Department of Energy for environmental restoration and waste management activities, the Secretary of Energy may reimburse the cities of Westminster, Broomfield, Thornton, and Northglenn, in the State of Colorado, $11,415,000 for the cost of implementing water management programs. Reimbursements for the water management programs shall not be considered a major Federal action for purposes of section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

SEC. 3135. LIMITATION ON USE OF FUNDS FOR SPECIAL ACCESS PROGRAMS.

Not more than 20 percent of the funds appropriated or otherwise made available to the Department of Energy for fiscal year 1995 pursuant to this title that are available for limited access programs and special access program may be obligated for a limited access program or special access program until the Secretary of Energy submits to the congressional defense committees the annual reports required to be submitted in that fiscal year under subsections (a) and (b) of section 93 of the Atomic Energy Act of 1954 (42 U.S.C. 2122a).

SEC. 3136. PROTECTION OF NUCLEAR WEAPONS FACILITIES WORKERS.

Of the funds authorized to be appropriated by section 310(2) for environmental restoration and waste management activities, $11,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

SEC. 3137. NATIONAL SECURITY PROGRAMS.

Notwithstanding any other provision of law, not more than 90 percent of the funds appropriated to the Department of Energy for national security programs under this

title may be obligated for such programs until the Secretary of Energy submits to the congressional defense committees the five-year budget plan with respect to fiscal year 1995 required under section 3144 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271b).

SEC. 3138. SCHOLARSHIP AND FELLOWSHIP PROGRAM FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1995 for environmental restoration and waste management, $1,000,000 shall be available for the Scholarship and Fellowship Program for Environmental Restoration and Waste Management carried out under section 3123 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1572; 42 U.S.C. 7274e).

SEC. 3139. HAZARDOUS MATERIALS MANAGEMENT AND HAZARDOUS MATERIALS EMERGENCY RESPONSE TRAINING PROGRAM.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1995 under section 3102(d), not more than $14,000,000 shall be available to carry out a hazardous materials management and hazard-

ous materials emergency response training program at Hanford Nuclear Reservation, Richland, Washington.

SEC. 3140. PROGRAMS FOR PERSONS WHO MAY HAVE BEEN EXPOSED TO RADIATION RELEASED FROM HANFORD NUCLEAR RESERVATION.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy under section 3101 for fiscal year 1995, $3,295,591 shall be available for activities relating to the Hanford Health Information Network established pursuant to the authority set forth in section 3138 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1834).

(b) LIMITATION ON RELEASE OF CERTAIN PERSONAL INFORMATION.—(1) Information referred to in paragraph (2) that is collected from an individual pursuant to operation of the Hanford Health Information Network shall be used only by the Network unless the individual, or a designated legal representative of the individual, authorizes in writing the use of the information for another purpose.

(2) Paragraph (1) applies to the following information:

(A) The name, address, telephone number, and medical information and records of each individual

requesting assistance and information from the Network.

(B) Such other information or categories of information as the chief officers of the health departments of the States of Washington, Oregon, and Idaho jointly designate as information covered by this subsection.

SEC. 3141. SOLAR ENERGY ACTIVITIES AT NEVADA TEST SITE, NEVADA.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $10,000,000 shall be available for development of solar energy at the Nevada Test Site, Nevada.

Subtitle D—Other Matters

SEC. 3151. ACCOUNTING PROCEDURES FOR DEPARTMENT OF ENERGY FUNDS.

(a) IN GENERAL.—The Secretary of Energy shall prescribe procedures to account for the use of funds for the performance of the programs and activities of the Department of Energy for which funds are appropriated for national security programs of the Department of Energy. The procedures shall provide for such accounting for fiscal years beginning after fiscal year 1996.

(b) COVERED MATTERS.—The Secretary shall prescribe procedures under subsection (a)—

(1) to account for the funds appropriated to the Department for national security programs and activities of the Department that are not used for the purpose for which such funds were appropriated; and

(2) to provide an accounting for all encumbered funds, unencumbered funds, unobligated funds, costed funds, and uncosted obligations of the Department in that fiscal year.

SEC. 3152. APPROVAL FOR CERTAIN NUCLEAR WEAPONS ACTIVITIES.

(a) APPROVAL BY JOINT NUCLEAR WEAPONS COUNCIL.—Subsection (d) of section 179 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (8) and (9) as paragraphs (9) and (10), respectively; and

(2) by inserting after paragraph (7) the following new paragraph (8):

''(8) Coordinating and approving activities initiated or conducted by the Department of Energy for the study, development, and production of nuclear warheads, including concept definition studies, feasibility studies, engineering development, hardware component fabrication, warhead production, and warhead retirement.''.

(b) TECHNICAL AMENDMENTS.—Subsections (a)(3) and (b) of such section are amended by striking out ''appointed'' each place it appears and inserting in lieu thereof ''designated''.

SEC. 3153. STUDY OF FEASIBILITY OF CONDUCTING CERTAIN ACTIVITIES AT THE NEVADA TEST SITE, NEVADA.

Not later than April 1, 1995, the Secretary of Energy shall submit to Congress a report on the feasibility of conducting the following activities at the Nevada Test Site, Nevada:

(1) The demilitarization of large rocket motors, high energetic explosives and conventional ordnance.

(2) Disarmament and demilitarization of conventional weapons and components, generally.

(3) The conduct of experiments that assist in monitoring compliance with international agreements on the nonproliferation of nuclear weapons.

(4) The conduct of programs for the Department of Energy and the Department of Defense to develop simulator technologies for nuclear weapons design and effects, including advanced hydrodynamic simulators, fusion test facilities, and nuclear weapons effects simulators (such as the Decade and Jupiter simulators).

(5) The conduct of the stockpile stewardship program established pursuant to section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 2121 note).

(6) Experiments related to the nonproliferation of nuclear weapons, including experiments with respect to disablement of such weapons, nuclear forensics, sensors, and verification and monitoring.

SEC. 3154. NUCLEAR WEAPONS COUNCIL MEMBERSHIP.

Section 179(a)(1) title 10, United States Code, is amended to read as follows: ''(3) Two senior representatives of the Department of Energy appointed by the Secretary of Energy.''.

SEC. 3155. OFFICE OF FISSILE MATERIALS DISPOSITION.

(a) ESTABLISHMENT.—Title II of the Department of Energy Organization Act (42 U.S.C. 7131 et seq.) is amended by adding at the end the following:

''OFFICE OF FISSILE MATERIALS DISPOSITION

''SEC. 212. (a) There shall be within the Department an Office of Fissile Materials Disposition.

''(b) The Secretary shall designate the head of the Office. The head of the Office shall report to the Under Secretary.

''(c) The head of the Office shall be responsible for all activities of the Department relating to the management, storage, and disposition of fissile materials from

weapons and weapons systems that are excess to the national security needs of the United States.''.

(b) CONFORMING AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 210 the following new items:

''Sec. 211. Office of Minority Economic Impact.
''Sec. 212. Office of Fissile Materials Disposition.''.

SEC. 3156. EXTENSION OF AUTHORITY TO LOAN PERSONNEL AND FACILITIES AT IDAHO NATIONAL ENGINEERING LABORATORY.

Section 1434 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2074), as amended by section 3136 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2641), is further amended—

(1) in the third sentence of subsection (a)(3), by striking out ''fiscal years 1993 and 1994'' and inserting in lieu thereof ''fiscal years 1993, 1994, 1995, 1996, and 1997''; and

(2) in subsection (c), by striking out ''September 30, 1994, with respect to the Idaho National Engineering Laboratory'' and inserting in lieu thereof ''September 30, 1997, with respect to the Idaho National Engineering Laboratory''.

SEC. 3157. ELIMINATION OF REQUIREMENT FOR FIVE-YEAR PLAN FOR DEFENSE NUCLEAR FACILITIES.

Subsection (a) section 3135 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1575; 42 U.S.C. 7274g(a)) is amended—

(1) in paragraph (1)—

(A) by striking out ''(A) defense nuclear facilities and (B) all other facilities owned or operated by the Department of Energy'' in the first sentence and inserting in lieu thereof ''all facilities owned or operated by the Department of Energy except defense nuclear facilities''; and

(B) by inserting ''such'' in the third sentence after ''restoration at all'';

(2) in paragraph (4), by striking out ''The plan shall contain the following matter:'' and inserting in lieu thereof ''The plan shall include, with respect to the Department of Energy facilities required by paragraph (1) to be covered by the plan, the following matters:'';

(3) by striking out paragraph (6); and

(4) by redesignating paragraph (7) as paragraph (6).

SEC. 3158. AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

(a) AUTHORITY.—(1) Notwithstanding any provision of title 5, United States Code, governing appointments in the competitive service and General Schedule classification and pay rates, or any other provision of law, the Secretary of Energy may—

(A) establish and set the rates of pay for not more than 200 positions in the Department of Energy for scientific, engineering, and technical personnel whose duties will relate to safety at defense nuclear facilities of the Department; and

(B) appoint persons to such positions.

(2) The rate of pay for a position established under paragraph (1) may not exceed the rate of pay payable for Level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) To the maximum extent practicable, the Secretary shall appoint persons under paragraph (1)(B) to the positions established under paragraph (1)(A) in accordance with the merit system principles set forth in section 2301 of such title.

(b) OPM REVIEW.—(1) The Secretary shall enter into an agreement with the Director of the Office of Personnel Management under which agreement the Director

shall periodically evaluate the use of the authority set forth in subsection (a)(1).

(2) If the Director determines as a result of such evaluation that the Secretary of Energy is not appointing persons to positions under such authority in a manner consistent with the merit system principles set forth in section 2301 of title 5, United States Code, the Director shall notify the Secretary of that determination.

(3) Upon receipt of a notification under paragraph (2), the Secretary shall—

(A) take appropriate actions to appoint persons to positions under such authority in a manner consistent with such principles; or

(B) cease appointment of persons under such authority.

(c) TERMINATION.—(1) The authority provided under subsection (a)(1) shall terminate on September 30, 1997.

(2) An employee may not be separated from employment with the Department of Energy or receive a reduction in pay by reason of the termination of authority under paragraph (1).

SEC. 3159. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds autorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Department of Energy's Declassification Productivity Initiative.

SEC. 3160. SAFETY OVERSIGHT AND ENFORCEMENT AT DEFENSE NUCLEAR FACILITIES.

(a) FINDINGS.—Congress finds the following:

(1) Effective oversight of matters relating to nuclear safety at defense nuclear facilities and enforcement of nuclear safety standards at such facilities are critical to ensuring the safety of the public and the workers at such facilities.

(2) The Department of Energy has not devoted adequate attention historically to matters relating to nuclear safety at defense nuclear facilities.

(b) SAFETY AT DEFENSE NUCLEAR FACILITIES.—The Secretary of Energy shall take appropriate actions to ensure that—

(1) officials of the Department of Energy who are responsible for independent oversight of matters relating to nuclear safety at defense nuclear facilities and enforcement of nuclear safety standards at such facilities maintain independence from officials who are engaged in management of such facilities;

(2) the independent, internal oversight functions carried out by the Department include, at the minimum, activities relating to—

(A) the assessment of the safety of defense nuclear facilities;

(B) the assessment of the effectiveness of Department program offices in carrying out programs relating to the environment, safety, health, and security at defense nuclear facilities;

(C) the provision to the Secretary of oversight reports that—

(i) contain validated technical information; and

(ii) provide a clear analysis of the extent to which line programs governing defense nuclear facilities meet applicable goals for the environment, safety, health, and security at such facilities; and

(D) the development of clear performance standards to be used in assessing the adequacy of the programs referred to in subparagraph (C)(ii);

(3) the Department has a system for bringing issues relating to nuclear safety at defense nuclear

facilities to the attention of the officials of the Department (including the Secretary of Energy) having authority to resolve such issues in an adequate and timely manner; and

(4) an adequate number of qualified personnel of the Department are assigned to oversee matters relating to nuclear safety at defense nuclear facilities and enforce nuclear safety standards at such facilities.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report describing—

(1) the actions that the Secretary has taken or will take to fulfill the requirements set forth in paragraphs (1), (2), and (3) of subsection (b);

(2) the actions in addition to the actions described under paragraph (1) that the Secretary could take in order to fulfill such requirements; and

(3) the respective roles with regard to nuclear safety at defense nuclear facilities of the following officials:

(A) The Associate Deputy Secretary of Energy for Field Management.

(B) The Assistant Secretary of Energy for Defense Programs.

(C) The Assistant Secretary of Energy for Environmental Restoration and Waste Management.

SEC. 3161. CONDITIONS ON CONTRACTS BETWEEN THE FEDERAL GOVERNMENT AND CERTAIN LESSEES AND TRANSFEREES OF DEPARTMENT OF ENERGY PROPERTY.

(a) CONDITIONS.—Notwithstanding any other provision of law, the head of a department or agency of the United States may require as a condition of a contract with an entity described in subsection (b) that such entity certifies to the head of the department or agency the following:

(1) That no officer, director, employee, or agent of the entity has utilized in the preparation of the bid or solicitation for the contract—

(A) any records or systems of records of the Federal Government that are covered by section 552a of title 5, United States Code;

(B) any information or data of the Federal Government that has not been released or otherwise made generally available for preparation of bids or proposals on the contract; or

(C) any commercial information or data of another entity that has not been released or otherwise made generally available for that purpose.

(2) That the entity has returned, destroyed, or otherwise disposed of all documents received from the Federal Government by reason of any earlier contract between the Federal Government and the entity for the operation of the facility which is leased, or with respect to which property is transferred, to the entity pursuant to a provision of law referred to in subsection (b).

(b) COVERED ENTITIES.—Subsection (a) applies to any entity, or the affiliate, successor to, or assign of the entity, to which the Secretary of Energy leases a Department of Energy facility under section 646(c) of the Department of Energy Organization Act (42 U.S.C. 7256(d)) or to which the Secretary transfers personal property of such a facility under section 3155(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1953; 42 U.S.C. 7274*l*(c)).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD AUTHORIZATION

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1995, $17,933,000 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. DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile in order to modernize the stockpile. The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Aluminum	62,843 short tons
Tungsten Group	51,336,478 pounds of contained tungsten

(b) CONDITIONS ON DISPOSAL.—The authority of the President under subsection (a) to dispose of materials stored in the stockpile may not be used unless and until the Secretary of Defense certifies that the disposal of such materials will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical materials necessary to meet the needs of the United States during a period of national emergency that requires a significant level of mobilization of the economy of the United States, including any reconstitution of the military and industrial capabilities necessary to meet the planning assumptions used by the Secretary of Defense under section 14(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5(b)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

Subject to such limitations as may be provided in appropriations Acts, during fiscal year 1995, the National Defense Stockpile Manager may obligate up to $54,200,000 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.

SEC. 3303. REPEAL OF ADVISORY COMMITTEE REQUIREMENT.

Section 3306 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2652; 50 U.S.C. 98h–1 note) is repealed.

SEC. 3304. ROTATION OF MATERIALS TO PREVENT TECHNOLOGICAL OBSOLESCENCE.

Section 6(a)(4) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)(4)) is amended by inserting ''or technological obsolescence'' after ''deterioration''.

TITLE XXXIV—CIVIL DEFENSE

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated $129,658,000 for fiscal year 1995 for the purpose of carrying out the Federal Civil Defense Act of 1950 (50 U.S.C. 2251 et seq.).

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1995''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing au-

thority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1995.

(b) LIMITATIONS.—For fiscal year 1995, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,030,000 for administrative expenses, of which not more than—

(1) $11,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $5,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $30,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 43 passenger motor vehicles (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama). A vehicle may be purchased with such funds only as nec-

essary to replace another passenger motor vehicle of the Commission. The purchase price of each vehicle may not exceed $19,500.

SEC. 3503. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this Act may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

SEC. 3504. COSTS OF EDUCATIONAL SERVICES OBTAINED IN THE UNITED STATES.

Section 1321(e)(2) of the Panama Canal Act of 1979 (22 U.S.C. 3731(e)(2)) is amended by inserting ''or the United States'' after ''schools in the Republic of Panama''.

SEC. 3505. SPECIAL IMMIGRANT STATUS OF PANAMANIANS EMPLOYED BY THE UNITED STATES IN THE FORMER CANAL ZONE.

Section 101(a)(27)(F) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)(F)) is amended in clause (ii) by inserting ''or continues to be employed by the United States Government in an area of the former Canal Zone'' after ''employment''.

DIVISION IV—FEDERAL ACQUISITION STREAMLINING

TITLE XLI—CONTRACT FORMATION

Subtitle A—Competition Statutes

PART I—ARMED SERVICES ACQUISITIONS

Subpart A—Competition Requirements

SEC. 41001. REFERENCES TO FEDERAL ACQUISITION REGULATION.

Section 2304 of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by striking out ''modifications'' and all that follows through ''note)'' and inserting in lieu thereof ''Federal Acquisition Regulation''; and

(2) in subsection (g)(1), by striking out ''regulations modified'' and all that follows through ''note)'' and inserting in lieu thereof ''Federal Acquisition Regulation''.

SEC. 41002. ESTABLISHMENT OR MAINTENANCE OF ALTERNATIVE SOURCES OF SUPPLY.

Section 2304(b) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out ''or'' at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following new subparagraphs:

''(D) would ensure the continuous availability of a reliable source of supply of such property or service;

''(E) would satisfy projected needs for such property or service determined on the basis of a history of high demand for the property or service; or

''(F) in the case of medical supplies, safety supplies, or emergency supplies, would satisfy a critical need for such supplies.'';

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

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

''(2) The determination required of the agency head in paragraph (1) may not be made for a class of purchases or contracts.''; and

(4) in paragraph (4), as redesignated by paragraph (2), by striking out ''paragraphs (1) and (2)'' and inserting in lieu thereof ''paragraphs (1) and (3)''.

SEC. 41003. CLARIFICATION OF APPROVAL AUTHORITY FOR USE OF PROCEDURES OTHER THAN FULL AND OPEN COMPETITION.

Section 2304(f)(1)(B)(i) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or by an official referred to in clause (ii), (iii), or (iv)''.

SEC. 41004. TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) AUTHORITY.—

(1) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2304 the following new section:

''§ 2304a. Task order contracts for advisory and assistance services

''(a) AUTHORITY TO AWARD.—(1) Subject to the requirements of this section, the head of an agency may enter into a contract for advisory and assistance services

that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of task orders during the specified period of the contract.

''(2) Except as provided in subsection (h), the head of an agency may enter into a contract described in paragraph (1) only under the authority of this section.

''(b) LIMITATION ON CONTRACT PERIOD.—The period of a contract referred to in subsection (a), including all periods of extensions of the contract under options, modifications, or otherwise, may not exceed 5 years unless a longer period is specifically authorized in a law that is applicable to such contract.

''(c) CONTRACT PROCEDURES.—(1) The head of an agency may use procedures other than competitive procedures to enter into a contract referred to in subsection (a) only if an exception in subsection (c) of section 2304 of this title applies to the contract and the use of such procedures is approved in accordance with subsection (f) of such section.

''(2) The notice required by section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)) shall reasonably and fairly describe the general scope, magnitude, and duration of the proposed contract in a

manner that would reasonably enable a potential offeror to decide whether to request the solicitation and consider submitting an offer.

''(3) The solicitation shall include the following:

''(A) The period of the contract, including the number of options to extend the contract and the period for which the contract may be extended under each option, if any.

''(B) The maximum quantity or dollar value of services to be procured under the contract.

''(C) A statement of work, specifications, or other description that reasonably describes the general scope, nature, complexity, and purposes of the services to be procured under the contract.

''(4)(A) The head of an agency may, on the basis of one solicitation, award separate contracts under this section for the same or similar services to two or more sources if the solicitation states that the head of the agency has the option to do so.

''(B) If, in the case of a contract for advisory and assistance services to be entered into under the authority of this section, the contract period is to exceed 3 years and the contract amount is estimated to exceed $10,000,000 (including all options), the solicitation shall—

''(i) provide for a multiple award authorized under subparagraph (A); and

''(ii) include a statement that the head of the agency may also elect to award only one contract if the head of the agency determines in writing that only one of the offerers is capable of providing the services required at the level of quality required.

''(C) Subparagraph (B) does not apply in the case of a solicitation for which the head of an agency determines in writing that, because the services required under the contract are unique or highly specialized, it is not practicable to award more than one contract.

''(5) A contract referred to in subsection (a) shall contain the same information that is required by paragraph (3) to be included in the solicitation of offers for that contract.

''(d) ORDER PROCEDURES.—(1) The following actions are not required for a task order issued under a contract entered into in accordance with this section:

''(A) A separate notice for such order under section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) or section 8(e) of the Small Business Act (15 U.S.C. 637(e)).

''(B) Except as provided in paragraph (2), a competition (or a waiver of competition approved in

accordance with section 2304(f) of this title) that is separate from that used for entering into the contract.

''(2)(A) When multiple contracts are awarded pursuant to subsection (c)(4), all contractors awarded such contracts shall be provided a fair opportunity to be considered, pursuant to procedures set forth in the contracts, for each task order in excess of $2,500 that is to be issued under any of the contracts unless—

''(i) the agency's need for the services ordered is of such unusual urgency that competition would result in unacceptable delays in fulfilling the agency's needs;

''(ii) only one such contractor is capable of providing the services required at the level of quality required because the services ordered are unique or so highly specialized;

''(iii) the task order should be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to a task order already issued on a competitive basis; or

''(iv) the order must be placed with a particular contractor in order to satisfy a minimum guarantee.

''(B) When a task order is issued in accordance with subparagraph (A), the order shall include a statement of

work that clearly specifies all tasks to be performed under the order.

''(3) A protest is not authorized in connection with the issuance or proposed issuance of a task order except for a protest on the ground that the order increases the scope, period, or maximum value of the contract under which the order is issued.

''(e) INCREASES IN SCOPE, PERIOD, OR MAXIMUM VALUE OF CONTRACT.—(1) A task order may not increase the scope, period, or maximum value of the contract under which the order is issued. The scope, period, or maximum value of the contract may be increased only by modification of the contract.

''(2) Unless use of procedures other than competitive procedures is authorized by an exception in subsection (c) of section 2304 of this title and approved in accordance with subsection (f) of such section, competitive procedures shall be used for making such a modification.

''(3) Notice regarding the modification shall be provided in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)).

''(4)(A) Notwithstanding the limitation on the contract period set forth in subsection (b) or in a solicitation or contract pursuant to subsection (c), a contract entered

into by the head of an agency under this section may be extended on a sole-source basis for a period not exceeding 6 months if the agency head determines that—

''(i) the award of a follow-on contract has been delayed by circumstances that were not reasonably foreseeable at the time the initial contract was entered into; and

''(ii) the extension is necessary in order to ensure continuity of the receipt of services pending the award of, and commencement of performance under, the follow-on contract.

''(B) A contract may be extended under the authority of subparagraph (A) only once and only in accordance with the limitations and requirements of this subsection.

''(f) TASK ORDER OMBUDSMAN.—Each head of an agency who awards multiple contracts pursuant to subsection (c)(4) shall appoint or designate a task order ombudsman who shall be responsible for reviewing complaints from the contractors on such contracts and ensuring that all of the contractors are afforded a fair opportunity to be considered for task orders when required under subsection (d)(2). The task order ombudsman shall be a senior agency official who is independent of the contracting officer for the contracts and may be the agency's competition advocate.

''(g) INAPPLICABILITY TO CERTAIN CONTRACTS.—This section does not apply to a contract for the acquisition of property or services that includes acquisition of advisory and assistance services if the head of an agency entering into such contract determines that, under the contract, advisory and assistance services are necessarily incident to, and not a significant component of, the contract.

''(h) RELATIONSHIP TO OTHER CONTRACTING AUTHORITY.—Nothing in this section may be construed to limit the authority of the head of an agency to enter into single or multiple task order contracts, or single or multiple delivery order contracts, for property or services (other than advisory and assistance services) under other provisions of this chapter or under any other provision of law.

''(i) ADVISORY AND ASSISTANCE SERVICES DEFINED.—In this section, the term 'advisory and assistance services' has the meaning given such term in section 1105(g) of title 31.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2304 the following new item:

''2304a. Task order contracts for advisory and assistance services.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 2304 of title 10, United States Code, is amended by striking out subsection (j).

(c) CONFORMING AMENDMENT FOR PROFESSIONAL AND TECHNICAL SERVICES.—Section 2331 of title 10, United States Code, is amended by striking out subsection (c).

SEC. 41005. ACQUISITION OF EXPERT SERVICES.

Section 2304(c)(3) of title 10, United States Code, is amended—

(1) by striking out ''or (B)'' and inserting in lieu thereof ''(B)''; and

(2) by inserting before the semicolon at the end the following: '', or (C) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify''.

Subpart B—Planning, Solicitation, Evaluation, and Award

SEC. 41011. SOURCE SELECTION FACTORS.

Section 2305(a) of title 10, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(i), by striking out ''nonprice-related factors)'' and inserting in lieu thereof ''nonprice-related factors and subfactors)''; and

(B) in subparagraph (B)(ii), by striking out subclause (I) and inserting in lieu thereof the following:

''(I) either a statement that the proposals are intended to be evaluated with, and award made after, discussions with the offerors, or a statement that the proposals are intended to be evaluated, and award made, without discussions with the offerors (other than discussions conducted for the purpose of minor clarification) unless discussions are determined to be necessary; and''; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

''(3)(A) In prescribing the evaluation factors to be included in each solicitation for competitive proposals, the head of an agency—

''(i) shall clearly establish the relative importance assigned to the evaluation factors and subfactors, including the quality of the product or services to be provided (including technical capability, management capability, prior experience, and past performance of the offeror);

''(ii) shall include cost or price to the Government as an evaluation factor that must be considered in the evaluation of proposals; and

''(iii) shall disclose to offerors whether all evaluation factors other than cost or price, when combined, are—

''(I) significantly more important than cost or price;

''(II) approximately equal in importance to cost or price; or

''(III) significantly less important than cost or price.

''(B) Nothing in this paragraph prohibits an agency from—

''(i) providing additional information in a solicitation, including numeric weights for all evaluation factors; or

''(ii) stating in a solicitation that award will be made to the offeror that meets the solicitation's mandatory requirements at the lowest cost or price.''.

SEC. 41012. SOLICITATION PROVISION REGARDING EVALUATION OF PURCHASE OPTIONS.

(a) OPTIONS FOR ADDITIONAL PURCHASES.—Subsection (a) of section 2305 of title 10, United States Code, as amended by section 41011, is further amended by adding at the end the following new paragraph:

''(4) The head of an agency, in issuing a solicitation for a contract to be awarded using sealed bid procedures, may not include in such solicitation a clause providing for the evaluation of prices for options to purchase additional property or services under the contract unless the head of the agency has determined that there is a reasonable likelihood that the options will be exercised.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 2301(a) of such title is amended—

(1) by striking out paragraph (7);

(2) by inserting ''and'' at the end of paragraph (5); and

(3) by striking out ''; and'' at the end of paragraph (6) and inserting in lieu thereof a period.

SEC. 41013. PROMPT NOTICE OF AWARD.

(a) SEALED BID PROCEDURES.—Section 2305(b)(3) of title 10, United States Code, is amended by adding at the end the following: ''As soon as practicable after the date of contract award, the head of the agency shall, in accordance with procedures prescribed in the Federal Acquisition Regulation, notify all offerors not awarded the contract that the contract has been awarded.''.

(b) COMPETITIVE PROPOSALS PROCEDURES.—Section 2305(b)(4)(B) of title 10, United States Code, is amended in the second sentence by striking out ''source and shall promptly notify'' and inserting in lieu thereof ''source. As soon as practicable after the date of contract award, the head of the agency shall, in accordance with procedures prescribed in the Federal Acquisition Regulation, notify''.

SEC. 41014. POST-AWARD DEBRIEFINGS.

Section 2305(b) of title 10, United States Code, is amended—

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

(2) by inserting after paragraph (4) the following new paragraph (5):

''(5)(A) When a contract is awarded by the head of an agency on the basis of competitive proposals, an unsuccessful offeror, upon written request received by the agency within 3 days after the date on which the unsuccessful offeror receives the notification of the contract award, shall be debriefed and furnished the basis for the selection decision and contract award. An employee of the agency shall debrief the offeror promptly after receipt of the request by the agency.

''(B) The debriefing shall include, at a minimum—

''(i) the agency's evaluation of the significant weak or deficient factors in the offeror's offer;

''(ii) the overall evaluated cost and technical rating of the offer of the contractor awarded the contract and the overall evaluated cost and technical rating of the offer of the debriefed offeror;

''(iii) the overall ranking of all offers;

''(iv) a summary of the rationale for the award;

''(v) in the case of a proposal for a commercial item other than a commercial component, the make and model of the item being provided in accordance with the offer of the contractor awarded the contract; and

''(vi) reasonable responses to questions posed by the debriefed offeror as to whether source selection

procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.

''(C) The debriefing may not include point-by-point comparisons of the debriefed offeror's offer with other offers and may not disclose any information that is exempt from disclosure under section 552 of title 5, including information relating to—

''(i) trade secrets;

''(ii) privileged or confidential manufacturing processes and techniques; and

''(iii) commercial and financial information that is privileged or confidential, including cost breakdowns, profit, indirect cost rates, and similar information.

''(D) Each solicitation for competitive proposals shall include a statement that information described in subparagraph (B) may be disclosed in post-award debriefings.

''(E) If, within one year after the date of the contract award and as a result of a successful procurement protest or otherwise, the agency seeks to fulfill the requirement under the contract either on the basis of a new solicitation of offers or on the basis of new best and final offers requested for that contract, the agency shall make available to all offerors—

''(i) the information provided in debriefings under this paragraph regarding the offer of the contractor awarded the contract; and

''(ii) the same information that would have been provided to the original offerors.

''(F) The contracting officer shall include a summary of the debriefing in the contract file.''.

SEC. 41015. PROTEST FILE.

Section 2305 of title 10, United States Code, is amended by adding at the end the following:

''(e)(1) If, in the case of a solicitation for a contract issued by, or an award or proposed award of a contract by, the head of an agency, a protest is filed pursuant to the procedures in subchapter V of chapter 35 of title 31 and an actual or prospective offeror so requests, a file of the protest shall be established by the procuring activity and reasonable access shall be provided to actual or prospective offerors.

''(2) Information exempt from disclosure under the section 552 of title 5 may be redacted in a file established pursuant to paragraph (1) unless an applicable protective order provides otherwise.

''(3) Regulations implementing this subsection shall be consistent with the regulations regarding the preparation and submission of an agency's protest file (the so-

called 'rule 4 file') for protests to the General Services Board of Contract Appeals under section 111 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 759).''.

SEC. 41016. AWARD OF COSTS AND FEES IN AGENCY SETTLEMENT OF PROTESTS.

Section 2305 of title 10, United States Code, as amended by section 41015, is further amended by adding at the end the following new subsection:

''(f) If, in connection with a protest, the head of an agency determines that a solicitation, proposed award, or award does not comply with the requirements of law or regulation, the head of the agency may take—

''(1) any action set out in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31; and

''(2) may pay costs described in paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2) of such section.''.

SEC. 41017. TWO-PHASE SELECTION PROCEDURES.

(a) PROCEDURES AUTHORIZED.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Two-phase selection procedures

''(a) PROCEDURES AUTHORIZED.—The head of an agency may use two-phase selection procedures for entering into a contract for the acquisition of property or services (other than a construction contract) when the head of the agency determines that three or more offers will be received for such contract, substantial design work must be performed before an offeror can develop a price or cost proposal for such contract, and the offerors will incur a substantial amount of expenses in preparing the offers.

''(b) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

''(1) The head of the agency solicits proposals that—

''(A) include information on the offerors'—

''(i) technical approach; and

''(ii) technical qualifications; and

''(B) do not include—

''(i) detailed design information; or

''(ii) cost or price information.

''(2) The head of the agency evaluates the proposals on the basis of evaluation criteria set forth in the solicitation, except that the head of the agency does not consider cost-related or price-related evaluation factors.

''(3) The head of the agency selects at least three offerors as the most highly qualified to provide the property or services under the contract and requests the selected offerors to submit competitive proposals that include cost or price information.

''(4) The head of the agency awards the contract in accordance with section 2305(b)(4) of this title.

''(c) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to subsection (b)(1) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (b)(3).

''(d) RESOURCE COMPARISON CRITERION REQUIRED.—In using two-phase selection procedures for entering into a contract, the head of the agency shall establish a resource criterion or a financial criterion applicable to the contract in order to provide a consistent basis for comparing the offerors and their proposals.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following:

''2305a. Two-phase selection procedures.''.

Subpart C—Kinds of Contracts

SEC. 41021. SECRETARIAL DETERMINATION REGARDING USE OF COST TYPE OR INCENTIVE CONTRACT.

Subsection (c) of section 2306 of title 10, United States Code, is repealed.

SEC. 41022. TECHNICAL AND CONFORMING AMENDMENTS.

(a) REPEAL OF UNNECESSARY CROSS REFERENCE.—Subsection (f) of section 2306 of title 10, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—Such section is amended by redesignating subsections (d), (e), (g), and (h) as subsections (c), (d), (e), and (f), respectively.

(c) NEUTERIZATION OF REFERENCE.—Subsection (e)(1) of such section, as redesignated by subsection (b), is amended in the matter above clause (i) by striking out ''whenever he finds'' and inserting in lieu thereof ''whenever the head of the agency finds''.

Subpart D—Miscellaneous Provisions for the Encouragement of Competition

SEC. 41031. REPEAL OF REQUIREMENT FOR ANNUAL REPORT BY ADVOCATES FOR COMPETITION.

Subsection (c) of section 2318 of title 10, United States Code, is repealed.

PART II—CIVILIAN AGENCY ACQUISITIONS

Subpart A—Competition Requirements

SEC. 41051. REFERENCES TO FEDERAL ACQUISITION REGULATION.

Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended—

(1) in subsection (a)(1)(A), by striking out ''modifications'' and all that follows through ''of 1984'' and inserting in lieu thereof ''Federal Acquisition Regulation''; and

(2) in subsection (g)(1), by striking out ''regulations modified'' and all that follows through ''of 1984,'' and inserting in lieu thereof ''Federal Acquisition Regulation''.

SEC. 41052. ESTABLISHMENT OR MAINTENANCE OF ALTERNATIVE SOURCES OF SUPPLY.

Section 303(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(b)) is amended—

(1) in paragraph (1)—

(A) by striking out ''or'' at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following new subparagraphs:

''(D) would ensure the continuous availability of a reliable source of supply of such property or service;

''(E) would satisfy projected needs for such property or service determined on the basis of a history of high demand for the property or service; or

''(F) in the case of medical supplies, safety supplies, or emergency supplies, would satisfy a critical need for such supplies.'';

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

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

''(2) The determination required of the agency head in paragraph (1) may not be made for a class of purchases or contracts.''; and

(4) in paragraph (4), as redesignated by paragraph (2), by striking out ''paragraphs (1) and (2)'' and inserting in lieu thereof ''paragraphs (1) and (3)''.

SEC. 41053. CLARIFICATION OF APPROVAL AUTHORITY FOR USE OF PROCEDURES OTHER THAN FULL AND OPEN COMPETITION.

Section 303(f)(1)(B)(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)(B)(i)) is amended by inserting before the semicolon at the end the following: ''or by an official referred to in clause (ii), (iii), or (iv)''.

SEC. 41054. TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) AUTHORITY.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303G the following new section:

''TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES

''SEC. 303H. (a) AUTHORITY TO AWARD.—(1) Subject to the requirements of this section, the head of an executive agency may enter into a contract for advisory and assistance services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of task orders during the specified period of the contract.

''(2) Except as provided in subsection (h), the agency head may enter into a contract described in paragraph (1) only under the authority of this section.

''(b) LIMITATION ON CONTRACT PERIOD.—The period of a contract referred to in subsection (a), including all periods of extensions of the contract under options, modifications, or otherwise, may not exceed 5 years unless a longer period is specifically authorized in a law that is applicable to such contract.

''(c) CONTRACT PROCEDURES.—(1) An agency head may use procedures other than competitive procedures to enter into a contract referred to in subsection (a) only if an exception in subsection (c) of section 303 applies to the contract and the use of such procedures is approved in accordance with subsection (f) of such section.

''(2) The notice required by section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)) shall reasonably and fairly describe the general scope, magnitude, and duration of the proposed contract in a manner that would reasonably enable a potential offeror to decide whether to request the solicitation and consider submitting an offer.

''(3) The solicitation shall include the following:

''(A) The period of the contract, including the number of options to extend the contract and the period for which the contract may be extended under each option, if any.

''(B) The maximum quantity or dollar value of the services to be procured under the contract.

''(C) A statement of work, specifications, or other description that reasonably describes the general scope, nature, complexity, and purposes of the services to be procured under the contract.

''(4)(A) An agency head may, on the basis of one solicitation, award separate contracts under this section for the same or similar services to two or more sources if the solicitation states that the agency head has the option to do so.

''(B) If, in the case of a contract for advisory and assistance services to be entered into under the authority of this section, the contract period is to exceed 3 years and the contract amount is estimated to exceed $10,000,000 (including all options), the solicitation shall—

''(i) provide for a multiple award authorized under subparagraph (A); and

''(ii) include a statement that the agency head may also elect to award only one contract if the agency head determines in writing that only one of the offerers is capable of providing the services required at the level of quality required.

''(C) Subparagraph (B) does not apply in the case of a solicitation for which the agency head determines in writing that, because the services required under the contract are unique or highly specialized, it is not practicable to award more than one contract.

''(5) A contract referred to in subsection (a) shall contain the same information that is required by paragraph (3) to be included in the solicitation of offers for that contract.

''(d) ORDER PROCEDURES.—(1) The following actions are not required for a task order issued under a contract entered into in accordance with this section:

''(A) A separate notice for such order under section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) or section 8(e) of the Small Business Act (15 U.S.C. 637(e)).

''(B) Except as provided in paragraph (2), a competition (or a waiver of competition approved in accordance with section 303(f)) that is separate from that used for entering into the contract.

''(2)(A) When multiple contracts are awarded pursuant to subsection (c)(4), all contractors awarded such contracts shall be provided a fair opportunity to be considered, pursuant to procedures set forth in the contracts,

for each task order in excess of $2,500 that is to be issued under any of the contracts unless—

''(i) the agency's need for the services ordered is of such unusual urgency that competition would result in unacceptable delays in fulfilling the agency's needs;

''(ii) only one such contractor is capable of providing the services required at the level of quality required because the services ordered are unique or highly specialized;

''(iii) the task order should be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to a task order already issued on a competitive basis; or

''(iv) the order must be placed with a particular contractor in order to satisfy a minimum guarantee.

''(B) When a task order is issued in accordance with subparagraph (A), the order shall include a statement of work that clearly specifies all tasks to be performed under the order.

''(3) A protest is not authorized in connection with the issuance or proposed issuance of a task order except for a protest on the ground that the order increases the scope, period, or maximum value of the contract under which the order is issued.

''(e) INCREASES IN SCOPE, PERIOD, OR MAXIMUM VALUE OF CONTRACT.—(1) A task order may not increase the scope, period, or maximum value of the contract under which the order is issued. The scope, period, or maximum value of the contract may be increased only by modification of the contract.

''(2) Unless use of procedures other than competitive procedures is authorized by an exception in subsection (c) of section 303 and approved in accordance with subsection (f) of such section, competitive procedures shall be used for making such a modification.

''(3) Notice regarding the modification shall be provided in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)).

''(4)(A) Notwithstanding the limitation on the contract period set forth in subsection (b) or in a solicitation or contract pursuant to subsection (c), a contract entered into by the head of an agency under this section may be extended on a sole-source basis for a period not exceeding 6 months if the agency head determines that—

''(i) the award of a follow-on contract has been delayed by circumstances that were not reasonably foreseeable at the time the initial contract was entered into; and

''(ii) the extension is necessary in order to ensure continuity of the receipt of services pending the award of, and commencement of performance under, the follow-on contract.

''(B) A contract may be extended under the authority of subparagraph (A) only once and only in accordance with the limitations and requirements of this subsection.

''(f) TASK ORDER OMBUDSMAN.—Each agency head who awards multiple contracts pursuant to subsection (c)(4) shall appoint or designate a task order ombudsman who shall be responsible for reviewing complaints from the contractors on such contracts and ensuring that all of the contractors are afforded a fair opportunity to be considered for task orders when required under subsection (d)(2). The task order ombudsman shall be a senior agency official who is independent of the contracting officer for the contracts and may be the agency's competition advocate.

''(g) INAPPLICABILITY TO CERTAIN CONTRACTS.—This section does not apply to a contract for the acquisition of property or services that includes acquisition of advisory and assistance services if the agency head entering into such contract determines that, under the contract, advisory and assistance services are necessarily incident to, and not a significant component of, the contract.

''(h) RELATIONSHIP TO OTHER CONTRACTING AUTHORITY.—Nothing in this section may be construed to limit the authority of the head of an agency to enter into single or multiple task order contracts, or single or multiple delivery order contracts, for goods or services (other than advisory and assistance services) under other provisions of this title or under any other provision of law.

''(i) ADVISORY AND ASSISTANCE SERVICES DEFINED.—In this section, the term 'advisory and assistance services' has the meaning given such term in section 1105(g) of title 31, United States Code.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section is amended by inserting after the item relating to section 303G the following new item:

''Sec. 303H. Task order contracts for advisory and assistance services.''.

SEC. 41055. ACQUISITION OF EXPERT SERVICES.

(a) EXCEPTION TO REQUIREMENT FOR USE OF COMPETITIVE PROCEDURES.—Section 303(c)(3) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)) is amended—

(1) by striking out ''or (B)'' and inserting in lieu thereof ''(B)''; and

(2) by inserting before the semicolon at the end the following: '', or (C) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) in-

volving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify''.

(b) PROCUREMENT NOTICE.—

(1) AMENDMENT OF OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Section 18(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)) is amended—

(A) by striking out ''or'' at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ''; or''; and

(C) by adding at the end the following:

''(F) the procurement is for the services of an expert for use in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify.''.

(2) AMENDMENT OF SMALL BUSINESS ACT.—Section 8(g) of the Small Business Act (15 U.S.C. 637(c)) is amended—

(A) by striking out ''or'' at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ''; or''; and

(C) by adding at the end the following:

''(F) the procurement is for the services of an expert for use in any litigation or dispute (including preparation for any foreseeable litigation or dispute) that involves or could involve the Federal Government in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify.''.

(c) REPEAL OF AMENDMENTS TO UNCODIFIED TITLE.—The following provisions of law are repealed:

(1) Section 532 of Public Law 101–509 (104 Stat. 1470) and the provision of law set out in quotes in that section.

(2) Section 529 of Public Law 102–393 (106 Stat. 1761) and the matters inserted and added by that section.

SEC. 41056. CONTINUED OCCUPANCY OF LEASED SPACE.

Section 303(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(d)) is amended—

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

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

''(2)(A) For the purposes of applying subsection (c)(1) in the case of a follow-on lease to be entered into for the purpose of providing for continued occupancy of particular space in leased real property by a Federal agency, space may be treated as being available only from the lessor of such space and may be acquired through the use of procedures other than competitive procedures (without the justification otherwise required by subsection (f)) if a written determination is made by the contracting officer that—

''(i) the occupying agency has a continuing need for the space;

''(ii) the space meets the needs of the agency; and

''(iii) the lessor is willing to continue to provide the space at a fair market price determined by the contracting officer on the basis of a market survey

or an appraisal conducted in accordance with generally accepted real property appraisal standards.

''(B) The authority under subparagraph (A) to use procedures other than competitive procedures to enter into a follow-on lease may be exercised not more than once to provide for continued occupancy of particular space in real property by a particular Federal agency. The period of such follow-on lease may not exceed 5 years.

''(C) Nothing in this paragraph may be construed to prohibit the use of procedures other than competitive procedures to enter into a follow-on lease of real property for continued occupancy of particular space in real property by a Federal agency when an exception set forth in subsection (c) applies and the use of such procedures is justified and approved in accordance with subsection (f).''.

Subpart B—Planning, Solicitation, Evaluation, and Award

SEC. 41061. SOLICITATION, EVALUATION, AND AWARD.

(a) CONTENT OF SOLICITATION.—Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended—

(1) in subsection (b)(1)(A)—

(A) by inserting ''and significant subfactors'' after ''all significant factors''; and

(B) by striking out ''(including price)'' and inserting ''(including cost or price, cost-related or price-related factors and subfactors, and noncost-related or nonprice-related factors and subfactors)'';

(2) in subsection (b)(1)(B), by inserting ''and subfactors'' after ''factors'';

(3) in subsection (b)(2)(B), by striking out clause (i) and inserting in lieu thereof the following:

''(i) either a statement that the proposals are intended to be evaluated with, and award made after, discussions with the offerors, or a statement that the proposals are intended to be evaluated, and award made, without discussions with the offerors (other than discussions conducted for the purpose of minor clarification) unless discussions are determined to be necessary; and''; and

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

''(c)(1) In prescribing the evaluation factors to be included in each solicitation for competitive proposals, an agency head—

''(A) shall clearly establish the relative importance assigned to the evaluation factors and subfactors, including the quality of the product or services to be provided (including technical capability, management capability, prior experience, and past performance of the offeror);

''(B) shall include cost or price to the Government as an evaluation factor that must be considered in the evaluation of proposals; and

''(C) shall disclose to offerors whether all evaluation factors other than cost or price, when combined, are—

''(i) significantly more important than cost or price;

''(ii) approximately equal in importance to cost or price; or

''(iii) significantly less important than cost or price.

''(2) Nothing in this subsection prohibits an agency from—

''(A) providing additional information in a solicitation, including numeric weights for all evaluation factors; or

''(B) stating in a solicitation that award will be made to the offeror that meets the solicitation's

mandatory requirements at the lowest price or cost.''.

(b) EVALUATION AND AWARD.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) in subsection (a), by inserting '', and award a contract,'' after ''competitive proposals'';

(2) in subsection (c), by inserting ''in accordance with subsection (a)'' in the second sentence after ''shall evaluate the bids''; and

(3) in subsection (d)—

(A) by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) An agency head shall evaluate competitive proposals in accordance with subsection (a) and may award a contract—

''(A) after discussions with the offerors, provided that written or oral discussions have been conducted with all responsible offerors who submit proposals within the competitive range; or

''(B) based on the proposals received and without discussions with the offerors (other than discussions conducted for the purpose of minor clarification), provided that, as required by section 303A(b)(2)(B)(i), the solicitation included a state-

ment that proposals are intended to be evaluated, and award made, without discussions, unless discussions are determined to be necessary.'';

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

(C) in paragraph (2), as redesignated by subparagraph (B), by inserting ''cost or'' before ''price'' in the first sentence.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to—

(A) solicitations for sealed bids or competitive proposals issued after the end of the 180-day period beginning on the date of the enactment of this division; and

(B) contracts awarded pursuant to those solicitations.

(2) AUTHORITY TO APPLY AMENDMENTS EARLY.—The head of an executive agency may apply the amendments made by this section to solicitations issued before the end of the period referred to in paragraph (1). The head of the executive agency shall publish in the Federal Register notice of any

such earlier date of application at least 10 days before that date.

SEC. 41062. SOLICITATION PROVISION REGARDING EVALUATION OF PURCHASE OPTIONS.

Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a), as amended by section 41061(a)(4), is further amended by adding at the end the following new subsection:

''(d) An agency head, in issuing a solicitation for a contract to be awarded using sealed bid procedures, may not include in such solicitation a clause providing for the evaluation of prices for options to purchase additional property or services under the contract unless the agency head has determined that there is a reasonable likelihood that the options will be exercised.''.

SEC. 41063. PROMPT NOTICE OF AWARD.

(a) SEALED BID PROCEDURES.—Subsection (c) of section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by adding at the end the following: ''As soon as practicable after the date of contract award, the agency head shall, in accordance with procedures prescribed in the Federal Acquisition Regulation, notify all offerors not awarded the contract that the contract has been awarded.''.

(b) COMPETITIVE PROPOSALS PROCEDURES.—Paragraph (2) of section 303B(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(d)), as redesignated by section 41061(b)(3)(B), is amended in the second sentence by striking out ''source and shall promptly notify'' and inserting in lieu thereof ''source. As soon as practicable after the date of contract award, the agency head shall, in accordance with procedures prescribed in the Federal Acquisition Regulation, notify''.

SEC. 41064. POST-AWARD DEBRIEFINGS.

Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

''(e)(1) When a contract is awarded by the head of an executive agency on the basis of competitive proposals, an unsuccessful offeror, upon written request received by the agency within 3 days after the date on which the unsuccessful offeror receives the notification of the contract award, shall be debriefed and furnished the basis for the selection decision and contract award. An employee of the

executive agency shall debrief the offeror promptly after receipt of the request by the agency.

''(2) The debriefing shall include, at a minimum—

''(A) the executive agency's evaluation of the significant weak or deficient factors in the offeror's offer;

''(B) the overall evaluated cost and technical rating of the offer of the contractor awarded the contract and the overall evaluated cost and technical rating of the offer of the debriefed offeror;

''(C) the overall ranking of all offers;

''(D) a summary of the rationale for the award;

''(E) in the case of a proposal for a commercial item other than a commercial component, the make and model of the item being provided in accordance with the offer of the contractor awarded the contract; and

''(F) reasonable responses to questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

''(3) The debriefing may not include point-by-point comparisons of the debriefed offeror's offer with other offers and may not disclose any information that is exempt

from disclosure under section 552 of title 5, United States Code, including information relating to—

''(A) trade secrets;

''(B) privileged or confidential manufacturing processes and techniques; and

''(C) commercial and financial information that is privileged or confidential, including cost breakdowns, profit, indirect cost rates, and similar information.

''(4) Each solicitation for competitive proposals shall include a statement that information described in paragraph (2) may be disclosed in post-award debriefings.

''(5) If, within one year after the date of the contract award and as a result of a successful procurement protest or otherwise, the executive agency seeks to fulfill the requirement under the contract either on the basis of a new solicitation of offers or on the basis of new best and final offers requested for that contract, the agency head shall make available to all offerors—

''(A) the information provided in debriefings under this subsection regarding the offer of the contractor awarded the contract; and

''(B) the same information that would have been provided to the original offerors.

''(6) The contracting officer shall include a summary of the debriefing in the contract file.''.

SEC. 41065. PROTEST FILE.

Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b), as amended by section 41064(1), is further amended by adding at the end the following:

''(h)(1) If, in the case of a solicitation for a contract issued by, or an award or proposed award of a contract by, an agency head, a protest is filed pursuant to the procedures in subchapter V of chapter 35 of title 31, United States Code, and an actual or prospective offeror so requests, a file of the protest shall be established by the procuring activity and reasonable access shall be provided to actual or prospective offerors.

''(2) Information exempt from disclosure under section 552 of title 5, United States Code, may be redacted in a file established pursuant to paragraph (1) unless an applicable protective order provides otherwise.

''(3) Regulations implementing this subsection shall be consistent with the regulations regarding the preparation and submission of an agency's protest file (the so-called 'rule 4 file') for protests to the General Services Board of Contract Appeals under section 111 of the Fed-

eral Property and Administrative Services Act of 1949 (41 U.S.C. 759).''.

SEC. 41066. AWARD OF COSTS AND FEES IN AGENCY SETTLEMENT OF PROTESTS.

Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b), as amended by section 41065, is further amended by adding at the end the following new subsection:

''(i) If, in connection with a protest, an agency head determines that a solicitation, proposed award, or award does not comply with the requirements of law or regulation, the agency head may take—

''(1) any action set out in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code; and

''(2) may pay costs described in paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2) of such section.''.

SEC. 41067. TWO-PHASE SELECTION PROCEDURES.

(a) PROCEDURES AUTHORIZED.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), as amended by section 41054, is further amended by inserting after section 303H the following new section:

''TWO-PHASE SELECTION PROCEDURES

''SEC. 303I. (a) PROCEDURES AUTHORIZED.—The head of an executive agency may use two-phase selection procedures for entering into a contract for the acquisition of property or services (other than a construction contract) when the agency head determines that three or more offers will be received for such contract, substantial design work must be performed before an offeror can develop a price or cost proposal for such contract, and the offerors will incur a substantial amount of expenses in preparing the offers.

''(b) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

''(1) The agency head solicits proposals that—

''(A) include information on the offerors'—

''(i) technical approach; and

''(ii) technical qualifications; and

''(B) do not include—

''(i) detailed design information; or

''(ii) cost or price information.

''(2) The agency head evaluates the proposals on the basis of evaluation criteria set forth in the solicitation, except that the agency head does not consider cost-related or price-related evaluation factors.

''(3) The agency head selects at least three offerors as the most highly qualified to provide the property or services under the contract and requests the selected offerors to submit competitive proposals that include cost or price information.

''(4) The agency head awards the contract in accordance with section 303B(d).

''(c) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to subsection (b)(1) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (b)(3).

''(d) RESOURCE COMPARISON CRITERION REQUIRED.—In using two-phase selection procedures for entering into a contract, the agency head shall establish a resource criterion or a financial criterion applicable to the contract in order to provide a consistent basis for comparing the offerors and their proposals.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by section 41054, is further amended by inserting after the item relating to section 303H the following new item:

''Sec. 303I. Two-phase selection procedures.''.

Subpart C—Kinds of Contracts

SEC. 41071. AGENCY HEAD DETERMINATION REGARDING USE OF COST TYPE OR INCENTIVE CONTRACT.

Section 304(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(b)) is amended by striking out the second sentence.

SEC. 41072. MULTIYEAR CONTRACTING AUTHORITY.

(a) AUTHORITY.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), as amended by section 41067, is further amended by inserting after section 303I the following new section:

''MULTIYEAR CONTRACTS

''SEC. 303J. (a) AUTHORITY.—The head of an executive agency may enter into a multiyear contract for the acquisition of property or services if—

''(1) funds are available and obligated for such contract, for the full period of the contract or for the first fiscal year in which the contract is in effect, and for the estimated costs associated with any necessary termination of such contract; and

''(2) the agency head determines that—

''(A) the need for the property or services is reasonably firm and continuing over the period of the contract; and

''(B) a multiyear contract will serve the best interests of the United States by encouraging effective competition or promoting economy in administration, performance, and operation of the agency's programs.

''(b) TERMINATION CLAUSE.—A multiyear contract entered into under the authority of this section shall include a clause that provides that the contract shall be terminated if funds are not made available for the continuation of such contract in any fiscal year covered by the contract. Amounts available for paying termination costs shall remain available for such purpose until the costs associated with termination of the contract are paid.

''(c) RULE OF CONSTRUCTION.—Nothing in this section is intended to modify or affect any other provision of law that authorizes multiyear contracts.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by section 41067, is further amended by inserting after the item relating to section 303I the following new item:

''Sec. 303J. Multiyear contracts.''.

SEC. 41073. SEVERABLE SERVICES CONTRACTS CROSSING FISCAL YEARS.

(a) AUTHORITY.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251

et seq.), as amended by section 41072, is further amended by inserting after section 303J the following new section:

''SEVERABLE SERVICES CONTRACTS FOR PERIODS CROSSING FISCAL YEARS

''SEC. 303K. (a) AUTHORITY.—The head of an executive agency may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

''(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by section 41072, is further amended by inserting after the item relating to section 303J the following new item:

''Sec. 303K. Severable services contracts for periods crossing fiscal years.''.

SEC. 41074. ECONOMY ACT PURCHASES.

(a) REGULATIONS REQUIRED.—Not later than six months after the date of the enactment of this division, the Federal Acquisition Regulation shall be revised to include regulations governing the exercise of the authority under section 1535 of title 31, United States Code, for

Federal agencies to purchase goods and services under contracts entered into or administered by other agencies.

(b) CONTENT OF REGULATIONS.—The regulations prescribed pursuant to subsection (a) shall—

(1) require that each purchase described in subsection (a) be approved in advance by a contracting officer of the ordering agency with authority to contract for the goods or services to be purchased or by another official in a position specifically designated by regulation to approve such purchase;

(2) provide that such a purchase of goods or services may be made only if—

(A) the purchase is appropriately made under a contract that the agency filling the purchase order entered into, before the purchase order, in order to meet the requirements of such agency for the same or similar goods or services;

(B) the agency filling the purchase order is better qualified to enter into or administer the contract for such goods or services by reason of capabilities or expertise that is not available within the ordering agency; or

(C) the agency or unit filling the order is specifically authorized by law or regulations to

purchase such goods or services on behalf of other agencies;

(3) prohibit any such purchase under a contract or other agreement entered into or administered by an agency not covered by the provisions of chapter 137 of title 10, United States Code, or title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) and not covered by the Federal Acquisition Regulation unless the purchase is approved in advance by the senior procurement official responsible for purchasing by the ordering agency; and

(4) prohibit any payment to the agency filling a purchase order of any fee that exceeds the actual cost or, if the actual cost is not known, the estimated cost of entering into and administering the contract or other agreement under which the order is filled.

(c) MONITORING SYSTEM REQUIRED.—The Administrator for Federal Procurement Policy shall ensure that, not later than one year after the date of the enactment of this division, systems for collecting and evaluating procurement data are capable of collecting and evaluating appropriate data on procurements conducted under the regulations prescribed pursuant to subsection (a).

(d) TERMINATION.—This section shall cease to be effective one year after the date on which final regulations prescribed pursuant to subsection (a) take effect.

PART III—ACQUISITIONS GENERALLY

SEC. 41091. POLICY REGARDING CONSIDERATION OF CONTRACTOR PAST PERFORMANCE.

(a) POLICY.—Section 2 of the Office of Federal Procurement Policy Act (41 U.S.C. 401) is amended—

(1) by striking out ''and'' at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof ''; and''; and

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

''(14) establishing policies and procedures that encourage the consideration of contractors' past performance in the selection of contractors.''.

(b) GUIDANCE REQUIRED.—Section 6 of the Office of Federal Procurement Policy Act (41 U.S.C. 405) is amended by adding at the end the following:

''(j)(1) Congress makes the following findings:

''(A) Past contract performance of an offeror is one of the relevant factors that contracting officials

of executive agencies should consider in entering into contracts.

''(B) It is appropriate for a contracting official to consider past contract performance of an offeror as an indicator of the likelihood that the offeror will successfully perform a contract to be entered into by that official.

''(2) The Administrator shall prescribe for executive agencies guidance regarding consideration of the past contract performance of offerors in awarding contracts. The guidance shall include—

''(A) standards for evaluating past performance with respect to cost (when appropriate), schedule, compliance with technical or functional specifications, and other relevant performance factors that facilitate consistent and fair evaluation by all executive agencies;

''(B) policies for the collection and maintenance of information on past contract performance that, to the maximum extent practicable, facilitate automated collection, maintenance, and dissemination of information and provide for ease of collection, maintenance, and dissemination of information by other methods, as necessary; and

''(C) policies for ensuring that—

''(i) offerors are afforded an opportunity to submit relevant information on past contract performance, including performance under contracts entered into by the executive agency concerned, contracts entered into by other departments and agencies of the Federal Government, contracts entered into by agencies of State and local governments, and contracts entered into by commercial customers; and

''(ii) such information submitted by offerors is considered.

''(3) The Administrator shall prescribe for all executive agencies guidance regarding the period for which information on past performance of offerors should be maintained and considered.

''(4) In the case of an offeror regarding whom there is no information on past contract performance or regarding whom information on past contract performance is not available, the offeror may not be evaluated favorably or unfavorably on the factor of past contract performance.''.

SEC. 41092. REPEAL OF REQUIREMENT FOR ANNUAL REPORT ON COMPETITION.

Section 23 of the Office of Federal Procurement Policy Act (41 U.S.C. 419) is repealed.

Subtitle B—Truth in Negotiations

PART I—ARMED SERVICES ACQUISITIONS

SEC. 41101. STABILIZATION OF DOLLAR THRESHOLD OF APPLICABILITY.

(a) REPEAL OF REVERSION TO LOWER THRESHOLD.—Paragraph (1)(A) of section 2306a(a) of title 10, United States Code, is amended—

(1) in clause (i), by striking out ''and before January 1, 1996,''; and

(2) in clause (ii), by striking out ''or after December 31, 1995,''.

(b) ADJUSTMENTS FOR CHANGES IN DOLLAR VALUES.—Section 2306a(a) of such title is amended by adding at the end the following new subparagraph:

''(7) Effective on October 1 of each year that is divisible by 5, each amount set forth in paragraph (1) shall be adjusted to the amount that is equal to the fiscal year 1994 constant dollar value of the amount set forth. Any amount, as so adjusted, that is not evenly divisible by $50,000 shall be rounded to the nearest multiple of $50,000. In the case of an amount that is evenly divisible by $25,000 but not evenly divisible by $50,000, the amount shall be rounded to the next higher multiple of $50,000.''.

SEC. 41102. EXCEPTIONS TO COST OR PRICING DATA REQUIREMENTS.

(a) EXCEPTIONS STATED.—Subsection (b) of section 2306a of title 10, United States Code, is amended to read as follows:

''(b) EXCEPTIONS.—(1) Submission of cost and pricing data shall not be required under subsection (a)—

''(A) in the case of a contract, a subcontract, or a contract or subcontract modification, for which the price agreed upon is based on—

''(i) adequate price competition;

''(ii) established catalog or market prices of commercial items or of services customarily used for other than Government purposes, as the case may be, that are sold in substantial quantities to the general public; or

''(iii) prices set by law or regulation; or

''(B) in an exceptional case when the head of the agency concerned determines that the requirements of this section may be waived and states in writing the reasons for such determination.

''(2) Submission of cost and pricing data shall not be required under subsection (a) in the case of a modification of a contract or subcontract for a commercial item if—

''(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost and pricing data may not be required by reason of paragraph (1)(A);

''(B) the modification is not a case in which paragraph (1)(A) prohibits the head of an agency from requiring submission of cost and pricing data; and

''(C) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of a noncommercial item.''.

(b) CONFORMING AMENDMENT TO REFERENCE.—Subsection (a)(5) of such section is amended by striking out ''subsection (b)(2)'' and inserting in lieu thereof ''subsection (b)(1)(B)''.

SEC. 41103. LIMITATION ON AUTHORITY TO REQUIRE A SUBMISSION NOT OTHERWISE REQUIRED.

Subsection (c) of section 2306a of title 10, United States Code, is amended to read as follows:

''(c) LIMITATION ON AUTHORITY TO REQUIRE COST OR PRICING DATA.—When cost or pricing data are not required to be submitted under this section by reason of a $500,000 threshold set forth in subsection (a) (as ad-

justed pursuant to paragraph (7) of such subsection) or by reason of an exception set forth in paragraph (1)(A) or (2) of subsection (b), submission of such data may not be required unless the head of an agency concerned determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract or subcontract to which the data relate. In any case in which the head of an agency requires such data to be submitted in accordance with the preceding sentence, the agency head shall document in writing the reasons for such requirement.''.

SEC. 41104. ADDITIONAL SPECIAL RULES FOR COMMERCIAL ITEMS.

Section 2306a of title 10, United States Code, is amended—

(1) by redesignating subsections (d), (e), (f), and (g) as subsections (e), (f), (g), and (i), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

''(d) ADDITIONAL EXCEPTION PROVISIONS REGARDING COMMERCIAL ITEMS.—(1) To the maximum extent practicable, the head of an agency shall conduct procurements of commercial items on a competitive basis.

''(2) In any case in which it is not practicable to conduct a procurement of a commercial item on a competitive basis and the procurement is not covered by an exception in subsection (b), the contracting officer shall nonetheless exempt a contract, subcontract, or modification of a contract or subcontract under the procurement from the requirements of subsection (a) if the contracting officer obtains, in accordance with standards and procedures set forth in the Federal Acquisition Regulation, information on prices at which the same or similar items have been sold in the commercial market that is adequate for evaluating the reasonableness of the price of the contract or subcontract for a commercial item, or the contract or subcontract modification, as the case may be. The contracting officer may obtain such information from the offeror or contractor or, when such information is not available from that source, from another source or sources.

''(3)(A) In accordance with procedures prescribed in the Federal Acquisition Regulation, the head of an agency shall have the right to examine all information provided by an offeror, contractor, or subcontractor pursuant to paragraph (2) and all books and records of such offeror, contractor, or subcontractor that directly relate to such information in order to determine whether the agency is receiving accurate information required under this section.

''(B) The right under subparagraph (A) shall expire 3 years after the date of award of the contract, or 3 years after the date of the modification of the contract, with respect to which the information was provided.''.

SEC. 41105. RIGHT OF UNITED STATES TO EXAMINE CONTRACTOR RECORDS.

Section 2306a of title 10, United States Code, is amended by striking out subsection (g), as redesignated by section 41104(1), and inserting in lieu thereof the following:

''(g) RIGHT OF UNITED STATES TO EXAMINE CONTRACTOR RECORDS.—For the purpose of evaluating the accuracy, completeness, and currency of cost or pricing data required to be submitted by this section, the head of an agency shall have the rights provided by section 2313 of this title.''.

SEC. 41106. REQUIRED REGULATIONS.

Section 2306a of title 10, United States Code, as amended by sections 41104 and 41105, is further amended by inserting after subsection (g) the following new subsection:

''(h) REQUIRED REGULATIONS.—The Secretary shall prescribe regulations concerning the types of information that offerors must submit for a contracting officer to consider in determining whether the price of a procurement

to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section because the price of the procurement to the United States is not expected to exceed an applicable $500,000 threshold set forth in subsection (a) (as adjusted pursuant to paragraph (7) of such subsection). Such information, at a minimum, shall include appropriate information on the prices at which the same or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.''.

SEC. 41107. CONSISTENCY OF TIME REFERENCES.

Section 2306a of title 10, United States Code, as amended by section 41104(1), is further amended—

(1) in subparagraphs (A)(ii) and (B)(ii) of subsection (e)(4), by inserting ''or, if applicable consistent with paragraph (1)(B), another date agreed upon between the parties,'' after ''(or price of the modification)''; and

(2) in subsection (i), by inserting ''or, if applicable consistent with subsection (d)(1)(B), another date agreed upon between the parties'' after ''(or the price of a contract modification)''.

SEC. 41108. EXCEPTION FOR TRANSFERS BETWEEN DIVISIONS, SUBSIDIARIES, AND AFFILIATES.

Subsection (i) of section 2306a of title 10, United States Code, as redesignated by section 41104(1), is amended to read as follows:

''(i) DEFINITIONS.—In this section:

''(1) The term 'cost or pricing data' means all facts that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived.

''(2) The term 'subcontract' includes a transfer of commercial items between divisions, subsidiaries, or affiliates of a contractor.''.

SEC. 41109. REPEAL OF SUPERSEDED PROVISION.

Subsections (b) and (c) of section 803 of Public Law 101–510 (10 U.S.C. 2306a note) are repealed.

PART II—CIVILIAN AGENCY ACQUISITIONS

SEC. 41151. REVISION OF CIVILIAN AGENCY PROVISIONS TO ENSURE UNIFORM TREATMENT OF COST OR PRICING DATA.

(a) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended—

(1) in section 304, by striking out subsection (d); and

(2) by inserting after section 304 the following new section:

''COST OR PRICING DATA: TRUTH IN NEGOTIATIONS

''SEC. 304A. (a) REQUIRED COST OR PRICING DATA AND CERTIFICATION.—(1) An agency head shall require offerors, contractors, and subcontractors to make cost or pricing data available as follows:

''(A) An offeror for a prime contract under this title to be entered into using procedures other than sealed-bid procedures shall be required to submit cost or pricing data before the award of a contract if—

''(i) in the case of a prime contract entered into after the date of the enactment of the Federal Acquisition Streamlining Act of 1994, the price of the contract to the United States is expected to exceed $500,000; and

''(ii) in the case of a prime contract entered into on or before the date of the enactment of the Federal Acquisition Streamlining Act of 1994, the price of the contract to the United States is expected to exceed $100,000.

''(B) The contractor for a prime contract under this chapter shall be required to submit cost or pricing data before the pricing of a change or modification to the contract if—

''(i) in the case of a change or modification made to a prime contract referred to in subparagraph (A)(i), the price adjustment is expected to exceed $500,000;

''(ii) in the case of a change or modification made to a prime contract that was entered into on or before the date of the enactment of the Federal Acquisition Streamlining Act of 1994, and that has been modified pursuant to paragraph (6), the price adjustment is expected to exceed $500,000; and

''(iii) in the case of a change or modification not covered by clause (i) or (ii), the price adjustment is expected to exceed $100,000.

''(C) An offeror for a subcontract (at any tier) of a contract under this title shall be required to

submit cost or pricing data before the award of the subcontract if the prime contractor and each higher-tier subcontractor have been required to make available cost or pricing data under this section and—

''(i) in the case of a subcontract under a prime contract referred to in subparagraph (A)(i), the price of the subcontract is expected to exceed $500,000;

''(ii) in the case of a subcontract entered into under a prime contract that was entered into on or before the date of the enactment of the Federal Acquisition Streamlining Act of 1994, and that has been modified pursuant to paragraph (6), the price of the subcontract is expected to exceed $500,000; and

''(iii) in the case of a subcontract not covered by clause (i) or (ii), the price of the subcontract is expected to exceed $100,000.

''(D) The subcontractor for a subcontract covered by subparagraph (C) shall be required to submit cost or pricing data before the pricing of a change or modification to the subcontract if—

''(i) in the case of a change or modification to a subcontract referred to in subparagraph

(C)(i) or (C)(ii), the price adjustment is expected to exceed $500,000; and

''(ii) in the case of a change or modification to a subcontract referred to in subparagraph (C)(iii), the price adjustment is expected to exceed $100,000.

''(2) A person required, as an offeror, contractor, or subcontractor, to submit cost or pricing data under paragraph (1) (or required by the agency head concerned to submit such data in accordance with subsection (c)) shall be required to certify that, to the best of the person's knowledge and belief, the cost or pricing data submitted are accurate, complete, and current.

''(3) Cost or pricing data required to be submitted under paragraph (1) (or in accordance with subsection (c)), and a certification required to be submitted under paragraph (2), shall be submitted—

''(A) in the case of a submission by a prime contractor (or an offeror for a prime contract), to the contracting officer for the contract (or to a designated representative of the contracting officer); or

''(B) in the case of a submission by a subcontractor (or an offeror for a subcontract), to the prime contractor.

''(4) Except as provided under subsection (b), this section applies to contracts entered into by an agency head on behalf of a foreign government.

''(5) For purposes of paragraph (1)(C), a contractor or subcontractor granted a waiver under subsection (b)(1)(B) shall be considered as having been required to make available cost or pricing data under this section.

''(6)(A) Upon the request of a contractor that was required to submit cost or pricing data under paragraph (1) in connection with a prime contract entered into on or before the date of the enactment of the Federal Acquisition Streamlining Act of 1994, the agency head that entered into such contract shall modify the contract to reflect subparagraphs (B)(ii) and (C)(ii) of paragraph (1). All such modifications shall be made without requiring consideration.

''(B) An agency head is not required to modify a contract under subparagraph (A) if that agency head determines that the submission of cost or pricing data with respect to that contract should be required in accordance with subsection (c).

''(7) Effective on October 1 of each year that is divisible by 5, each amount set forth in paragraph (1) shall be adjusted to the amount that is equal to the fiscal year 1994 constant dollar value of the amount set forth. Any

amount, as so adjusted, that is not evenly divisible by $50,000 shall be rounded to the nearest multiple of $50,000. In the case of an amount that is evenly divisible by $25,000 but not evenly divisible by $50,000, the amount shall be rounded to the next higher multiple of $50,000.

''(b) EXCEPTIONS.—(1) Submission of cost and pricing data shall not be required under subsection (a)—

''(A) in the case of a contract, a subcontract, or a contract or subcontract modification, for which the price agreed upon is based on—

''(i) adequate price competition;

''(ii) established catalog or market prices of commercial items or of services customarily used for other than Government purposes, as the case may be, that are sold in substantial quantities to the general public; or

''(iii) prices set by law or regulation; or

''(B) in an exceptional case when the agency head concerned determines that the requirements of this section may be waived and states in writing the reasons for such determination.

''(2) Submission of cost and pricing data shall not be required under subsection (a) in the case of a modifica-

tion of a contract or subcontract for a commercial item if—

''(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost and pricing data may not be required by reason of paragraph (1)(A);

''(B) the modification is not a case in which paragraph (1)(A) prohibits the agency head from requiring submission of cost and pricing data; and

''(C) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of a noncommercial item.

''(c) LIMITATION ON AUTHORITY TO REQUIRE COST OR PRICING DATA.—When cost or pricing data are not required to be submitted under this section by reason of a $500,000 threshold set forth in subsection (a) (as adjusted pursuant to paragraph (7) of such subsection) or by reason of an exception in paragraph (1)(A) or (2) of subsection (b), submission of such data may not be required unless the agency head concerned determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract or subcontract to which the data relate. In any case in which

the agency head requires such data to be submitted in accordance with the preceding sentence, the agency head shall document in writing the reasons for such requirement.

''(d) ADDITIONAL EXCEPTION PROVISIONS REGARDING COMMERCIAL ITEMS.—(1) To the maximum extent practicable, an agency head shall conduct procurements of commercial items on a competitive basis.

''(2) In any case in which it is not practicable to conduct a procurement of a commercial item on a competitive basis and the procurement is not covered by an exception in subsection (b), the contracting officer shall nonetheless exempt a contract, subcontract, or modification of a contract or subcontract under the procurement from the requirements of subsection (a) if the contracting officer obtains, in accordance with standards and procedures set forth in the Federal Acquisition Regulation, information on prices at which the same or similar items have been sold in the commercial market that is adequate for evaluating the reasonableness of the price of the contract or subcontract for a commercial item, or the contract or subcontract modification, as the case may be. The contracting officer may obtain such information from the offeror or contractor or, when such information is not available from that source, from another source or sources.

''(3)(A) In accordance with procedures prescribed in the Federal Acquisition Regulation, an agency head shall have the right to examine all information provided by an offeror, contractor, or subcontractor pursuant to paragraph (2) and all books and records of such offeror, contractor, or subcontractor that directly relate to such information in order to determine whether the agency is receiving accurate information required under this section.

''(B) The right under subparagraph (A) shall expire 3 years after the date of award of the contract, or 3 years after the date of the modification of the contract, with respect to which the information was provided.

''(e) PRICE REDUCTIONS FOR DEFECTIVE COST OR PRICING DATA.—(1)(A) A prime contract (or change or modification to a prime contract) under which a certificate under subsection (a)(2) is required shall contain a provision that the price of the contract to the United States, including profit or fee, shall be adjusted to exclude any significant amount by which it may be determined by the agency head that such price was increased because the contractor (or any subcontractor required to make available such a certificate) submitted defective cost or pricing data.

''(B) For the purposes of this section, defective cost or pricing data are cost or pricing data which, as of the

date of agreement on the price of the contract (or another date agreed upon between the parties), were inaccurate, incomplete, or noncurrent. If for purposes of the preceding sentence the parties agree upon a date other than the date of agreement on the price of the contract, the date agreed upon by the parties shall be as close to the date of agreement on the price of the contract as is practicable.

''(2) In determining for purposes of a contract price adjustment under a contract provision required by paragraph (1) whether, and to what extent, a contract price was increased because the contractor (or a subcontractor) submitted defective cost or pricing data, it shall be a defense that the United States did not rely on the defective data submitted by the contractor or subcontractor.

''(3) It is not a defense to an adjustment of the price of a contract under a contract provision required by paragraph (1) that—

''(A) the price of the contract would not have been modified even if accurate, complete, and current cost or pricing data had been submitted by the contractor or subcontractor because the contractor or subcontractor—

''(i) was the sole source of the property or services procured; or

''(ii) otherwise was in a superior bargaining position with respect to the property or services procured;

''(B) the contracting officer should have known that the cost and pricing data in issue were defective even though the contractor or subcontractor took no affirmative action to bring the character of the data to the attention of the contracting officer;

''(C) the contract was based on an agreement between the contractor and the United States about the total cost of the contract and there was no agreement about the cost of each item procured under such contract; or

''(D) the prime contractor or subcontractor did not submit a certification of cost and pricing data relating to the contract as required under subsection (a)(2).

''(4)(A) A contractor shall be allowed to offset an amount against the amount of a contract price adjustment under a contract provision required by paragraph (1) if—

''(i) the contractor certifies to the contracting officer (or to a designated representative of the contracting officer) that, to the best of the contractor's knowledge and belief, the contractor is entitled to the offset; and

''(ii) the contractor proves that the cost or pricing data were available before the date of agreement on the price of the contract (or price of the modification), or, if applicable consistent with paragraph (1)(B), another date agreed upon between the parties, and that the data were not submitted as specified in subsection (a)(3) before such date.

''(B) A contractor shall not be allowed to offset an amount otherwise authorized to be offset under subparagraph (A) if—

''(i) the certification under subsection (a)(2) with respect to the cost or pricing data involved was known to be false when signed; or

''(ii) the United States proves that, had the cost or pricing data referred to in subparagraph (A)(ii) been submitted to the United States before the date of agreement on the price of the contract (or price of the modification) or, if applicable under paragraph (1)(B), another date agreed upon between the parties, the submission of such cost or pricing data would not have resulted in an increase in that price in the amount to be offset.

''(f) INTEREST AND PENALTIES FOR CERTAIN OVERPAYMENTS.—(1) If the United States makes an overpayment to a contractor under a contract with an executive

agency subject to this section and the overpayment was due to the submission by the contractor of defective cost or pricing data, the contractor shall be liable to the United States—

''(A) for interest on the amount of such overpayment, to be computed—

''(i) for the period beginning on the date the overpayment was made to the contractor and ending on the date the contractor repays the amount of such overpayment to the United States; and

''(ii) at the current rate prescribed by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1986; and

''(B) if the submission of such defective data was a knowing submission, for an additional amount equal to the amount of the overpayment.

''(2) Any liability under this subsection of a contractor that submits cost or pricing data but refuses to submit the certification required by subsection (a)(2) with respect to the cost or pricing data shall not be affected by the refusal to submit such certification.

''(g) RIGHT OF UNITED STATES TO EXAMINE CONTRACTOR RECORDS.—For the purpose of evaluating the accuracy, completeness, and currency of cost or pricing

data required to be submitted by this section, the head of an agency shall have the rights provided by section 304B(a)(2).

''(h) REQUIRED REGULATIONS.—The Federal Acquisition Regulation shall include regulations concerning the types of information that offerors must submit for a contracting officer to consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section because the price of the procurement to the United States is not expected to exceed an applicable $500,000 threshold set forth in subsection (a) (as adjusted pursuant to paragraph (7) of such subsection). Such information, at a minimum, shall include appropriate information on the prices at which the same or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of a proposed contract or subcontract for the procurement.

''(i) DEFINITIONS.—In this section:

''(1) The term 'cost or pricing data' means all facts that, as of the date of agreement on the price of a contract (or the price of a contract modification) or, if applicable consistent with subsection (e)(1)(B), another date agreed upon between the parties, a prudent buyer or seller would reasonably

expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived.

''(2) The term 'subcontract' includes a transfer of commercial items between divisions, subsidiaries, or affiliates of a contractor.''.

(b) TABLE OF CONTENTS.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 304 the following:

''Sec. 304A. Cost or pricing data: truth in negotiations.''.

SEC. 41152. REPEAL OF OBSOLETE PROVISION.

(a) REPEAL.—Section 303E of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253e) is repealed.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by striking out the item relating to section 303E.

Subtitle C—Research and Development

SEC. 41201. RESEARCH PROJECTS.

(a) AUTHORIZED MEANS.—Subsection (b) of section 2358 of title 10, United States Code, is amended to read as follows:

''(b) AUTHORIZED MEANS.—The Secretary of Defense or the Secretary of a military department may perform research and development projects—

''(1) by contract entered into with, grant made to, or cooperative agreement entered into with educational or research institutions, private businesses, or other persons in accordance with the provisions of chapter 63 of title 31;

''(2) through one or more military departments;

''(3) by using employees and consultants of the Department of Defense; or

''(4) by mutual agreement with the head of any other department or agency of the Federal Government.''.

(b) CAPTION AMENDMENT.—The caption of subsection (c) of such section is amended by striking out ''MILITARY'' and inserting in lieu thereof ''DEPARTMENT OF DEFENSE''.

(c) ADVANCED RESEARCH PROJECTS.—

(1) RESTORATION AND REVISION OF FORMER STATEMENT OF AUTHORITY.—Section 2371 of title 10, United States Code, is amended—

(A) by redesignating subsections (a), (b), (c), (d), (e), and (f) as subsections (b), (c), (d), (e), (f), and (g), respectively; and

(B) by inserting before subsection (b), as so redesignated, the following new subsection (a):

''(a) The Secretary of Defense, acting through the Advanced Research Projects Agency and such other elements of the Department of Defense as the Secretary may designate, and the Secretary of each military department, in carrying out basic, applied, and advanced research projects, may enter into other transactions, in addition to contracts, grants, and cooperative agreements authorized by section 2358 of this title.''.

(2) CONFORMING AMENDMENTS.—Such section, as amended by paragraph (1), is further amended—

(A) in subsection (b)—

(i) in paragraph (1), by inserting ''or subsection (a)'' after ''section 2358 of this title''; and

(ii) in paragraph (2), by striking out ''subsection (d)'' and inserting in lieu thereof ''subsection (e)'';

(B) in subsection (c), by inserting ''section 2358 of this title or'' after ''under'';

(C) in subsection (d)—

(i) in paragraph (1), by striking out ''this section'' and inserting in lieu thereof

''section 2358 of this title or subsection (a)''; and

(ii) in paragraph (3), by striking out ''this section'' and inserting in lieu thereof ''section 2358 of this title or subsection (a)'';

(D) in subsection (e), by inserting ''or subsection (a)'' in the first sentence after ''section 2358 of this title''; and

(E) in subsection (f)—

(i) in the first sentence, by striking out ''under this section'' and inserting in lieu thereof ''under section 2358 of this title or subsection (a)'';

(ii) in paragraph (4), by striking out ''subsection (a)'' and inserting in lieu thereof ''subsection (b)''; and

(iii) in paragraph (5), by striking out ''subsection (d)'' and inserting in lieu thereof ''subsection (e)''.

SEC. 41202. ELIMINATION OF INFLEXIBLE TERMINOLOGY REGARDING COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out ''milestone 0, milestone I, and milestone II decisions'' and inserting in lieu thereof ''acquisition program decisions''; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

''(2) The term 'acquisition program decisions' has the meaning given such term in regulations prescribed by the Secretary of Defense for the purposes of this section.''.

Subtitle D—Procurement Protests

PART I—PROTESTS TO THE COMPTROLLER GENERAL

SEC. 41301. PROTEST DEFINED.

Paragraph (1) of section 3551 of title 31, United States Code, is amended to read as follows:

''(1) 'protest' means a written objection by an interested party—

''(i) to a solicitation or other request by a Federal agency for offers for a contract for the procurement of property or services;

''(ii) to the cancellation of such a solicitation or other request;

''(iii) to an award or proposed award of such a contract; or

''(iv) to a termination or cancellation of an award of such a contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract;''.

SEC. 41302. REVIEW OF PROTESTS AND EFFECT ON CONTRACTS PENDING DECISION.

(a) PERIODS FOR CERTAIN ACTIONS.—Section 3553 of title 31, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking out ''one working day of'' and inserting in lieu thereof ''one day after''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking out ''25 working days from'' and inserting in lieu thereof ''35 days after''; and

(ii) in subparagraph (C), by striking out ''10 working days from'' and inserting in lieu thereof ''25 days after''; and

(2) in subsection (c)(3), by striking out ''thereafter'' and inserting in lieu thereof ''after the making of such finding''.

(b) SUSPENSION OF PERFORMANCE.—Subsection (d) of such section is amended to read as follows:

''(d)(1) A contractor awarded a Federal agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

''(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

''(A) a protest is likely to be filed; and

''(B) the immediate performance of the contract is not in the best interests of the United States.

''(3)(A) If the Federal agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

''(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

''(ii) if contract performance authorization to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

''(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

''(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the Federal agency has notice under this section)—

''(i) upon a written finding that—

''(I) performance of the contract is in the best interests of the United States; or

''(II) urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision of the Comptroller General concerning the protest; and

''(ii) after the Comptroller General is notified of that finding.

''(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

''(A) the date that is 10 days after the date of the contract award; or

''(B) the date that is 5 days after—

''(i) the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required; or

''(ii) in the case of a contract for which no debriefing is required, the date on which the unsuccessful offeror receives the notification of contract award.''.

SEC. 41303. DECISIONS ON PROTESTS.

(a) PERIODS FOR CERTAIN ACTIONS.—Section 3554(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out ''90 working days from'' and inserting in lieu thereof ''125 days after'';

(2) in paragraph (2), by striking out ''45 calendar days from'' and inserting ''65 days after'';

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

(4) by inserting after paragraph (2) the following new paragraph (3):

''(3) An amendment to a protest that adds a new ground of protest, if timely made, should be resolved, to the maximum extent practicable, within the time limit established under paragraph (1) of this subsection for final decision of the initial protest. If an amended protest cannot be resolved within such time limit, the Comptroller General may resolve the amended protest through the express option under paragraph (2) of this subsection.''.

(b) GAO RECOMMENDATIONS ON PROTESTS.—

(1) IMPLEMENTATION OF RECOMMENDATIONS.—Section 3554 of title 31, United States Code, is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

''(3) If the Federal agency fails to implement fully the recommendations of the Comptroller General under

this subsection with respect to a solicitation for a contract or an award or proposed award of a contract within 60 days after receiving the recommendations, the head of the procuring activity responsible for that contract shall report such failure to the Comptroller General not later than 5 working days after the end of such 60-day period.'';

(B) by striking out subsection (c) and inserting in lieu thereof the following:

''(c)(1) If the Comptroller General determines that a solicitation for a contract or a proposed award or the award of a contract does not comply with a statute or regulation, the Comptroller General may recommend that the Federal agency conducting the procurement pay to an appropriate interested party the costs of—

''(A) filing and pursuing the protest, including reasonable attorney's fees and consultant and expert witness fees; and

''(B) bid and proposal preparation.

''(2) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be paid, pursuant to a recommendation made under the authority of paragraph (1)—

''(A) costs for consultant and expert witness fees that exceed the rates provided under section 504(b)(1)(A) of title 5 for expert witnesses; or

''(B) costs for attorney's fees that exceed the rates provided for attorneys under section 504(b)(1)(A) of title 5.

''(3) If the Comptroller General recommends under paragraph (1) that a Federal agency pay costs to an interested party, the Federal agency shall—

''(A) pay the costs promptly; or

''(B) if the Federal agency does not make such payment, promptly report to the Comptroller General the reasons for the failure to follow the Comptroller General's recommendation.

''(4) If the Comptroller General recommends under paragraph (1) that a Federal agency pay costs to an interested party, the Federal agency and the interested party shall attempt to reach an agreement on the amount of the costs to be paid. If the Federal agency and the interested party are unable to agree on the amount to be paid, the Comptroller General may, upon the request of the interested party, recommend to the Federal agency the amount of the costs that the Federal agency should pay.''; and

(C) by striking out subsection (e) and inserting in lieu thereof the following:

''(e)(1) The Comptroller General shall report promptly to the Committee on Governmental Affairs and the Committee on Appropriations of the Senate and to the

Committee on Government Operations and the Committee on Appropriations of the House of Representatives any case in which a Federal agency fails to implement fully a recommendation of the Comptroller General under subsection (b) or (c). The report shall include—

''(A) a comprehensive review of the pertinent procurement, including the circumstances of the failure of the Federal agency to implement a recommendation of the Comptroller General; and

''(B) a recommendation regarding whether, in order to correct an inequity or to preserve the integrity of the procurement process, the Congress should consider—

''(i) private relief legislation;

''(ii) legislative rescission or cancellation of funds;

''(iii) further investigation by Congress; or

''(iv) other action.

''(2) Not later than January 31 of each year, the Comptroller General shall transmit to the Congress a report containing a summary of each instance in which a Federal agency did not fully implement a recommendation of the Comptroller General under subsection (b) or (c) during the preceding year. The report shall also describe each instance in which a final decision in a protest was

not rendered within 125 days after the date the protest is submitted to the Comptroller General.''.

(2) REQUIREMENT FOR PAYMENT IN ACCORDANCE WITH PRIOR GAO DETERMINATIONS.—Costs to which the Comptroller General declared an interested party to be entitled under section 3554 of title 31, United States Code, as in effect immediately before the enactment of this division, shall, if not paid or otherwise satisfied by the Federal agency concerned before the date of the enactment of this division, be paid promptly.

SEC. 41304. REGULATIONS.

(a) COMPUTATION OF PERIODS.—Section 3555 of title 31, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (d); and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) The procedures shall provide that, in the computation of any period described in this subchapter—

''(1) the day of the act, event, or default from which the designated period of time begins to run not be included; and

''(2) the last day after such act, event, or default be included, unless—

''(A) such last day is a Saturday, a Sunday, or a legal holiday; or

''(B) in the case of a filing of a paper at the General Accounting Office or a Federal agency, such last day is a day on which weather or other conditions cause the closing of the General Accounting Office or Federal agency, in which event the next day that is not a Saturday, Sunday, or legal holiday shall be included.''.

(b) ELECTRONIC FILINGS AND DISSEMINATIONS.—Such section, as amended by subsection (a), is further amended by inserting after subsection (b) the following new subsection:

''(c) The Comptroller General may prescribe procedures for the electronic filing and dissemination of documents and information required under this subchapter. In prescribing such procedures, the Comptroller General shall consider the ability of all parties to achieve electronic access to such documents and records.''.

(c) REPEAL OF OBSOLETE DEADLINE.—Subsection (a) of such section is amended by striking out ''Not later than January 15, 1985, the'' and inserting in lieu thereof ''The''.

PART II—PROTESTS IN THE FEDERAL COURTS

SEC. 41321. NONEXCLUSIVITY OF REMEDIES.

Section 3556 of title 31, United States Code, is amended by striking out ''a district court of the United States or the United States Claims Court'' in the first sentence and inserting in lieu thereof ''the United States Court of Federal Claims''.

SEC. 41322. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS.

(a) CLAIMS AGAINST THE UNITED STATES AND BID PROTESTS.—Section 1491 of title 28, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (e);

(2) in subsection (a)—

(A) by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) CLAIMS AGAINST THE UNITED STATES.—'';

(B) in paragraph (2), by striking out ''(2) To'' and inserting in lieu thereof ''(b) REMEDY AND RELIEF.—To''; and

(C) by striking out paragraph (3); and

(3) by inserting after subsection (b), as designated by paragraph (2)(B), the following new subsection (c):

''(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

''(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

''(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

''(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).''.

(b) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended by inserting ''**BID PROTESTS;**'' after ''**GENERALLY;**''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item re-

lating to section 1491 and inserting in lieu thereof the following:

''1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.''.

PART III—PROTESTS IN PROCUREMENTS OF AUTOMATIC DATA PROCESSING

SEC. 41331. REVOCATION OF DELEGATIONS OF PROCUREMENT AUTHORITY.

Section 111(b)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(b)(3)) is amended by inserting after the third sentence the following: ''The Administrator may revoke a delegation of authority with respect to a particular contract before or after award of the contract, except that the Administrator may revoke a delegation after the contract is awarded only when there is a finding of a violation of law or regulation in connection with the contract award.''.

SEC. 41332. AUTHORITY OF THE GENERAL SERVICES ADMINISTRATION BOARD OF CONTRACT APPEALS.

The first sentence of section 111(f)(1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)(1)) is amended to read as follows: ''Upon request of an interested party in connection with any procurement that is subject to this section (including any such procurement that is subject to delegation of procure-

ment authority), the board of contract appeals of the General Services Administration (hereafter in this subsection referred to as the 'board') shall review, as provided in this subsection, any decision by a contracting officer that is alleged to violate a statute, a regulation, or the conditions of a delegation of procurement authority.''.

SEC. 41333. PERIODS FOR CERTAIN ACTIONS.

(a) SUSPENSION OF PROCUREMENT AUTHORITY.—Section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)) is amended—

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

''(C) If, in the case of a preaward protest, the board suspends the procurement authority of the Administrator or the Administrator's delegation of procurement authority, the Administrator or the delegate, as the case may be, may continue with the procurement action up to, but not including, the awarding of the contract if the Administrator or the delegate, as the case may be, determines that it is in the best interests of the United States to do so.''; and

(2) in paragraph (3) by striking out subparagraph (A) and inserting in lieu thereof the following:

''(A)(i) If, with respect to an award of a contract, the board receives notice of a protest under this subsection

within the period described in clause (ii), the board shall, at the request of an interested party, hold a hearing to determine whether the board should suspend the procurement authority of the Administrator or the Administrator's delegation of procurement authority for the protested procurement on an interim basis until the board can decide the protest.

''(ii) The period referred to in clause (i) is the period beginning on the date on which the contract is awarded and ending on the date that is 10 days after the date of the contract award or, if later, the date that is 5 days after—

''(I) the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required; or

''(II) in the case of a contract for which no debriefing is required, the date on which the unsuccessful offeror receives the notification of contract award.

''(iii) The board shall hold the requested hearing within 5 days after the date of the filing of the protest or, in the case of a request for debriefing under the provisions of section 2305(b)(5) of title 10, United States Code, or section 303B(e) of this Act, within 5 days after the

later of the date of the filing of the protest or the date of the debriefing.''.

(b) FINAL DECISION.—Paragraph (4)(B) of such section 111(f) is amended—

(1) by striking out ''45 working days'' and inserting in lieu thereof ''65 days''; and

(2) by adding at the end the following: ''An amendment which adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.''.

SEC. 41334. DISMISSALS OF PROTESTS.

Section 111(f)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)(4)) is amended by striking out subparagraph (C) and inserting in lieu thereof the following:

''(C) The board may dismiss a protest that the board determines—

''(i) is frivolous;

''(ii) has been brought in bad faith; or

''(iii) does not state on its face a valid basis for protest.''.

SEC. 41335. AWARD OF COSTS.

Section 111(f)(5) is amended by striking out subparagraph (C) and inserting in lieu thereof the following:

''(C) Whenever the board makes such a determination, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the cost of filing and pursuing the protest (including reasonable attorney's fees and consultant and expert witness fees), and bid and proposal preparation. However, no party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled to costs for consultant and expert witness fees that exceed the rates provided under section 504(b)(1)(A) of title 5, United States Code, for expert witnesses or to costs for attorney's fees that exceed the rates provided for attorneys under section 504(b)(1)(A) of title 5, United States Code.''.

SEC. 41336. DISMISSAL AGREEMENTS.

Section 111(f)(5) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)(5)) is amended by adding at the end the following new subparagraphs:

''(D) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the board and shall be made a part of the public record (subject to any protective order considered appropriate by the board) before dismissal of the protest. If a Federal agency is a party

to a settlement agreement, the submission of the agreement submitted to the board shall include a memorandum, signed by the contracting officer concerned, that describes in detail the procurement, the grounds for protest, the Federal Government's position regarding the grounds for protest, the terms of the settlement, and the agency's position regarding the propriety of the award or proposed award of the contract at issue in the protest.

''(E) Payment of amounts due from an agency under subparagraph (C) or under the terms of a settlement agreement under subparagraph (D) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The Federal agency concerned shall reimburse that appropriation account out of funds available for the procurement.''.

SEC. 41337. JURISDICTION OF DISTRICT COURTS.

Section 111(f)(6)(C) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)(6)(C)) is amended by striking out ''a district court of the United States or''.

SEC. 41338. MATTERS TO BE COVERED IN REGULATIONS.

Section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)) is amended by striking out paragraph (8) and inserting in lieu thereof the following:

''(7)(A) The board shall adopt and issue such rules and procedures as may be necessary to the expeditious disposition of protests filed under the authority of this subsection.

''(B) The procedures shall provide that, in the computation of any period described in this subsection—

''(i) the day of the act, event, or default from which the designated period of time begins to run not be included; and

''(ii) the last day after such act, event, or default be included, unless—

''(I) such last day is a Saturday, a Sunday, or a legal holiday; or

''(II) in the case of a filing of a paper at the board, such last day is a day on which weather or other conditions cause the closing of the board or Federal agency, in which event the next day that is not a Saturday, Sunday, or legal holiday shall be included.

''(C) The procedures may provide for electronic filing and dissemination of documents and information required under this subsection and in so providing shall consider the ability of all parties to achieve electronic access to such documents and records.

''(D) The procedures shall provide that if the board expressly finds that a protest or a portion of a protest is frivolous or has not been brought or pursued in good faith, or that any person has willfully abused the board's process during the course of a protest, the board may impose appropriate procedural sanctions, including dismissal of the protest.''.

SEC. 41339. DEFINITIONS.

(a) PROTEST.—Section 111(f)(9)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)(9)(A)) is amended to read as follows:

''(A) the term 'protest' means a written objection by an interested party—

''(i) to a solicitation or other request by a Federal agency for offers for a contract for the procurement of property or services;

''(ii) to the cancellation of such a solicitation or other request;

''(iii) to an award or proposed award of such a contract; or

''(iv) to a termination or cancellation of an award of such a contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on

improprieties concerning the award of the contract;''.

(b) PREVAILING PARTY.—Section 111(f)(9) of such Act is amended—

(1) by striking out ''and'' at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; and''; and

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

''(C) the term 'prevailing party', with respect to a determination of the board under paragraph (5)(B) that a challenged action of a Federal agency violates a statute or regulation or the conditions of a delegation of procurement authority issued pursuant to this section, means a party that demonstrated such violation.''.

Subtitle E—Definitions and Other Matters

PART I—ARMED SERVICES ACQUISITIONS

SEC. 41401. DEFINITIONS.

Section 2302 of title 10, United States Code, is amended—

(1) by striking out paragraphs (3), (4), (5), and (7);

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

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

''(3) The terms 'commercial item', 'commercial component', 'full and open competition', 'major system', 'nondevelopmental item', 'procurement', 'procurement system', 'responsible source', 'standards', and 'technical data', have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

''(4) The term 'simplified acquisition threshold' has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403), except that, in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation, the term means an amount equal to two times the amount specified for that term in section 4 of such Act.''.

SEC. 41402. DELEGATION OF PROCUREMENT FUNCTIONS.

(a) CONSOLIDATION OF DELEGATION AUTHORITY.—Section 2311 of title 10, United States Code, is amended to read as follows:

"§ 2311. Delegation

''(a) IN GENERAL.—Except to the extent expressly prohibited by another provision of law, the head of an agency may delegate, subject to his direction, to any other officer or official of that agency, any power under this chapter.

''(b) PROCUREMENTS FOR OR WITH OTHER AGENCIES.—Subject to subsection (a), to facilitate the procurement of property and services covered by this chapter by each agency named in section 2303 of this title for any other agency, and to facilitate joint procurement by those agencies—

''(1) the head of an agency may, within his agency, delegate functions and assign responsibilities relating to procurement;

''(2) the heads of two or more agencies may by agreement delegate procurement functions and assign procurement responsibilities from one agency to another of those agencies or to an officer or civilian employee of another of those agencies; and

''(3) the heads of two or more agencies may create joint or combined offices to exercise procurement functions and responsibilities.

''(c) APPROVAL OF TERMINATIONS AND REDUCTIONS OF JOINT ACQUISITION PROGRAMS.—(1) The Secretary of Defense shall prescribe regulations that prohibit each military department participating in a joint acquisition program approved by the Under Secretary of Defense for Acquisition and Technology from terminating or substantially reducing its participation in such program without the approval of the Under Secretary.

''(2) The regulations shall include the following provisions:

''(A) A requirement that, before any such termination or substantial reduction in participation is approved, the proposed termination or reduction be reviewed by the Joint Requirements Oversight Council of the Department of Defense.

''(B) A provision that authorizes the Under Secretary of Defense for Acquisition and Technology to require a military department approved for termination or substantial reduction in participation in a joint acquisition program to continue to provide some or all of the funding necessary for the acquisi-

tion program to be continued in an efficient manner.''.

(b) CONFORMING REPEAL.—(1) Section 2308 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking out the item related to section 2308.

SEC. 41403. DETERMINATIONS AND DECISIONS.

Section 2310 of title 10, United States Code, is amended to read as follows:

"§ 2310. Determinations and decisions

''(a) INDIVIDUAL OR CLASS DETERMINATIONS AND DECISIONS AUTHORIZED.—Determinations and decisions required to be made under this chapter by the head of an agency may be made for an individual purchase or contract or for a class of purchases or contracts. Such determinations and decisions are final.

''(b) WRITTEN FINDINGS REQUIRED.—(1) Each determination or decision under section 2306(e)(1), 2307(e), or 2313(d)(2) of this title shall be based on a written finding by the person making the determination or decision. The finding shall set out facts and circumstances that support the determination or decision.

''(2) Each finding referred to in paragraph (1) shall be final. The head of the agency making such finding shall

maintain a copy of the finding for not less than 6 years after the date of the determination or decision.''.

SEC. 41404. UNDEFINITIZED CONTRACTUAL ACTIONS: RESTRICTIONS.

(a) CLARIFICATION OF LIMITATION.—Subsection (b) of section 2326 of title 10, United States Code, is amended—

(1) in the subsection caption, by striking out ''AND EXPENDITURE'';

(2) in paragraph (1)(B), by striking out ''or expended'';

(3) in paragraph (2), by striking out ''expend'' and inserting in lieu thereof ''obligate''; and

(4) in paragraph (3)—

(A) by striking out ''expended'' and inserting in lieu thereof ''obligated''; and

(B) by striking out ''expend'' and inserting in lieu thereof ''obligate''.

(b) WAIVER AUTHORITY.—Such subsection is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

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

''(4) The head of an agency may waive the provisions of this subsection with respect to a contract of that agency if such head of an agency determines that the waiver is necessary in order to support a contingency operation.''.

(c) INAPPLICABILITY OF RESTRICTIONS TO CONTRACTS WITHIN THE SIMPLIFIED ACQUISITION THRESHOLD.—Section 2326(g)(1)(B) of title 10, United States Code, is amended by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''.

SEC. 41405. PRODUCTION SPECIAL TOOLING AND PRODUCTION SPECIAL TEST EQUIPMENT: CONTRACT TERMS AND CONDITIONS.

(a) REPEAL.—Section 2329 of title 10, United States Code, is repealed.

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 137 of such title is amended by striking out the item related to section 2329.

SEC. 41406. REGULATIONS FOR BIDS.

Section 2381(a) of title 10, United States Code, is amended by striking out ''(a) The Secretary'' and all that follows through the end of paragraph (1) and inserting in lieu thereof the following:

''(a) The Secretary of Defense or the Secretary of a military department may—

''(1) prescribe regulations for the preparation, submission, and opening of bids for contracts; and''.

PART II—CIVILIAN AGENCY ACQUISITIONS

SEC. 41451. DEFINITIONS.

Section 309(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(c)) is amended by striking out ''and 'supplies' '' and inserting in lieu thereof '' 'supplies', 'commercial item', 'commercial component', 'nondevelopmental item', and 'simplified acquisition threshold' ''.

SEC. 41452. DELEGATION OF PROCUREMENT FUNCTIONS.

(a) AUTHORITY.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended—

(1) by redesignating sections 309 and 310 as sections 312 and 313, respectively; and

(2) by inserting after section 308 the following new section 309:

''DELEGATION

''SEC. 309. (a) IN GENERAL.—Except to the extent expressly prohibited by another provision of law, an agency head may delegate, subject to his direction, to any other officer or official of that agency, any power under this title.

''(b) PROCUREMENTS FOR OR WITH OTHER AGENCIES.—Subject to subsection (a), to facilitate the procure-

ment of property and services covered by this title by each executive agency for any other executive agency, and to facilitate joint procurement by those executive agencies—

''(1) an agency head may, within his executive agency, delegate functions and assign responsibilities relating to procurement;

''(2) the heads of two or more executive agencies may by agreement delegate procurement functions and assign procurement responsibilities from one executive agency to another of those executive agencies or to an officer or civilian employee of another of those executive agencies; and

''(3) the heads of two or more executive agencies may create joint or combined offices to exercise procurement functions and responsibilities.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by striking out the items relating to sections 309 and 310 and inserting in lieu thereof the following:

''Sec. 309. Delegation.
''Sec. 312. Definitions.
''Sec. 313. Statutes not applicable.''.

SEC. 41453. DETERMINATIONS AND DECISIONS.

(a) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), as amended by section 41452, is further amended

by inserting after section 309 the following new section 310:

''DETERMINATIONS AND DECISIONS

''SEC. 310. (a) INDIVIDUAL OR CLASS DETERMINATIONS AND DECISIONS AUTHORIZED.—Determinations and decisions required to be made under this title by an agency head may be made for an individual purchase or contract or for a class of purchases or contracts. Such determinations and decisions are final.

''(b) WRITTEN FINDINGS REQUIRED.—(1) Each determination under section 305(e) shall be based on a written finding by the person making the determination or decision. The finding shall set out facts and circumstances that support the determination or decision.

''(2) Each finding referred to in paragraph (1) shall be final. The agency head making such finding shall maintain a copy of the finding for not less than 6 years after the date of the determination or decision.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by section 41452, is further amended by inserting after the item relating to section 309 the following:

''Sec. 310. Determinations and decisions.''.

SEC. 41454. COOPERATIVE PURCHASING.

Subsection (b) of section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481), is amended to read as follows:

''(b)(1) The Administrator shall, as far as practicable, provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed-ownership Government corporation (as defined in section 9101 of title 31, United States Code), or the District of Columbia, upon its request.

''(2)(A) The Administrator may provide for the use of Federal supply schedules or other contracts by any of the following entities upon request:

''(i) A State, any department or agency of a State, and any political subdivision of a State, including a local government.

''(ii) The District of Columbia.

''(iii) The Commonwealth of Puerto Rico.

''(iv) The government of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))).

''(B) Subparagraph (A) may not be construed to authorize an entity referred to in that subparagraph to order existing stock or inventory from federally owned and oper-

ated, or federally owned and contractor operated, supply depots, warehouses, or similar facilities.

''(3)(A) Upon the request of a qualified nonprofit agency for the blind or other severely handicapped that is to provide a commodity or service to the Federal Government under the Javits-Wagner-O'Day Act, the Administrator may provide any of the services specified in subsection (a) to such agency to the extent practicable.

''(B) A nonprofit agency receiving services under the authority of subparagraph (A) shall use the services directly in making or providing an approved commodity or approved service to the Federal Government.

''(C) In this paragraph:

''(i) The term 'qualified nonprofit agency for the blind or other severely handicapped' means—

''(I) a qualified nonprofit agency for the blind, as defined in section 5(3) of the Javits-Wagner-O'Day Act (41 U.S.C. 48b(3)); and

''(II) a qualified nonprofit agency for other severely handicapped, as defined in section 5(4) of such Act (41 U.S.C. 48b(4)).

''(ii) The terms 'approved commodity' and 'approved service' mean a commodity and a service, respectively, that has been determined by the Committee for Purchase from the Blind and Other Severely

Handicapped under section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47) to be suitable for procurement by the Federal Government.

''(iii) The term 'Javits-Wagner-O'Day Act' means the Act entitled 'An Act to create a Committee on Purchases of Blind-made Products, and for other purposes', approved June 25, 1938 (41 U.S.C. 46–48c), commonly referred to as the Wagner-O'Day Act, that was revised and reenacted in the Act of June 23, 1971 (85 Stat. 77), commonly referred to as the Javits-Wagner-O'Day Act.''.

TITLE XLII—CONTRACT ADMINISTRATION

Subtitle A—Contract Payment

PART I—ARMED SERVICES ACQUISITIONS

SEC. 42001. CONTRACT FINANCING.

(a) REORGANIZATION OF PRINCIPAL AUTHORITY PROVISION.—Section 2307 of title 10, United States Code, is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"§ 2307. Contract financing";

(2) by striking out ''(a) The head of an agency'' and inserting in lieu thereof ''(b) PAYMENT AUTHORITY.—The head of an agency'';

(3) by striking out ''(b) Payments'' and inserting in lieu thereof ''(d) PAYMENT AMOUNT.—Payments'';

(4) by striking out ''(c) Advance payments'' and inserting in lieu thereof ''(e) SECURITY FOR ADVANCE PAYMENTS.—Advance payments'';

(5) by striking out ''(d)(1) The Secretary of Defense'' and inserting in lieu thereof ''(f) CONDITIONS FOR PROGRESS PAYMENTS.—(1) The Secretary of Defense''; and

(6) by striking out ''(e)(1) In any case'' and inserting in lieu thereof ''(h) ACTION IN CASE OF FRAUD.—(1) In any case''.

(b) FINANCING POLICY.—Such section, as amended by subsection (a), is further amended by inserting after the section heading the following new subsection (a):

''(a) POLICY.—Payments authorized under this section and made for financing purposes should be made periodically or, when appropriate, on an advance basis and should be so made in a timely manner to facilitate contract performance while protecting the security interests of the Government. Government financing shall be provided only to the extent necessary to ensure prompt and efficient performance and only after the availability of private financing is considered. A contractor's use of funds received as

contract financing and the contractor's financial condition shall be monitored. If the contractor is a small business concern, special attention shall be given to meeting the contractor's financial need.''.

(c) PERFORMANCE-BASED PAYMENTS.—Such section, as amended by subsection (a), is further amended by inserting after subsection (b) the following new subsection (c):

''(c) PERFORMANCE-BASED PAYMENTS.—Whenever practicable, payments under subsection (b) shall be made on any of the following bases:

''(1) Performance measured by objective, quantifiable methods such as receipt of items by the Federal Government, work measurement, or statistical process controls.

''(2) Accomplishment of events defined in the program management plan.

''(3) Other quantifiable measures of results.''.

(d) TERMINOLOGY CORRECTION.—Such section, as amended by subsection (a)(2), is further amended in subsection (b)(2) by striking out ''bid''.

(e) EFFECTIVE DATE OF LIEN RELATED TO ADVANCE PAYMENTS.—Such section, as amended by subsection (a)(4), is further amended in subsection (e) by inserting before the period at the end of the third sentence

the following: ''and is effective immediately upon the first advancement of funds without filing, notice, or any other action by the United States''.

(f) CONDITIONS FOR PROGRESS PAYMENTS.—Such section, as amended by subsection (a)(5), is further amended in subsection (f)—

(1) in the first sentence of paragraph (1), by striking out ''work, which'' and all that follows through ''accomplished'' and inserting in lieu thereof ''work accomplished that meets standards established under the contract''; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

''(3) This subsection applies to a contract for an amount equal to or greater than the simplified acquisition threshold.''.

(g) NAVY CONTRACTS.—Such section, as amended by subsection (a)(5), is further amended by inserting after subsection (f) the following new subsection (g):

''(g) CERTAIN NAVY CONTRACTS.—(1) The Secretary of the Navy shall provide that the rate for progress payments on any contract awarded by the Secretary for repair, maintenance, or overhaul of a naval vessel shall be not less than—

''(A) 95 percent, in the case of firms considered to be small businesses; and

''(B) 90 percent, in the case of all other firms.

''(2) The Secretary of the Navy may advance to private salvage companies such funds as the Secretary considers necessary to provide for the immediate financing of salvage operations. Advances under this paragraph shall be made on terms that the Secretary considers adequate for the protection of the United States.

''(3) The Secretary of the Navy shall ensure that, when partial, progress, or other payments are made under a contract for construction or conversion of a naval vessel, the United States is secured by a lien upon work in progress and on property acquired for performance of the contract on account of all payments so made. The lien is paramount to all other liens.''.

(h) RELATIONSHIP TO PROMPT PAYMENT REQUIREMENTS.—Section 2307(f) of title 10, United States Code, as amended by subsection (f), is not intended to impair or modify procedures required by the provisions of chapter 39 of title 31, United States Code, and the regulations issued pursuant to such provisions of law, that relate to progress payment requests, as such procedures are in effect on the date of the enactment of this division.

(i) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CROSS REFERENCE.—Such section, as amended by subsection (a), is further amended in subsections (d) and (e) by striking out ''subsection (a)'' and inserting in lieu thereof ''subsection (b)''.

(2) TABLE OF CONTENTS.—The table of sections at the beginning of chapter 137 of title 10, United States Code, is amended by striking out the item relating to section 2307 and inserting in lieu thereof the following:

''2307. Contract financing.''.

(j) REPEAL OF SUPERSEDED PROVISIONS.—

(1) PROGRESS PAYMENTS UNDER CERTAIN NAVY CONTRACTS.—

(A) REPEAL.—Section 7312 of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 633 of such title is amended by striking out the item relating to section 7312.

(2) ADVANCEMENT OF PAYMENTS FOR NAVY SALVAGE OPERATIONS.—

(A) REPEAL.—Section 7364 of such title is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 637 of such

title is amended by striking out the item relating to section 7364.

(3) PARTIAL PAYMENTS UNDER NAVY CONTRACTS.—

(A) REPEAL.—Section 7521 of such title is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 645 of such title is amended by striking out the item relating to section 7521.

SEC. 42002. CONTRACTS: VOUCHERING PROCEDURES.

(a) REPEAL.—Section 2355 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2355.

PART II—CIVILIAN AGENCY ACQUISITIONS

SEC. 42051. CONTRACT FINANCING.

(a) REORGANIZATION OF PRINCIPAL AUTHORITY PROVISION.—Section 305 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 255) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

''CONTRACT FINANCING'';

(2) by striking out ''(a) Any executive agency'' and inserting in lieu thereof ''(b) PAYMENT AUTHORITY.—Any executive agency'';

(3) by striking out ''(b) Payments'' and inserting in lieu thereof ''(d) PAYMENT AMOUNT.—Payments''; and

(4) by striking out ''(c) Advance payments'' and inserting in lieu thereof ''(e) SECURITY FOR ADVANCE PAYMENTS.—Advance payments''.

(b) FINANCING POLICY.—Such section, as amended by subsection (a), is further amended by inserting after the section heading the following new subsection (a):

''(a) POLICY.—Payments authorized under this section and made for financing purposes should be made periodically or, when appropriate, on an advance basis and should be so made in a timely manner to facilitate contract performance while protecting the security interests of the Government. Government financing shall be provided only to the extent necessary to ensure prompt and efficient performance and only after the availability of private financing is considered. A contractor's use of funds received as contract financing and the contractor's financial condition shall be monitored. If the contractor is a small business

concern, special attention shall be given to meeting the contractor's financial need.''.

(c) PERFORMANCE-BASED PAYMENTS.—Such section, as amended by subsection (a), is further amended by inserting after subsection (b) the following new subsection (c):

''(c) PERFORMANCE-BASED PAYMENTS.—Whenever practicable, payments under subsection (b) shall be made on any of the following bases:

''(1) Performance measured by objective, quantifiable methods such as receipt of items by the Federal Government, work measurement, or statistical process controls.

''(2) Accomplishment of events defined in the program management plan.

''(3) Other quantifiable measures of results.''.

(d) TERMINOLOGY CORRECTION.—Such section, as amended by subsection (a)(2), is further amended in subsection (b)(2) by striking out ''bid''.

(e) EFFECTIVE DATE OF LIEN RELATED TO ADVANCE PAYMENTS.—Such section, as amended by subsection (a)(4), is further amended in subsection (e) by inserting before the period at the end of the third sentence the following: ''and is effective immediately upon the first

advancement of funds without filing, notice, or any other action by the United States''.

(f) REVISION OF CIVILIAN AGENCY PROVISION TO ENSURE UNIFORM REQUIREMENTS FOR PROGRESS PAYMENTS.—

(1) IN GENERAL.—Such section, as amended by subsection (a), is further amended by adding at the end the following:

''(f) CONDITIONS FOR PROGRESS PAYMENTS.—(1) The agency head shall ensure that any payment for work in progress (including materials, labor, and other items) under a contract of an executive agency that provides for such payments is commensurate with the work accomplished that meets standards established under the contract. The contractor shall provide such information and evidence as the agency head determines necessary to permit the agency head to carry out the preceding sentence.

''(2) The agency head shall ensure that progress payments referred to in paragraph (1) are not made for more than 80 percent of the work accomplished under the contract so long as the agency head has not made the contractual terms, specifications, and price definite.

''(3) This subsection applies to a contract for an amount equal to or greater than the simplified acquisition threshold.

''(g) ACTION IN CASE OF FRAUD.—(1) In any case in which the remedy coordination official of an executive agency finds that there is substantial evidence that the request of a contractor for advance, partial, or progress payment under a contract awarded by that executive agency is based on fraud, the remedy coordination official shall recommend that the agency head reduce or suspend further payments to such contractor.

''(2) An agency head receiving a recommendation under paragraph (1) in the case of a contractor's request for payment under a contract shall determine whether there is substantial evidence that the request is based on fraud. Upon making such a determination, the agency head may reduce or suspend further payments to the contractor under such contract.

''(3) The extent of any reduction or suspension of payments by an agency head under paragraph (2) on the basis of fraud shall be reasonably commensurate with the anticipated loss to the United States resulting from the fraud.

''(4) A written justification for each decision of the agency head whether to reduce or suspend payments under paragraph (2), and for each recommendation received by the agency head in connection with such deci-

sion, shall be prepared and be retained in the files of the executive agency.

''(5) Each agency head shall prescribe procedures to ensure that, before the agency head decides to reduce or suspend payments in the case of a contractor under paragraph (2), the contractor is afforded notice of the proposed reduction or suspension and an opportunity to submit matters to the head of the agency in response to such proposed reduction or suspension.

''(6) Not later than 180 days after the date on which an agency head reduces or suspends payments to a contractor under paragraph (2), the remedy coordination official of the executive agency shall—

''(A) review the determination of fraud on which the reduction or suspension is based; and

''(B) transmit a recommendation to the agency head whether the suspension or reduction should continue.

''(7) Each agency head who receives recommendations made by a remedy coordination official of the executive agency to reduce or suspend payments under paragraph (2) during a fiscal year shall prepare for such year a report that contains the recommendations, the actions taken on the recommendations and the reasons for such actions, and an assessment of the effects of such actions

on the Federal Government. Any such report shall be available to any Member of Congress upon request.

''(8) An agency head may not delegate responsibilities under this subsection to any person in a position below level IV of the Executive Schedule.

''(9) In this subsection, the term 'remedy coordination official', with respect to an executive agency, means the person or entity in that executive agency who coordinates within that executive agency the administration of criminal, civil, administrative, and contractual remedies resulting from investigations of fraud or corruption related to procurement activities.''.

(2) RELATIONSHIP TO PROMPT PAYMENT REQUIREMENTS.—The amendment made by paragraph (1) is not intended to impair or modify procedures required by the provisions of chapter 39 of title 31, United States Code, and the regulations issued pursuant to such provisions of law, that relate to progress payment requests, as such procedures are in effect on the date of the enactment of this division.

(g) CONFORMING AND CLERICAL AMENDMENTS.—

(1) REFERENCE.—Section 305 of the Federal Property and Administrative Services Act of 1949, as amended by subsection (a), is further amended in

subsections (d) and (e) by striking out ''subsection (a)'' and inserting in lieu thereof ''subsection (b)''.

(2) TABLE OF CONTENTS.—The table of contents in the first section of such Act is amended by striking out the item relating to section 305 and inserting in lieu thereof the following:

''Sec. 305. Contract financing.''.

Subtitle B—Cost Principles

PART I—ARMED SERVICES ACQUISITIONS

SEC. 42101. ALLOWABLE CONTRACT COSTS.

(a) UNALLOWABILITY OF COSTS TO INFLUENCE LOCAL LEGISLATIVE BODIES.—Subsection (e)(1)(B) of section 2324 of title 10, United States Code, is amended by striking out ''or a State legislature'' and inserting in lieu thereof '', a State legislature, or a legislative body of a political subdivision of a State''.

(b) COMPTROLLER GENERAL EVALUATION.—Section 2324 of such title is amended by striking out subsection (l).

(c) COVERED CONTRACT DEFINED.—Subsection (m) of such section is amended to read as follows:

''(l)(1) In this section, the term 'covered contract' means a contract for an amount in excess of $500,000 that is entered into by the Department of Defense, except that such term does not include a fixed-price contract without cost incentives.

''(2) Effective on October 1 of each year that is divisible by 5, the amount set forth in paragraph (1) shall be adjusted to the amount that is equal to the fiscal year 1994 constant dollar value of the amount set forth. An amount, as so adjusted, that is not evenly divisible by $50,000 shall be rounded to the nearest multiple of $50,000. In the case of an amount that is evenly divisible by $25,000 but is not evenly divisible by $50,000, the amount shall be rounded to the next higher multiple of $50,000.''.

SEC. 42102. CONTRACT PROFIT CONTROLS DURING EMERGENCY PERIODS.

(a) REPEAL.—Section 2382 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2382.

PART II—CIVILIAN AGENCY ACQUISITIONS

SEC. 42151. ALLOWABLE CONTRACT COSTS.

(a) REVISION OF CIVILIAN AGENCY PROVISION TO ENSURE UNIFORM TREATMENT OF CONTRACT COSTS.—Section 306 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256) is amended to read as follows:

''ALLOWABLE COSTS

''SEC. 306. (a) INDIRECT COST THAT VIOLATES A FAR COST PRINCIPLE.—The head of an executive agency shall require that a covered contract provide that if the contractor submits to the executive agency a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of a cost which is unallowable because the cost violates a cost principle in the Federal Acquisition Regulation or an executive agency's supplement to the Federal Acquisition Regulation, the cost shall be disallowed.

''(b) PENALTY FOR VIOLATION OF COST PRINCIPLE.—(1) If the agency head determines that a cost submitted by a contractor in its proposal for settlement is expressly unallowable under a cost principle referred to in subsection (a) that defines the allowability of specific selected costs, the agency head shall assess a penalty against the contractor in an amount equal to—

''(A) the amount of the disallowed cost allocated to covered contracts for which a proposal for settlement of indirect costs has been submitted; plus

''(B) interest (to be computed based on regulations issued by the agency head) to compensate the United States for the use of any funds which a con-

tractor has been paid in excess of the amount to which the contractor was entitled.

''(2) If the agency head determines that a proposal for settlement of indirect costs submitted by a contractor includes a cost determined to be unallowable in the case of such contractor before the submission of such proposal, the agency head shall assess a penalty against the contractor in an amount equal to two times the amount of the disallowed cost allocated to covered contracts for which a proposal for settlement of indirect costs has been submitted.

''(c) WAIVER OF PENALTY.—In accordance with the Federal Acquisition Regulation, the agency head may waive a penalty under subsection (b) in the case of a contractor's proposal for settlement of indirect costs when—

''(1) the contractor withdraws the proposal before the formal initiation of an audit of the proposal by the Federal Government and resubmits a revised proposal;

''(2) the amount of unallowable costs subject to the penalty is insignificant; or

''(3) the contractor demonstrates, to the contracting officer's satisfaction, that—

''(A) it has established appropriate policies and personnel training and an internal control

and review system that provide assurances that unallowable costs subject to penalties are precluded from being included in the contractor's proposal for settlement of indirect costs; and

''(B) the unallowable costs subject to the penalty were inadvertently incorporated into the proposal.

''(d) APPLICABILITY OF CONTRACT DISPUTES PROCEDURE TO DISALLOWANCE OF COST AND ASSESSMENT OF PENALTY.—An action of an agency head under subsection (a) or (b)—

''(1) shall be considered a final decision for the purposes of section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605); and

''(2) is appealable in the manner provided in section 7 of such Act.

''(e) SPECIFIC COSTS NOT ALLOWABLE.—(1) The following costs are not allowable under a covered contract:

''(A) Costs of entertainment, including amusement, diversion, and social activities, and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

''(B) Costs incurred to influence (directly or indirectly) legislative action on any matter pending be-

fore Congress, a State legislature, or a legislative body of a political subdivision of a State.

''(C) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor is found liable or had pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification).

''(D) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with the Federal Acquisition Regulation.

''(E) Costs of membership in any social, dining, or country club or organization.

''(F) Costs of alcoholic beverages.

''(G) Contributions or donations, regardless of the recipient.

''(H) Costs of advertising designed to promote the contractor or its products.

''(I) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

''(J) Costs for travel by commercial aircraft which exceed the amount of the standard commercial fare.

''(K) Costs incurred in making any payment (commonly known as a 'golden parachute payment') which is—

''(i) in an amount in excess of the normal severance pay paid by the contractor to an employee upon termination of employment; and

''(ii) is paid to the employee contingent upon, and following, a change in management control over, or ownership of, the contractor or a substantial portion of the contractor's assets.

''(L) Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship.

''(M) Costs of severance pay paid by the contractor to foreign nationals employed by the contractor under a service contract performed outside the United States, to the extent that the amount of severance pay paid in any case exceeds the amount paid in the industry involved under the customary or pre-

vailing practice for firms in that industry providing similar services in the United States, as determined in accordance with the Federal Acquisition Regulation.

''(N) Costs of severance pay paid by the contractor to a foreign national employed by the contractor under a service contract performed in a foreign country if the termination of the employment of the foreign national is the result of the closing of, or the curtailment of activities at, a United States facility in that country at the request of the government of that country.

''(O) Costs incurred by a contractor in connection with any criminal, civil, or administrative proceeding commenced by the United States or a State, to the extent provided in subsection (k).

''(2)(A) Subject to the availability of appropriations, the head of an executive agency, in awarding a covered contract, may waive in accordance with the Federal Acquisition Regulation the application of the provisions of paragraphs (1)(M) and (1)(N) to that contract if the agency head determines that—

''(i) the application of such provisions to the contract would adversely affect the continuation of a program, project, or activity that provides significant

support services for employees of the executive agency posted outside the United States;

''(ii) the contractor has taken (or has established plans to take) appropriate actions within the contractor's control to minimize the amount and number of incidents of the payment of severance pay by the contractor to employees under the contract who are foreign nationals; and

''(iii) the payment of severance pay is necessary in order to comply with a law that is generally applicable to a significant number of businesses in the country in which the foreign national receiving the payment performed services under the contract or is necessary to comply with a collective bargaining agreement.

''(B) The head of the executive agency concerned shall include in the solicitation for a covered contract a statement indicating—

''(i) that a waiver has been granted under subparagraph (A) for the contract; or

''(ii) whether the agency head will consider granting such a waiver, and, if the agency head will consider granting a waiver, the criteria to be used in granting the waiver.

''(C) The agency head shall make the final determination regarding whether to grant a waiver under subparagraph (A) with respect to a covered contract before award of the contract.

''(3) The head of each executive agency shall implement this section with respect to contracts of that executive agency in accordance with the Federal Acquisition Regulation. The provisions of the Federal Acquisition applicable to the implementation of this section may include definitions, exclusions, limitations, and qualifications.

''(f) REQUIRED REGULATIONS.—(1) The Federal Acquisition Regulation referred to in section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)) shall contain provisions on the allowability of contractor costs. Such provisions shall define in detail and in specific terms those costs which are unallowable, in whole or in part, under covered contracts. The regulations shall, at a minimum, clarify the cost principles applicable to contractor costs of the following:

''(A) Air shows.

''(B) Membership in civic, community, and professional organizations.

''(C) Recruitment.

''(D) Employee morale and welfare.

''(E) Actions to influence (directly or indirectly) executive branch action on regulatory and contract matters (other than costs incurred in regard to contract proposals pursuant to solicited or unsolicited bids).

''(F) Community relations.

''(G) Dining facilities.

''(H) Professional and consulting services, including legal services.

''(I) Compensation.

''(J) Selling and marketing.

''(K) Travel.

''(L) Public relations.

''(M) Hotel and meal expenses.

''(N) Expense of corporate aircraft.

''(O) Company-furnished automobiles.

''(P) Advertising.

''(2) The Federal Acquisition Regulation shall require that a contracting officer not resolve any questioned costs until the contracting officer has obtained—

''(A) adequate documentation with respect to such costs; and

''(B) the opinion of the executive agency's contract auditor on the allowability of such costs.

''(3) The Federal Acquisition Regulation shall provide that, to the maximum extent practicable, an executive agency's contract auditor be present at any negotiation or meeting with the contractor regarding a determination of the allowability of indirect costs of the contractor.

''(4) The Federal Acquisition Regulation shall require that all categories of costs designated in the report of an executive agency's contract auditor as questioned with respect to a proposal for settlement be resolved in such a manner that the amount of the individual questioned costs that are paid will be reflected in the settlement.

''(g) APPLICABILITY OF REQUIRED REGULATIONS TO SUBCONTRACTORS.—The regulations prescribed to carry out subsections (e) and (f)(1) shall require, to the maximum extent practicable, that such regulations apply to all subcontractors of a covered contract.

''(h) CONTRACTOR CERTIFICATION REQUIRED.—(1) A proposal for settlement of indirect costs applicable to a covered contract shall include a certification by an official of the contractor that, to the best of the certifying official's knowledge and belief, all indirect costs included in the proposal are allowable. Any such certification shall be in a form prescribed by the agency head concerned.

''(2) The agency head concerned may, in an exceptional case, waive the requirement for certification under

paragraph (1) in the case of any contract if the agency head—

''(A) determines in such case that it would be in the interest of the United States to waive such certification; and

''(B) states in writing the reasons for that determination and makes such determination available to the public.

''(i) PENALTIES FOR SUBMISSION OF COST KNOWN AS NOT ALLOWABLE.—The submission to an executive agency of a proposal for settlement of costs for any period after such costs have been accrued that includes a cost that is expressly specified by statute or regulation as being unallowable, with the knowledge that such cost is unallowable, shall be subject to the provisions of section 287 of title 18, United States Code, and section 3729 of title 31, United States Code.

''(j) CONTRACTOR TO HAVE BURDEN OF PROOF.—In a proceeding before a board of contract appeals, the United States Court of Federal Claims, or any other Federal court in which the reasonableness of indirect costs for which a contractor seeks reimbursement from the United States is in issue, the burden of proof shall be upon the contractor to establish that those costs are reasonable.

''(k) PROCEEDING COSTS NOT ALLOWABLE.—(1) Except as otherwise provided in this subsection, costs incurred by a contractor in connection with any criminal, civil, or administrative proceeding commenced by the United States or a State are not allowable as reimbursable costs under a covered contract if the proceeding (A) relates to a violation of, or failure to comply with, a Federal or State statute or regulation, and (B) results in a disposition described in paragraph (2).

''(2) A disposition referred to in paragraph (1)(B) is any of the following:

''(A) In the case of a criminal proceeding, a conviction (including a conviction pursuant to a plea of nolo contendere) by reason of the violation or failure referred to in paragraph (1).

''(B) In the case of a civil or administrative proceeding involving an allegation of fraud or similar misconduct, a determination of contractor liability on the basis of the violation or failure referred to in paragraph (1).

''(C) In the case of any civil or administrative proceeding, the imposition of a monetary penalty by reason of the violation or failure referred to in paragraph (1).

''(D) A final decision—

''(i) to debar or suspend the contractor,

''(ii) to rescind or void the contract, or

''(iii) to terminate the contract for default,

by reason of the violation or failure referred to in paragraph (1).

''(E) A disposition of the proceeding by consent or compromise if such action could have resulted in a disposition described in subparagraph (A), (B), (C), or (D).

''(3) In the case of a proceeding referred to in paragraph (1) that is commenced by the United States and is resolved by consent or compromise pursuant to an agreement entered into by a contractor and the United States, the costs incurred by the contractor in connection with such proceeding that are otherwise not allowable as reimbursable costs under such paragraph may be allowed to the extent specifically provided in such agreement.

''(4) In the case of a proceeding referred to in paragraph (1) that is commenced by a State, the agency head that awarded the covered contract involved in the proceeding may allow the costs incurred by the contractor in connection with such proceeding as reimbursable costs if the agency head determines, under regulations prescribed by such agency head, that the costs were incurred as a result

of (A) a specific term or condition of the contract, or (B) specific written instructions of the agency.

''(5)(A) Except as provided in subparagraph (C), costs incurred by a contractor in connection with a criminal, civil, or administrative proceeding commenced by the United States or a State in connection with a covered contract may be allowed as reimbursable costs under the contract if such costs are not disallowable under paragraph (1), but only to the extent provided in subparagraph (B).

''(B)(i) The amount of the costs allowable under subparagraph (A) in any case may not exceed the amount equal to 80 percent of the amount of the costs incurred, to the extent that such costs are determined to be otherwise allowable and allocable under the Federal Acquisition Regulations.

''(ii) Regulations issued for the purpose of clause (i) shall provide for appropriate consideration of the complexity of procurement litigation, generally accepted principles governing the award of legal fees in civil actions involving the United States as a party, and such other factors as may be appropriate.

''(C) In the case of a proceeding referred to in subparagraph (A), contractor costs otherwise allowable as reimbursable costs under this paragraph are not allowable if (i) such proceeding involves the same contractor mis-

conduct alleged as the basis of another criminal, civil, or administrative proceeding, and (ii) the costs of such other proceeding are not allowable under paragraph (1).

''(6) In this subsection:

''(A) The term 'proceeding' includes an investigation.

''(B) The term 'costs', with respect to a proceeding—

''(i) means all costs incurred by a contractor, whether before or after the commencement of any such proceeding; and

''(ii) includes—

''(I) administrative and clerical expenses;

''(II) the cost of legal services, including legal services performed by an employee of the contractor;

''(III) the cost of the services of accountants and consultants retained by the contractor; and

''(IV) the pay of directors, officers, and employees of the contractor for time devoted by such directors, officers, and employees to such proceeding.

''(C) The term 'penalty' does not include restitution, reimbursement, or compensatory damages.

''(l) COVERED CONTRACT DEFINED.—(1) In this section, the term 'covered contract' means a contract for an amount in excess of $500,000 that is entered into by an executive agency, except that such term does not include a fixed-price contract without cost incentives.

''(2) Effective on October 1 of each year that is divisible by 5, the amount set forth in paragraph (1) shall be adjusted to the amount that is equal to the fiscal year 1994 constant dollar value of the amount set forth. An amount, as so adjusted, that is not evenly divisible by $50,000 shall be rounded to the nearest multiple of $50,000. In the case of an amount that is evenly divisible by $25,000 but is not evenly divisible by $50,000, the amount shall be rounded to the next higher multiple of $50,000.''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by striking out the item relating to section 306 and inserting in lieu thereof the following:

''Sec. 306. Allowable costs.''.

PART III—ACQUISITIONS GENERALLY

SEC. 42191. TRAVEL EXPENSES OF GOVERNMENT CONTRACTORS.

Section 24 of the Office of Federal Procurement Policy Act (41 U.S.C. 420) is repealed.

SEC. 42192. UNALLOWABILITY OF ENTERTAINMENT COSTS UNDER COVERED CONTRACTS.

Not later than 90 days after the date of the enactment of this division, the Federal Acquisition Regulatory Council shall amend the cost principle in the Federal Acquisition Regulation that is set out in section 31.205–14 of title 48, Code of Federal Regulations, relating to unallowability of entertainment costs—

(1) by inserting in the cost principle a statement that costs made specifically unallowable under that cost principle are not allowable under any other cost principle; and

(2) by striking out ''(but see 31.205–1 and 31.205–13)''.

Subtitle C—Audit and Access to Records

PART I—ARMED SERVICES ACQUISITIONS

SEC. 42201. CONSOLIDATION AND REVISION OF AUTHORITY TO EXAMINE RECORDS OF CONTRACTORS.

(a) AUTHORITY.—

(1) IN GENERAL.—Section 2313 of title 10, United States Code, is amended to read as follows:

"§ 2313. Examination of records of contractor

''(a) AGENCY AUTHORITY.—The head of an agency, acting through an authorized representative—

''(1) is entitled to inspect the plant and audit the records of—

''(A) a contractor performing a cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable contract, or any combination of such contracts, made by that agency under this chapter; and

''(B) a subcontractor performing any cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable subcontract under a contract referred to in subparagraph (A) or under any combination of such contracts; and

''(2) shall, for the purpose of evaluating the accuracy, completeness, and currency of cost or pricing data required to be submitted pursuant to section 2306a of this title with respect to a contract or subcontract, have the right to examine all records of the contractor or subcontractor related to—

''(A) the proposal for the contract or subcontract;

''(B) the discussions conducted on the proposal;

''(C) pricing of the contract or subcontract; or

''(D) performance of the contract or subcontract.

''(b) LIMITATION ON PREAWARD AUDITS RELATING TO INDIRECT COSTS.—The head of an agency may not perform a preaward audit to evaluate proposed indirect costs under any contract, subcontract, or modification to be entered into in accordance with this chapter in any case in which the contracting officer determines that the objectives of the audit can reasonably be met by accepting the results of an audit conducted by any other department or agency of the Federal Government within one year preceding the date of the contracting officer's determination.

''(c) SUBPOENA POWER.—(1) The Director of the Defense Contract Audit Agency (or any successor agency) may require by subpoena the production of records of a contractor, access to which is provided to the Secretary of Defense or Secretary of a military department by subsection (a).

''(2) Any such subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of an appropriate United States district court.

''(3) The authority provided by paragraph (1) may not be redelegated.

''(4) The Director (or any successor official) shall submit an annual report to the Secretary of Defense on the exercise of such authority during the preceding year and the reasons why such authority was exercised in any instance. The Secretary shall forward a copy of each such report to the Committees on Armed Services of the Senate and House of Representatives.

''(d) COMPTROLLER GENERAL AUTHORITY.—(1) Except as provided in paragraph (2), each contract awarded after using procedures other than sealed bid procedures shall provide that the Comptroller General and his representatives are entitled to examine any records of the contractor, or any of its subcontractors, that directly pertain to, and involve transactions relating to, the contract or subcontract.

''(2) Paragraph (1) does not apply to a contract or subcontract with a foreign contractor or foreign subcontractor if the head of the agency concerned determines, with the concurrence of the Comptroller General or his designee, that the application of that paragraph to the

contract or subcontract would not be in the public interest. However, the concurrence of the Comptroller General or his designee is not required—

''(A) where the contractor or subcontractor is a foreign government or agency thereof or is precluded by the laws of the country involved from making its records available for examination; and

''(B) where the head of the agency determines, after taking into account the price and availability of the property and services from United States sources, that the public interest would be best served by not applying paragraph (1).

''(3) Paragraph (1) may not be construed to require a contractor or subcontractor to create or maintain any record that the contractor or subcontractor does not maintain in the ordinary course of business or pursuant to another provision of law.

''(e) LIMITATION.—The right of the head of an agency under subsection (a), and the right of the Comptroller General under subsection (d), with respect to a contract or subcontract shall expire three years after final payment under such contract or subcontract.

''(f) INAPPLICABILITY TO CERTAIN CONTRACTS.—This section is inapplicable with respect to the following contracts:

''(1) Contracts for utility services at rates not exceeding those established to apply uniformly to the public, plus any applicable reasonable connection charge.

''(g) RECORDS DEFINED.—In this section, the term 'records' includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.''.

(2) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 137 of title 10, United States Code, is amended to read as follows:

''2313. Examination of records of contractor.''.

(b) REPEAL OF SUPERSEDED PROVISION.—

(1) REPEAL.—Section 2406 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2406.

PART II—CIVILIAN AGENCY ACQUISITIONS

SEC. 42251. AUTHORITY TO EXAMINE RECORDS OF CONTRACTORS.

(a) AUTHORITY.—

(1) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), as amended by section 41151(a), is further amended by inserting after section 304A the following new section:

''EXAMINATION OF RECORDS OF CONTRACTOR

''SEC. 304B. (a) AGENCY AUTHORITY.—The head of an executive agency, acting through an authorized representative—

''(1) is entitled to inspect the plant and audit the records of—

''(A) a contractor performing a cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable contract, or any combination of such contracts, made by that executive agency under this title; and

''(B) a subcontractor performing any cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable subcontract under a contract referred to in subparagraph (A) or under any combination of such contracts; and

''(2) shall, for the purpose of evaluating the accuracy, completeness, and currency of cost or pricing data required to be submitted pursuant to section 304A with respect to a contract or subcontract, have

the right to examine all records of the contractor or subcontractor related to—

''(A) the proposal for the contract or subcontract;

''(B) the discussions conducted on the proposal;

''(C) pricing of the contract or subcontract; or

''(D) performance of the contract or subcontract.

''(b) LIMITATION ON PREAWARD AUDITS RELATING TO INDIRECT COSTS.—The agency head may not perform a preaward audit to evaluate proposed indirect costs under any contract, subcontract, or modification to be entered into in accordance with this title in any case in which the contracting officer determines that the objectives of the audit can reasonably be met by accepting the results of an audit conducted by any other department or agency of the Federal Government within one year preceding the date of the contracting officer's determination.

''(c) SUBPOENA POWER.—(1) The agency head may require by subpoena the production of records of a contractor, access to which is provided by subsection (a).

''(2) Any such subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of an appropriate United States district court.

''(3) The authority provided by paragraph (1) may not be delegated.

''(4) In the year following a year in which the head of an executive agency exercises the authority provided in paragraph (1), the agency head shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives a report on the exercise of such authority during such preceding year and the reasons why such authority was exercised in any instance.

''(d) COMPTROLLER GENERAL AUTHORITY.—(1) Except as provided in paragraph (2), each contract awarded after using procedures other than sealed bid procedures shall provide that the Comptroller General and his representatives are entitled to examine any records of the contractor, or any of its subcontractors, that directly pertain to, and involve transactions relating to, the contract or subcontract.

''(2) Paragraph (1) does not apply to a contract or subcontract with a foreign contractor or foreign subcontractor if the agency head concerned determines, with the concurrence of the Comptroller General or his des-

ignee, that the application of that paragraph to the contract or subcontract would not be in the public interest. However, the concurrence of the Comptroller General or his designee is not required—

''(A) where the contractor or subcontractor is a foreign government or agency thereof or is precluded by the laws of the country involved from making its records available for examination; and

''(B) where the agency head determines, after taking into account the price and availability of the property and services from United States sources, that the public interest would be best served by not applying paragraph (1).

''(3) Paragraph (1) may not be construed to require a contractor or subcontractor to create or maintain any record that the contractor or subcontractor does not maintain in the ordinary course of business or pursuant to another provision of law.

''(e) LIMITATION.—The right of an agency head under subsection (a), and the right of the Comptroller General under subsection (d), with respect to a contract or subcontract shall expire three years after final payment under such contract or subcontract.

''(f) INAPPLICABILITY TO CERTAIN CONTRACTS.—This section is inapplicable with respect to the following contracts:

''(1) CONTRACTS.—For utility services at rates not exceeding those established to apply uniformly to the public, plus any applicable reasonable connection charge.

''(g) RECORDS DEFINED.—In this section, the term 'records' includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.''.

(2) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by section 41151(b), is further amended by inserting after the item relating to section 304A the following:

''Sec. 304B. Examination of records of contractor.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 304 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254) is amended by striking out subsection (c).

Subtitle D—Cost Accounting Standards

SEC. 42301. EXCEPTIONS TO COVERAGE.

Section 26(f)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(2)) is amended—

(1) by inserting ''(A)'' after ''(2)'';

(2) by striking out '', other than contracts or subcontracts'' and all that follows and inserting in lieu thereof a period; and

(3) by inserting at the end the following:

''(B) Subparagraph (A) does not apply to the following contracts or subcontracts:

''(i) Contracts or subcontracts where the price negotiated is based on established catalog or market prices of commercial items sold in substantial quantities to the general public.

''(ii) Contracts or subcontracts where the price negotiated is based on prices set by law or regulation.

''(iii) Any other firm fixed-price contract or subcontract for commercial items which is excepted from the requirement to provide cost or pricing data pursuant to subsection (b) or (d) of section 2306a of title 10, United States Code, or subsection (b) or (d) of section 304A of the Federal Property and Administrative Services Act of 1949.

''(C) In this paragraph, the term 'subcontract' includes a transfer of commercial items between divisions, subsidiaries, or affiliates of a contractor.''.

SEC. 42302. REPEAL OF OBSOLETE DEADLINE REGARDING PROCEDURAL REGULATIONS FOR THE COST ACCOUNTING STANDARDS BOARD.

Section 26(f)(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(3)) is amended in the first sentence by striking out ''Not later than 180 days after the date of the enactment of this section, the Administrator'' and inserting in lieu thereof ''The Administrator''.

Subtitle E—Administration of Contract Provisions Relating to Price, Delivery, and Product Quality

PART I—ARMED SERVICES ACQUISITIONS

SEC. 42401. PROCUREMENT OF CRITICAL AIRCRAFT AND SHIP SPARE PARTS; QUALITY CONTROL.

(a) REPEAL.—Section 2383 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2383.

SEC. 42402. CONTRACTOR GUARANTEES REGARDING WEAPON SYSTEMS.

Section 2403(h) of title 10, United States Code, is amended—

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

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

''(2) The regulations shall include the following:

''(A) Guidelines for negotiating contractor guarantees that are reasonable and cost effective, as determined on the basis of the likelihood of defects and the estimated cost of correcting such defects.

''(B) Procedures for administering contractor guarantees.

''(C) Guidelines for determining the cases in which it may be appropriate to waive the requirements of this section.''.

PART II—ACQUISITIONS GENERALLY

SEC. 42451. SECTION 3737 OF THE REVISED STATUTES: EXPANSION OF AUTHORITY TO PROHIBIT SETOFFS AGAINST ASSIGNEES; REORGANIZATION OF SECTION; REVISION OF OBSOLETE PROVISIONS.

Section 3737 of the Revised Statutes (41 U.S.C. 15) is amended to read as follows:

''SEC. 3737. (a) No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of the contract or order transferred, so far as the United States is concerned. All

rights of action, however, for any breach of such contract by the contracting parties, are reserved to the United States.

''(b) The provisions of subsection (a) shall not apply in any case in which the moneys due or to become due from the United States or from any agency or department thereof, under a contract providing for payments aggregating $1,000 or more, are assigned to a bank, trust company, or other financing institution, including any Federal lending agency, provided:

''(1) That, in the case of any contract entered into after October 9, 1940, no claim shall be assigned if it arises under a contract which forbids such assignment.

''(2) That, unless otherwise expressly permitted by such contract, any such assignment shall cover all amounts payable under such contract and not already paid, shall not be made to more than one party, and shall not be subject to further assignment, except that any such assignment may be made to one party as agent or trustee for two or more parties participating in such financing.

''(3) That, in the event of any such assignment, the assignee thereof shall file written notice of the

assignment together with a true copy of the instrument of the assignment with—

''(A) the contracting officer or the head of his department or agency;

''(B) the surety or sureties upon the bond or bonds, if any, in connection with such contract; and

''(C) the disbursing officer, if any, designated in such contract to make payment.

''(c) Notwithstanding any law to the contrary governing the validity of assignments, any assignment pursuant to this section shall constitute a valid assignment for all purposes.

''(d) In any case in which moneys due or to become due under any contract are or have been assigned pursuant to this section, no liability of any nature of the assignor to the United States or any department or agency thereof, whether arising from or independently of such contract, shall create or impose any liability on the part of the assignee to make restitution, refund, or repayment to the United States of any amount heretofore since July 1, 1950, or hereafter received under the assignment.

''(e) Any contract of the Department of Defense, the General Services Administration, the Department of Energy, or any other department or agency of the United

States designated by the President, except any such contract under which full payment has been made, may, upon a determination of need by the President, provide or be amended without consideration to provide that payments to be made to the assignee of any moneys due or to become due under such contract shall not be subject to reduction or setoff. Each such determination of need shall be published in the Federal Register.

''(f) If a provision described in subsection (e) or a provision to the same general effect has been at any time heretofore or is hereafter included or inserted in any such contract, payments to be made thereafter to an assignee of any moneys due or to become due under such contract shall not be subject to reduction or setoff for any liability of any nature of the assignor to the United States or any department or agency thereof which arises independently of such contract, or hereafter for any liability of the assignor on account of—

''(1) renegotiation under any renegotiation statute or under any statutory renegotiation article in the contract;

''(2) fines;

''(3) penalties (which term does not include amounts which may be collected or withheld from

the assignor in accordance with or for failure to comply with the terms of the contract); or

''(4) taxes, social security contributions, or the withholding or non withholding of taxes or social security contributions, whether arising from or independently of such contract.

''(g) Except as herein otherwise provided, nothing in this section shall be deemed to affect or impair rights of obligations heretofore accrued.''.

SEC. 42452. REPEAL OF REQUIREMENT FOR DEPOSIT OF CONTRACTS WITH GAO.

Section 3743 of the Revised Statutes (41 U.S.C. 20) is repealed.

Subtitle F—Claims and Disputes

PART I—ARMED SERVICES ACQUISITIONS

SEC. 42501. CERTIFICATION OF CONTRACT CLAIMS.

(a) DOD CERTIFICATION REQUIREMENT IN CONFLICT WITH GOVERNMENTWIDE REQUIREMENT.—

(1) INAPPLICABILITY OF REQUIREMENT TO CONTRACT CLAIMS.—Section 2410 of title 10, United States Code, is amended to read as follows:

''§ 2410. Requests for equitable adjustment or other relief: certification

''(a) CERTIFICATION REQUIREMENT.—A request for equitable adjustment to contract terms or request for re-

lief under Public Law 85–804 (50 U.S.C. 1431 et seq.) that exceeds the simplified acquisition threshold may not be paid unless a person authorized to certify the request on behalf of the contractor certifies, at the time the request is submitted, that—

''(1) the request is made in good faith, and

''(2) the supporting data are accurate and complete to the best of that person's knowledge and belief.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2410 and inserting in lieu thereof the following:

''2410. Requests for equitable adjustment or other relief: certification.''.

(b) RESTRICTION ON LEGISLATIVE PAYMENT OF CLAIMS.—Section 2410 of title 10, United States Code, as amended by subsection (a), is further amended by adding at the end the following new subsection:

''(b) RESTRICTION ON LEGISLATIVE PAYMENT OF CLAIMS.—In the case of a contract of an agency named in section 2303(a) of this title, no provision of a law enacted after September 30, 1994, that directs the payment of a particular claim under such contract, a particular request for equitable adjustment to any term of such contract, or a particular request for relief under Public Law

85–804 (50 U.S.C. 1431 et seq.) regarding such contract may be implemented unless such provision of law—

''(1) specifically refers to this subsection; and

''(2) specifically states that this subsection does not apply with respect to the payment directed by that provision of law.''.

(c) DEFINITION.—Section 2410, as amended by subsections (a) and (b), is further amended by adding at the end the following:

''(c) DEFINITION.—In this section, the term 'simplified acquisition threshold' has the meaning given that term in section 2302(4) of this title.''.

(d) REPEAL OF RELATED PROVISIONS.—

(1) CERTIFICATION REGULATIONS FOR CONTRACT CLAIMS EXCEEDING $100,000.—

(A) REPEAL.—Section 2410e of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2410e.

(2) CONFORMING REPEAL.—Section 813(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484, 106 Stat. 2453), is repealed.

SEC. 42502. SHIPBUILDING CLAIMS.

(a) LIMITATION ON PERIOD FOR SUBMISSION.—

(1) INCREASED PERIOD.—Subsection (a) of section 2405 of title 10, United States Code, is amended—

(A) by striking out ''after December 7, 1983,'' and inserting in lieu thereof ''on or after the date of the enactment of the Federal Acquisition Streamlining Act of 1994''; and

(B) by striking out ''18 months'' and inserting in lieu thereof ''6 years''.

(2) SAVINGS PROVISION.—Notwithstanding the 6-year period provided in subsection (a) of section 2405 of title 10, United States Code, as amended by paragraph (1), the period applicable under such subsection in the case of a shipbuilding contract entered into after December 7, 1983, and before the date of the enactment of the Federal Acquisition Streamlining Act of 1994 shall continue to be 18 months.

(b) RESUBMISSION WITH CORRECTED CERTIFICATION.—Subsection (c) of such section is repealed.

PART II—ACQUISITIONS GENERALLY

SEC. 42551. CLAIMS JURISDICTION OF UNITED STATES DISTRICT COURTS AND THE UNITED STATES COURT OF FEDERAL CLAIMS.

(a) CONCURRENT JURISDICTION OF UNITED STATES DISTRICT COURTS UNDER THE LITTLE TUCKER ACT.—Subsection (a) of section 1346 of title 28, United States Code, is amended to read as follows:

''(a)(1) The district courts shall have original jurisdiction, concurrent with the United States Court of Federal Claims, of any civil action against the United States for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to have been excessive or in any manner wrongfully collected under the internal-revenue laws.

''(2)(A) Except as provided in subparagraph (B), the district courts shall have original jurisdiction, concurrent with the United States Court of Federal Claims, of any other civil action or claim against the United States, not exceeding $10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort.

''(B) The district courts shall not have jurisdiction over any civil action or claim against the United States or any Federal entity which relates in any manner to a contract to which the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) applies, including a claim that seeks to establish the existence or nonexistence of such a contract, seeks to establish that such a contract is void, or seeks to determine and construe the terms of such a contract. The district courts do not have jurisdiction over any civil action or claim described in the preceding sentence pursuant to section 1331, 1334, or 1346(a)(2)(B) of this title, any provision of law giving a Federal entity the right to sue or be sued in its own name, or any other provision of law.''.

(b) JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS UNDER THE TUCKER ACT.—Section 1491 of title 28, United States Code, as amended by section 1422, is further amended by inserting after subsection (c) the following:

''(d)(1) The United States Court of Federal Claims shall have jurisdiction over any civil action or claim against the United States which relates in any manner to a contract to which the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq,) applies, including a civil action or claim that seeks to establish the existence or

nonexistence of such a contract, seeks to establish that such contract is void, or seeks to determine and construe the terms of any such contract.

''(2) The jurisdiction of the United States Court of Federal Claims is, pursuant to section 1346(a)(2)(B) of this title, exclusive as to the district courts of the United States.''.

SEC. 42552. CONTRACT DISPUTES ACT IMPROVEMENTS.

(a) PERIOD FOR FILING CLAIMS.—

(1) SIX-YEAR LIMITATION.—Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended in subsection (a) by inserting after the second sentence the following: ''Each claim by a contractor against the government relating to a contract and each claim by the government against a contractor relating to a contract shall be submitted within 6 years after the occurrence of the event or events giving rise to the claim. The preceding sentence does not apply to a claim by the government against a contractor that is based on a claim by the contractor involving fraud.''.

(2) LIMITATION ON APPLICABILITY TO EXISTING CONTRACTS.—Notwithstanding the third sentence of section 6(a) of the Contract Disputes Act of 1978, as added by paragraph (1), if a contract in

existence on the date of the enactment of this division requires that a claim referred to in that sentence be submitted earlier than 6 years after the occurrence of the event or events giving rise to the claim, then the claim shall be submitted within the period required by the contract. The preceding sentence does not apply to a claim by the Federal Government against a contractor that is based on a claim by the contractor involving fraud.

(b) INCREASED THRESHOLD FOR CERTIFICATION, DECISION, AND NOTIFICATION REQUIREMENTS.—Subsection (c) of such section is amended by striking out ''$50,000'' each place it appears and inserting in lieu thereof ''$100,000''.

(c) INCREASED MAXIMUM FOR APPLICABILITY OF ACCELERATED PROCEDURES.—Section 8(f) of the Contract Disputes Act of 1978 (41 U.S.C. 607(f)) is amended by striking out ''$50,000'' in the first sentence and inserting in lieu thereof ''$150,000''.

(d) INCREASED MAXIMUM FOR APPLICABILITY OF SMALL CLAIMS PROCEDURE.—Section 9(a) of the Contract Disputes Act of 1978 (41 U.S.C. 608(a)) is amended by striking out ''$10,000'' in the first sentence and inserting in lieu thereof ''$50,000''.

(e) REDUCED PERIOD FOR FILING ACTION IN COURT OF FEDERAL CLAIMS.—Section 10(a)(3) of such Act (41 U.S.C. 609(a)(3)) is amended by striking out ''twelve months'' and inserting in lieu thereof ''90 days''.

SEC. 42553. EXTENSION OF ALTERNATIVE DISPUTE RESOLUTION AUTHORITY.

(a) EXTENSION OF AUTHORITY.—Section 6(e) of the Contracts Disputes Act of 1978 (41 U.S.C. 605(e)) is amended by striking out ''October 1, 1995'' and inserting in lieu thereof ''October 1, 1999''.

(b) AVAILABILITY OF PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—Section 6(e) of such Act is amended by inserting after the first sentence the following: ''In any case in which the contracting officer rejects a contractor's request for alternative dispute resolution proceedings, the contracting officer shall provide the contractor with a written explanation, citing one or more of the conditions in section 572(b) of title V, United States Code, or such other specific reasons that alternative dispute resolution procedures are inappropriate for the resolution of the dispute. In any case in which a contractor rejects a request of an agency for alternative dispute resolution proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.''.

SEC. 42554. EXPEDITED RESOLUTION OF CONTRACT ADMINISTRATION COMPLAINTS.

(a) REGULATIONS REQUIRED.—The Federal Acquisition Regulation shall include provisions that require a contracting officer—

(1) to make every reasonable effort to respond in writing within 30 days to any written request made to a contracting officer with respect to a matter relating to the administration of a contract that is received from a small business concern; and

(2) in the event that the contracting officer is unable to reply within the 30-day period, to transmit to the contractor within such period a written notification of a specific date by which the contracting officer expects to respond.

The provisions shall not apply to a request for a contracting officer's decision under the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.).

(b) RULE OF CONSTRUCTION.—Nothing in this provision shall be considered as creating any rights under the Contract Disputes Act (41 U.S.C. 601 et seq.).

(c) DEFINITION.—In this section, the term ''small business concern'' means a business concern that meets the requirements of section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the regulations promulgated pursuant to that section.

SEC. 42555. AUTHORITY FOR DISTRICT COURTS TO OBTAIN ADVISORY OPINIONS FROM BOARDS OF CONTRACT APPEALS IN CERTAIN CASES.

Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended by adding at the end the following new paragraph:

''(f)(1) Whenever an action involving an issue described in paragraph (2) is pending in a district court of the United States, the district court may request a board of contract appeals to provide the court with an advisory opinion on the matters of contract interpretation at issue.

''(2) An issue referred to in paragraph (1) is any issue that could be the proper subject of a final decision of a contracting officer appealable under this Act.

''(3) A district court shall direct any request under paragraph (1) to the board of contract appeals having jurisdiction under this Act to adjudicate appeals of contract claims under the contract or contracts being interpreted by the court.

''(4) Within ninety days after receiving a request for an advisory opinion under paragraph (1), a board of contract appeals shall provide the advisory opinion to the district court making the request.''.

TITLE XLIII—SERVICE SPECIFIC AND MAJOR SYSTEMS STATUTES

Subtitle A—Major Systems Statutes

SEC. 43001. REQUIREMENT FOR INDEPENDENT COST ESTIMATES AND MANPOWER ESTIMATES BEFORE DEVELOPMENT OR PRODUCTION.

(a) CONTENT AND SUBMISSION OF ESTIMATES.—Section 2434 of title 10, United States Code, is amended by striking out subsection (b) and inserting in lieu thereof the following:

''(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing the content and submission of the estimates required by subsection (a). The regulations shall require—

''(1) that the independent estimate of the cost of a program—

''(A) be prepared by an office or other entity that is not under the supervision, direction, or control of the military department, Defense Agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program; and

''(B) include all costs of development, procurement, and operations and support, without

regard to funding source or management control; and

''(2) that the manpower estimate include the total personnel required to train for, operate, maintain, and support the program upon full operational deployment.''.

(b) TERMINOLOGY CORRECTION.—Subsection (a) of such section is amended by striking out ''full-scale engineering development'' and inserting in lieu thereof ''engineering and manufacturing development''.

SEC. 43002. ENHANCED PROGRAM STABILITY.

(a) BASELINE DESCRIPTIONS AND DEVIATION REPORTING.—Section 2435 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2); and

(B) in paragraph (1)—

(i) by striking out ''(1)''; and

(ii) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(2) by striking out subsection (b) and inserting in lieu thereof the following:

''(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing—

''(1) the content of baseline descriptions, which shall include the program cost, the program schedule, and a program performance description;

''(2) the submission of reports on deviations of a program from the baseline description by the program manager to the Secretary of the military department concerned and the Under Secretary of Defense for Acquisition and Technology;

''(3) procedures for review of deviation reports within the Department of Defense; and

''(4) procedures for submission and approval of revised baseline descriptions.

''(c) BASELINE DESCRIPTION REQUIRED BEFORE OBLIGATION OF FUNDS.—(1) Except as provided in paragraph (2), no amount appropriated or otherwise made available to the Department of Defense may be obligated for a major defense acquisition program before a baseline description for the program is approved in accordance with the procedures prescribed pursuant to subsection (b)(4).

''(2) An obligation otherwise prohibited by paragraph (1) may be incurred if approved in advance by the Under Secretary of Defense for Acquisition and Technology.''.

(b) TERMINOLOGY CORRECTION.—Subsection (a)(1) of such section, as redesignated by subsection (a)(1)(B)(ii), is amended by striking out ''full-scale engi-

neering development'' and inserting in lieu thereof ''engineering and manufacturing development''.

SEC. 43003. REPEAL OF REQUIREMENT TO DESIGNATE CERTAIN MAJOR DEFENSE ACQUISITION PROGRAMS AS DEFENSE ENTERPRISE PROGRAMS.

Section 809 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2430 note) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.

SEC. 43004. REPEAL OF REQUIREMENT FOR COMPETITIVE PROTOTYPING IN MAJOR PROGRAMS.

(a) REPEAL.—Section 2438 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 144 of such title is amended by striking out the item relating to section 2438.

SEC. 43005. REPEAL OF REQUIREMENT FOR COMPETITIVE ALTERNATIVE SOURCES IN MAJOR PROGRAMS.

(a) REPEAL.—Section 2439 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 144 of such title is amended by striking out the item relating to section 2439.

Subtitle B—Testing Statutes

SEC. 43011. DIRECTOR OF OPERATIONAL TEST AND EVALUATION TO REPORT DIRECTLY TO SECRETARY OF DEFENSE.

Section 139(c) of title 10, United States Code, is amended by inserting after ''(c)'' the following: ''The Director reports directly, without intervening review or approval, to the Secretary of Defense and Deputy Secretary of Defense personally.''.

SEC. 43012. RESPONSIBILITY OF DIRECTOR OF OPERATIONAL TEST AND EVALUATION FOR LIVE FIRE TESTING.

(a) CONDUCT OF LIVE FIRE TESTING.—Subsection (b) of section 139 of title 10, United States Code, is amended—

(1) by striking out ''and'' at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof ''; and''; and

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

''(6) conduct the live fire testing activities of the Department of Defense provided for under section 2366 of this title.''.

(b) ANNUAL REPORT ON LIVE FIRE TESTING.—Subsection (f) of such section is amended by inserting ''(including live fire testing activities)'' in the first sentence after ''operational test and evaluation activities''.

SEC. 43013. REQUIREMENT FOR UNCLASSIFIED VERSION OF ANNUAL REPORT ON OPERATIONAL TEST AND EVALUATION.

Section 139(f) of title 10, United States Code, is amended by inserting after the second sentence the following new sentence: ''If the Director submits the report to Congress in a classified form, the Director shall concurrently submit an unclassified version of the report to Congress.''.

Subtitle C—Service Specific Laws

SEC. 43021. GRATUITOUS SERVICES OF OFFICERS OF CERTAIN RESERVE COMPONENTS.

Section 279 of title 10, United States Code, is amended—

(1) by striking out ''Notwithstanding'' and inserting in lieu thereof ''(a) ACCEPTANCE BY SECRETARY OF A MILITARY DEPARTMENT.—Notwithstanding''; and

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

''(b) ACCEPTANCE BY SECRETARY OF DEFENSE.—Notwithstanding section 1342 of title 31, the Secretary of Defense may accept the gratuitous services of an officer of a reserve component (other than an officer of the Army National Guard of the United States or the Air National Guard of the United States) in consultation upon matters relating to the armed forces.''.

SEC. 43022. AUTHORITY TO RENT SAMPLES, DRAWINGS, AND OTHER INFORMATION TO OTHERS.

Subchapter V of chapter 148 of title 10, United States Code, is amended in section 2541(a) by inserting ''rent,'' after ''sell,'' each place it appears in paragraphs (1) and (2).

SEC. 43023. CIVIL RESERVE AIR FLEET.

(a) DEFINITIONS.—Section 9511 of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting '' 'civil aircraft','' after '' 'person','';

(B) by striking out ''meaning'' and inserting in lieu thereof ''meanings''; and

(C) by striking out ''(49 U.S.C. 1301)'' and inserting in lieu thereof ''(49 U.S.C. App. 1301)'';

(2) in paragraph (2), by striking out ''passenger-cargo'' and inserting in lieu thereof ''passenger cargo'';

(3) in paragraph (3), by striking out ''cargo-capable'' and inserting in lieu thereof ''cargo capable'';

(4) by striking out paragraph (5) and inserting in lieu thereof the following:

''(5) The term 'cargo convertible aircraft' means a passenger aircraft equipped or designed so that all or substantially all of the main deck of the aircraft can be readily converted for the carriage of property or mail.'';

(5) by striking out paragraph (6);

(6) by redesignating paragraph (7) as paragraph (6);

(7) by redesignating paragraph (8) as paragraph (7) and—

(A) in subparagraph (A) of such paragraph, by inserting ''under section 9512 of this title'' after ''and who contracts with the Secretary'';

(B) by striking out ''or'' at the end of such subparagraph (A); and

(C) by inserting before the period at the end of such paragraph the following: '', or (C) who owns or controls existing aircraft, or will own or control new aircraft, and who contractually commits all or some of such aircraft to the Civil Reserve Air Fleet'';

(8) by redesignating paragraphs (9), (10), (11), and (12) as paragraphs (8), (9), (10), and (11), respectively; and

(9) in paragraph (11), as so redesignated—

(A) by striking out ''interoperability'' and inserting in lieu thereof ''compatibility''; and

(B) by striking out ''a cargo-convertible, cargo-capable, or passenger-cargo combined aircraft'' and inserting in lieu thereof ''an aeromedical aircraft or a cargo convertible, cargo capable, or passenger cargo combined aircraft''.

(b) CONSOLIDATION OF PROVISIONS RELATING TO CONTRACTUAL COMMITMENT OF AIRCRAFT.—Chapter 931 of such title is amended—

(1) by redesignating subsections (b) and (c) of section 9512 as subsections (c) and (d), respectively;

(2) by redesignating subsection (a) of section 9513 as subsection (b), transferring such subsection (as so redesignated) to section 9512, and inserting such subsection after subsection (a);

(3) by redesignating subsection (b) of section 9513 as subsection (e) and transferring such subsection (as so redesignated) to the end of section 9512;

(4) in subsection (c) of section 9512, as redesignated by paragraph (1), by striking out ''the terms required by section 9513 of this title and'';

(5) in subsection (e) of section 9512, as redesignated and transferred to such section by paragraph (3), by striking out ''under section 9512 of this title'' and inserting in lieu thereof ''entered into under this section''; and

(6) by striking out the heading of section 9513.

(c) USE OF MILITARY INSTALLATIONS BY CONTRACTORS.—

(1) AUTHORITY.—Such chapter, as amended by subsection (b), is further amended by adding at the end the following new section 9513:

"§ 9513. Use of military installations by Civil Reserve Air Fleet contractors

''(a) CONTRACT AUTHORITY.—(1) The Secretary of the Air Force—

''(A) may, by contract entered into with any contractor, authorize such contractor to use one or more Air Force installations designated by the Secretary; and

''(B) with the consent of the Secretary of another military department, may, by contract entered into with any contractor, authorize the contractor to use one or more installations, designated by the Secretary of the Air Force, that is under the jurisdiction of the Secretary of such other military department.

''(2) The Secretary of the Air Force may include in the contract such terms and conditions as the Secretary determines appropriate to promote the national defense or to protect the interests of the United States.

''(b) PURPOSES OF USE.—A contract entered into under subsection (a) may authorize use of a designated installation as a weather alternate, a service stop not involving the enplaning or deplaning of passengers or cargo, or, in the case of an installation within the United States, for other commercial purposes. Notwithstanding any other provision of the law, the Secretary may establish different

levels and types of uses for different installations for commercial operations not required by the Department of Defense and may provide in contracts under subsection (a) for different levels and types of uses by different contractors.

''(c) DISPOSITION OF PAYMENTS FOR USE.—Notwithstanding any other provision of law, amounts collected from the contractor for landing fees, services, supplies, or other charges authorized to be collected under the contract shall be credited to the appropriations of the armed forces having jurisdiction over the military installation to which the contract pertains. Amounts so credited to an appropriation shall be available for obligation for the same period as the appropriation to which credited.

''(d) HOLD HARMLESS REQUIREMENT.—A contract entered into under subsection (a) shall provide that the contractor agrees to indemnify and hold harmless the United States from all actions, suits, or claims of any sort resulting from, relating to, or arising out of any activities conducted, or services or supplies furnished, in connection with the contract.

''(e) RESERVATION OF RIGHT TO EXCLUDE CONTRACTOR.—A contract entered into under subsection (a) shall provide that the Secretary or, in the case of an installation under the jurisdiction of an armed force other than

the Air Force, the Secretary concerned may at any time and without prior notice deny access to an installation designated under the contract if military exigencies require such action.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking out the item relating to section 9513 and inserting in lieu thereof the following:

''9513. Use of military installations by Civil Reserve Air Fleet contractors.''.

SEC. 43024. EXCHANGE OF PERSONNEL.

(a) EXCHANGE AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350k. Exchange of personnel

''(a) INTERNATIONAL EXCHANGE AGREEMENTS AUTHORIZED.—Under regulations prescribed by the Secretary of Defense, the Secretary and the secretaries of the military departments are each authorized to enter into agreements with the governments of foreign countries for the exchange of military and civilian personnel of the Department of Defense and military and civilian personnel of the defense departments or ministries of such foreign governments.

''(b) ASSIGNMENT OF PERSONNEL.—Pursuant to such agreements, personnel of the foreign defense departments or ministries may be assigned to positions in the

Department of Defense, and personnel of the Department of Defense may be assigned to positions in foreign defense departments or ministries. Agreements for the exchange of personnel engaged in research and development activities may provide for assignments to positions in private industry that support the defense departments or ministries. The specific positions and the individuals to be assigned must be acceptable to both the sending government and the host government.

''(c) RECIPROCITY OF PERSONNEL QUALIFICATIONS REQUIRED.—Each government shall be required under an agreement authorized by subsection (a) to provide personnel having qualifications, training, and skills that are essentially equal to those of the personnel provided by the other government.

''(d) PAYMENT OF PERSONNEL COSTS.—Each government shall pay the salary, per diem, cost of living, travel, cost of language or other training, and other costs (except for cost of temporary duty directed by the host government and costs incident to the use of host government facilities in the performance of assigned duties) for its own personnel in accordance with the laws and regulations of such government that pertain to such matters.''.

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

''2350k. Exchange of personnel.''.

SEC. 43025. SCIENTIFIC INVESTIGATION AND RESEARCH FOR THE NAVY.

(a) REPEAL.—Section 7203 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 631 of such title is amended by striking out the item relating to section 7203.

SEC. 43026. CONSTRUCTION OF COMBATANT AND ESCORT VESSELS AND ASSIGNMENT OF VESSEL PROJECTS.

(a) REPEAL OF OBSOLETE AND INTERNALLY INCONSISTENT PROVISIONS.—Section 7299a of title 10, United States Code, is amended—

(1) by striking out subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

(b) CONFORMING AMENDMENT.—Subsection (b) of such section, as redesignated by subsection (a)(2), is amended in paragraph (2) by striking out ''subsection (a) or''.

SEC. 43027. REPEAL OF REQUIREMENT FOR CONSTRUCTION OF VESSELS ON PACIFIC COAST.

(a) REPEAL.—Section 7302 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 633 of such title is amended by striking out the item relating to section 7302.

SEC. 43028. AUTHORITY TO TRANSFER BY GIFT A VESSEL STRICKEN FROM NAVAL VESSEL REGISTER.

Section 7306(a)(1) of title 10, United States Code, is amended by inserting ''Territory,'' after ''State,''.

SEC. 43029. NAVAL SALVAGE FACILITIES.

Chapter 637 of title 10, United States Code, is amended—

(1) in section 7361—

(A) in subsection (a), by inserting ''AUTHORITY TO PROVIDE FACILITIES BY CONTRACT OR OTHERWISE.—'' after ''(a)'';

(B) in subsection (b), by inserting ''CONTRACTS AFFECTING THE DEPARTMENT OF TRANSPORTATION.—'' after ''(b)''; and

(C) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

''(c) LIMITATION ON TERM CONTRACTS.—Term contracts may be entered into for purposes of this section only after—

''(1) it has been demonstrated to the satisfaction of the Secretary of the Navy that available commercial salvage facilities are inadequate to meet national defense requirements; and

''(2) the Secretary of the Navy determines that adequate public notice of intent to exercise the authority under this subsection has been provided.'';

(2) by designating the text of section 7362 as subsection (d) and transferring such text, as so designated, to the end of section 7361 of title 10, United States Code;

(3) in subsection (d) of section 7361 of such title, as so designated and transferred, by inserting before ''The Secretary'' the following: ''COMMERCIAL USE OF NAVAL VESSELS AND EQUIPMENT.—'';

(4) by designating the text of section 7363 as subsection (e) and transferring such text, as so designated, to the end of section 7361 of title 10, United States Code;

(5) in subsection (e) of section 7361 of such title, as so designated and transferred, by inserting

before ''Before any salvage vessel'' the following: ''CONDITIONS FOR TRANSFER OF EQUIPMENT.—'';

(6) by designating the text of section 7365 as subsection (f) and transferring such text, as so designated, to the end of section 7361 of title 10, United States Code;

(7) in subsection (f) of section 7361 of such title, as so designated and transferred, by inserting before ''The Secretary'' the following: ''SETTLEMENT OF CLAIMS.—'';

(8) by designating the text of section 7367 as subsection (g) and transferring such text, as so designated, to the end of section 7361 of title 10, United States Code;

(9) in subsection (g) of section 7361 of such title, as so designated and transferred—

(A) by inserting before ''Money received'' the following: ''DISPOSITION OF RECEIPTS.—''; and

(B) by striking out ''this chapter'' in the first sentence and inserting in lieu thereof ''this section'';

(10) by striking out the section headings for sections 7362, 7363, 7365, and 7367;

(11) by striking out the heading for section 7361 and inserting in lieu thereof the following:

"§ 7361. Navy support for salvage operations";

and

(12) in the table of sections at the beginning of such chapter—

(A) by striking out the item relating to section 7361 and inserting in lieu thereof the following:

''7361. Navy support for salvage operations.'';

and

(B) by striking out the items relating to sections 7362, 7363, 7365, and 7367.

Subtitle D—Department of Defense Commercial and Industrial Activities

SEC. 43051. ACCOUNTING REQUIREMENT FOR CONTRACTED ADVISORY AND ASSISTANCE SERVICES.

(a) FUNDING TO BE IDENTIFIED IN BUDGET.—Section 1105 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) The Director of the Office of Management and Budget shall establish the funding for advisory and assistance services for each department and agency as a

separate object class in each budget annually submitted to the Congress under this section.

''(2)(A) In paragraph (1), except as provided in subparagraph (B), the term 'advisory and assistance services' means the following services when provided by nongovernmental sources:

''(i) Management and professional support services.

''(ii) Studies, analyses, and evaluations.

''(iii) Engineering and technical services.

''(B) In paragraph (1), the term 'advisory and assistance services' does not include the following services:

''(i) Routine automated data processing and telecommunications services unless such services are an integral part of a contract for the procurement of advisory and assistance services.

''(ii) Architectural and engineering services.

''(iii) Technical support of research and development activities.

''(iv) Research on basic mathematics or medical, biological, physical, social, psychological, or other phenomena.''.

(b) REPEAL OF SOURCE LAW.—Section 512 of Public Law 102–394 (106 Stat. 1826) is repealed.

(c) REPEAL OF SUPERSEDED PROVISIONS.—

(1) TITLE 10.—

(A) REPEAL.—Section 2212 of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 131 of such title is amended by striking out the item relating to section 2212.

(2) TITLE 31.—

(A) REPEAL.—Section 1114 of title 31, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 1114.

Subtitle E—Fuel- and Energy-Related Laws

SEC. 43061. LIQUID FUELS AND NATURAL GAS: CONTRACTS FOR STORAGE, HANDLING, OR DISTRIBUTION.

Section 2388(a) of title 10, United States Code, is amended by striking out ''liquid fuels and natural gas'' and inserting in lieu thereof ''liquid fuels or natural gas''.

Subtitle F—Fiscal Statutes

SEC. 43071. DISBURSEMENT OF FUNDS OF MILITARY DEPARTMENT TO COVER OBLIGATIONS OF ANOTHER AGENCY OF DEPARTMENT OF DEFENSE.

Subsection (c)(2) of section 3321 of title 31, United States Code, is amended by striking out ''military departments of the'' and inserting in lieu thereof ''The''.

Subtitle G—Miscellaneous

SEC. 43081. OBLIGATION OF FUNDS: LIMITATION.

Section 2202 of title 10, United States Code, is amended to read as follows:

''§ 2202. Obligation of funds: limitation

''The Secretary of Defense shall prescribe regulations governing the performance within the Department of Defense of the procurement, production, warehousing, and supply distribution functions, and related functions, of the Department of Defense.''.

SEC. 43082. REPEAL OF REQUIREMENTS REGARDING PRODUCT EVALUATION ACTIVITIES.

(a) REPEAL.—Section 2369 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of such title is amended by striking out the item related to section 2369.

SEC. 43083. CODIFICATION AND REVISION OF LIMITATION ON LEASE OF VESSELS, AIRCRAFT, AND VEHICLES.

(a) LIMITATION.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410l. Lease of vessels, aircraft, and vehicles

''The head of an agency named in paragraph (1), (2), (3), or (4) of section 2303(a) of this title may not enter into any contract with a term of 18 months or more, or extend or renew any contract for a term of 18 months or more, for any vessel, aircraft, or vehicle, through a lease, charter, or similar agreement without previously having considered all costs of such lease (including estimated termination liability) and determined in writing that such lease is in the best interest of the Government.''.

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

''2410l. Lease of vessels, aircraft, and vehicles.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 9081 of Public Law 101–165 (103 Stat. 1147; 10 U.S.C. 2401 note) is repealed.

SEC. 43084. SOFT DRINK SUPPLIES FOR EXCHANGE STORES.

Section 2424 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) Paragraphs (1) and (2) of subsection (b) do not apply to contracts for the procurement of soft drinks that are manufactured in the United States. The Secretary of Defense shall prescribe in regulations the standards and procedures for determining whether a particular drink is a soft drink and whether the drink was manufactured in the United States.''.

SEC. 43085. REPEAL OF PREFERENCE FOR RECYCLED TONER CARTRIDGES.

The following provisions of law, relating to a preference for procurement of recycled toner cartridges, are repealed:

(1) Section 630 of Public Law 102–393 (106 Stat. 1773) and the provision of law set out in quotes in that section (42 U.S.C. 6962(j)).

(2) Section 401 of Public Law 103–123 (107 Stat. 1238).

TITLE XLIV—SIMPLIFIED ACQUISITION THRESHOLD AND SOCIOECONOMIC, SMALL BUSINESS, AND MISCELLANEOUS LAWS

Subtitle A—Simplified Acquisition Threshold

PART I—ESTABLISHMENT OF THRESHOLD

SEC. 44001. SIMPLIFIED ACQUISITION THRESHOLD.

(a) TERM DEFINED.—Section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)) is amended to read as follows:

''(11) The term 'simplified acquisition threshold' means $100,000.''.

(b) INTERIM REPORTING RULE.—Until October 1, 1999, procuring activities shall continue to report procurement awards with a dollar value of at least $25,000, but less than $100,000, in conformity with the procedures for the reporting of a contract award in excess of $25,000 that were in effect on October 1, 1992.

PART II—SIMPLIFICATION OF PROCEDURES

SEC. 44011. SIMPLIFIED ACQUISITION PROCEDURES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

''SIMPLIFIED ACQUISITION PROCEDURES

''SEC. 29. (a) In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for special simplified procedures for contracts for acquisition of property and services that are not in excess of the simplified acquisition threshold.

''(b) Regulations prescribed pursuant to subsection (a) shall include the following provisions:

''(1) A provision that a contract with an anticipated value not in excess of $2,500 is not subject to section 15(j) of the Small Business Act (15 U.S.C. 644(j)) and section 2 of title III of the Act of March 3, 1933 (commonly known as the 'Buy America Act') (41 U.S.C. 10a et seq.).

''(2) A provision that a civilian or military official, or employee of an agency, whose contracting authority does not exceed $2,500 is not a procurement official for the purposes of section 27 of this Act.

''(3) A provision that a purchase not in excess of $2,500 may be made without obtaining competitive quotations if the contracting officer determines that the price for the purchase is reasonable.

''(4) A requirement that purchases not in excess of $2,500 be distributed equitably among qualified suppliers.

''(5) A requirement that a contracting officer consider each responsive offer timely received from an eligible offeror.

''(c) A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified acquisition procedures required by subsection (a).

''(d) In using simplified acquisition procedures, the head of an executive agency shall promote competition to the maximum extent practicable.''.

SEC. 44012. SMALL BUSINESS RESERVATION.

Section 15(j) of the Small Business Act (15 U.S.C. 644(j)) is amended to read as follows:

''(j)(1) Each contract for the purchase of goods and services that has an anticipated value in excess of $2,500 but not in excess of the simplified acquisition threshold and that is subject to simplified acquisition procedures prescribed pursuant to section 29 of the Office of Federal Procurement Policy Act shall be reserved exclusively for small business concerns unless the contracting officer is unable to obtain offers from two or more small business

concerns that are competitive with market prices and are competitive with regard to the quality and delivery of the goods or services being purchased.

''(2) In carrying out paragraph (1), a contracting officer shall consider a responsive offer timely received from an eligible small business offeror.

''(3) Nothing in paragraph (1) shall be construed as precluding an award of a contract with a value not in excess of the simplified acquisition threshold under the authority of subsection (a) or (c) of section 8 of this Act, section 2323 of title 10, United States Code, or section 712 of the Business Opportunity Development Reform Act of 1988 (Public Law 100–656; 15 U.S.C. 644 note).''.

SEC. 44013. FAST PAYMENT UNDER SIMPLIFIED ACQUISITION PROCEDURES.

(a) PAYMENT PROCEDURES.—The simplified acquisition procedures described in section 29(a) of the Office of Federal Procurement Policy Act (as added by section 44011) shall provide for use of the payment terms described in subsection (b), and for the disbursement of payment through electronic fund transfer, whenever circumstances permit.

(b) REQUIRED PAYMENT TERMS.—The payment terms for a purchase made pursuant to simplified acquisition procedures shall require payment, in accordance with

the provisions of chapter 39 of title 31, United States Code, within 15 days after the date of the receipt of a proper invoice for products delivered or services performed, if—

(1) in the case of a purchase of property, title to the property vests in the Government upon delivery of the property to the Government or to a common carrier;

(2) in the case of property or services for which payment is due before the Government's acceptance of the property or services, the vendor provides commercial or other appropriate warranties assuring that the property or services purchased conform to the requirements set forth in the Government's purchase offer; and

(3) funds are available for making the payment.

(c) DISBURSEMENTS TO BE MATCHED WITH OBLIGATIONS.—The simplified acquisition procedures shall include procedures that ensure that each request for a disbursement is matched with a particular obligation before the disbursement is made under the payment terms provided for under subsection (a).

SEC. 44014. PROCUREMENT NOTICE.

(a) CONTINUATION OF EXISTING NOTICE THRESHOLDS.—Subsection (a) of section 18 of the Office of Fed-

eral Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in paragraph (1), by striking out ''the small purchase threshold'' each place it appears and inserting in lieu thereof ''$25,000''; and

(2) in paragraph (3)(B), by inserting after ''(B)'' the following: ''in the case of a contract or order expected to exceed the simplified acquisition threshold,''.

(b) CONTENT OF NOTICE.—Subsection (b) of such section is amended—

(1) by striking out ''and'' at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following:

''(6) in the case of a contract in an amount estimated to exceed $25,000 but not to exceed the simplified acquisition threshold—

''(A) a description of the procedures to be used in awarding the contract; and

''(B) a statement specifying the periods for prospective offerors and the contracting officer

to take the necessary preaward and award actions.''.

(c) NOTICE NOT REQUIRED IN ELECTRONIC COMMERCE.—Subsection (c)(1) of such section, as amended by section 41055(b), is further amended—

(1) by redesignating subparagraphs (A), (B), (C), (D), (E) and (F) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively; and

(2) by inserting above subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) the proposed procurement is conducted by means of electronic commerce pursuant to a system that, as determined by the Administrator for Federal Procurement Policy, has the capabilities described in subsections (a) and (b) of section 44015 of the Federal Acquisition Streamlining Act of 1994;''.

(d) NOTICE UNDER THE SMALL BUSINESS ACT.—

(1) CONTINUATION OF EXISTING NOTICE THRESHOLDS.—Subsection (e) of section 8 of the Small Business Act (15 U.S.C. 637) is amended—

(A) in paragraph (1), by striking out ''the small purchase threshold'' each place it appears and inserting in lieu thereof ''$25,000''; and

(B) in paragraph (3)(B), by inserting after ''(B)'' the following: ''in the case of a contract or order estimated to exceed the simplified acquisition threshold,''.

(2) CONTENT OF NOTICE.—Subsection (f) of such section is amended—

(A) by striking out ''and'' at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following:

''(6) in the case of a contract in an amount estimated to exceed the $25,000 but not to exceed the simplified acquisition threshold—

''(A) a description of the procedures to be used in awarding the contract; and

''(B) a statement specifying the periods for prospective offerors and the contracting officer to take the necessary preaward and award actions.''.

SEC. 44015. ELECTRONIC COMMERCE FOR FEDERAL GOVERNMENT PROCUREMENTS.

(a) DEVELOPMENT AND IMPLEMENTATION OF SYSTEM.—The Administrator for Federal Procurement Pol-

icy, in consultation with the heads of appropriate Federal Government agencies having applicable technical and functional expertise, may take appropriate steps to develop and implement a Federal Governmentwide architecture or design for electronic commerce that provides interoperability among users.

(b) REQUIRED CAPABILITIES.—The requirements analysis prepared to implement the architecture or design of a system of electronic commerce referred to in subsection (a) shall have the following capabilities:

(1) The maximum practicable capability for electronic exchange of such procurement information as solicitations, offers, contracts, purchase orders, invoices, payments, and other contractual documents between the private sector and the Federal Government.

(2) Capabilities that increase the access of businesses, including small business concerns, socially and economically disadvantaged small business concerns, and businesses owned predominantly by women, to Federal Government procurement opportunities.

(3) Easy access for potential Federal Government contractors.

(4) Use of nationally and internationally recognized data formats that broaden and ease electronic interchange of data.

(5) Use of Federal Government systems and networks and industry systems and networks.

(c) NOTICE AND SOLICITATION REGULATIONS.—In connection with implementation of the architecture or design referred to in subsection (a), the Federal Acquisition Regulatory Council shall ensure that the Federal Acquisition Regulation contains appropriate notice and solicitation provisions applicable to acquisitions conducted through such architecture or design. The provisions shall specify the required form and content of notices of acquisitions and the minimum periods for notifications of solicitations and for deadlines for the submission of offers under solicitations. Each minimum period specified for a notification of solicitation and each deadline for the submission of offers under a solicitation shall afford potential offerors a reasonable opportunity to respond.

(d) LIMITATION OF PUBLICATION REQUIREMENT.—The requirement in section 18(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)) for publishing notice of a solicitation in the Commerce Business Daily shall not apply to acquisitions of a Federal

agency or a component of a Federal agency that are made through electronic commerce and have a value not in excess of the simplified acquisition threshold if the Federal Acquisition Regulation contains the provisions specifically required by subsection (c) and the Administrator for Federal Procurement Policy certifies that such agency or component—

(1) has fully implemented the architecture or design referred to in subsection (a); and

(2) has procedures in place—

(A) to provide notice to potential offerors in accordance with the requirements of the Federal Acquisition Regulation prescribed pursuant to subsection (c); and

(B) to ensure that small business concerns are afforded an opportunity to respond to a solicitation of contract offers within the period specified in the solicitation.

(e) DEFINITION.—In this section, the term ''simplified acquisition threshold'' has the meaning given that term is section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

PART III—APPLICABILITY OF LAWS TO ACQUISITIONS NOT IN EXCESS OF SIMPLIFIED ACQUISITION THRESHOLD

SEC. 44021. FUTURE ENACTED PROCUREMENT LAWS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 44011, is further amended by adding at the end the following new section:

''APPLICABILITY OF CERTAIN LAWS TO CONTRACTS NOT EXCEEDING SIMPLIFIED ACQUISITION THRESHOLD

''SEC. 30. (a) IN GENERAL.—The applicability of a provision of law described in subsection (b) to contracts not in excess of the simplified acquisition threshold may be waived on a class basis in the Federal Acquisition Regulation. Such a waiver shall not apply to a provision of law that expressly refers to this section and prohibits the waiver of that provision of law.

''(b) REFERENCED LAW.—A provision of law referred to in subsection (a) is any provision of law enacted after the date of the enactment of the Federal Acquisition Streamlining Act of 1994 that, as determined by the Administrator for Federal Procurement Policy, sets forth policies, procedures, requirements, or restrictions for the procurement of property or services by the Federal Government.''.

SEC. 44022. ARMED SERVICES ACQUISITIONS.

(a) REQUIREMENT FOR CONTRACT CLAUSE REGARDING CONTINGENT FEES.—Section 2306(b) of title 10, United States Code, is amended by adding at the end the following: ''This subsection does not apply to a contract that is not in excess of the simplified acquisition threshold.''.

(b) PROHIBITION ON LIMITING SUBCONTRACTOR DIRECT SALES TO THE UNITED STATES.—Section 2402 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) This section does not apply to a contract that is not in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(c) AUTHORITY TO EXAMINE BOOKS AND RECORDS OF CONTRACTORS.—Section 2313 of title 10, United States Code, as amended by section 42201, is further amended by adding at the end of subsection (f) the following:

''(2) A contract that is not in excess of the simplified acquisition threshold.''.

(d) REQUIREMENT TO IDENTIFY SUPPLIERS AND SOURCES OF SUPPLIES.—Section 2384(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) The regulations prescribed pursuant to paragraph (1) do not apply to a contract that does not exceed the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(e) PROHIBITION AGAINST DOING BUSINESS WITH CERTAIN OFFERORS OR CONTRACTORS.—Section 2393(d) of title 10, United States Code, is amended in the second sentence by striking out ''above'' and all that follows and inserting in lieu thereof ''in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(f) PROHIBITION ON PERSONS CONVICTED OF DEFENSE-CONTRACT RELATED FELONIES.—Section 2408(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) The prohibition in paragraph (1) does not apply with respect to the following:

''(A) A contract referred to in subparagraph (A), (B), (C), or (D) of such paragraph that is not in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).

''(C) A subcontract referred to in such subparagraph that is under a contract described in subparagraph (A).''.

SEC. 44023. CIVILIAN AGENCY ACQUISITIONS.

(a) REQUIREMENT FOR CONTRACT CLAUSE REGARDING CONTINGENT FEES.—Section 304(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(a)) is amended by adding at the end the following: ''The preceding sentence does not apply to a contract that is not in excess of the simplified acquisition threshold.''.

(b) PROHIBITION ON LIMITING SUBCONTRACTOR DIRECT SALES TO THE UNITED STATES.—Section 303G of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253g) is amended by adding at the end the following new subsection:

''(c) This section does not apply to a contract that is not in excess of the simplified acquisition threshold.''.

(c) AUTHORITY TO EXAMINE BOOKS AND RECORDS OF CONTRACTORS.—Section 304B of the Federal Property and Administrative Services Act of 1949, as added by section 42251(a), is amended by adding at the end of subsection (f) the following:

''(2) A contract that is not in excess of the simplified acquisition threshold.''.

SEC. 44024. ACQUISITIONS GENERALLY.

(a) LIMITATION ON USE OF FUNDS TO INFLUENCE CERTAIN FEDERAL ACTIONS.—Section 1352(e)(2)(B) of title 31, United States Code, is amended by striking out ''$100,000'' and inserting in lieu thereof ''the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)))''.

(b) REQUIREMENT FOR CONTRACT CLAUSE RELATING TO KICKBACKS.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by adding at the end the following new subsection:

''(d) Subsections (a) and (b) do not apply to a prime contract that is not in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(c) MILLER ACT.—

(1) IN GENERAL.—

(A) CONTRACTS NOT EXCEEDING SIMPLIFIED ACQUISITION THRESHOLD.—The Act of August 24, 1935 (40 U.S.C. 270a et seq.), commonly referred to as the ''Miller Act'', is amended by adding at the end the following new section:

''SEC. 5. This Act does not apply to a contract in an amount that is not in excess of the simplified acquisi-

tion threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(B) CONFORMING AMENDMENT.—Subsection (a) of the first section of such Act is amended by striking out '', exceeding $25,000 in amount,''.

(2) ALTERNATIVE PAYMENT PROTECTIONS.—

(A) PROTECTIONS TO BE SPECIFIED IN THE FAR.—The Federal Acquisition Regulation shall provide alternatives to payment bonds as payment protections for suppliers of labor and materials under contracts referred to in subparagraph (C).

(B) USE OF AUTHORIZED PROTECTIONS.—The contracting officer for a contract shall—

(i) select, from among the payment protections provided for in the Federal Acquisition Regulation pursuant to subparagraph (A), one or more payment protections which the offeror awarded the contract is to submit to the Federal Government for the protection of suppliers of labor and materials for such contract; and

(ii) specify in the solicitation of offers for such contract the payment protection or protections so selected.

(C) COVERED CONTRACTS.—

(i) APPLICABILITY.—The regulations required under subparagraph (A) and the requirements of subparagraph (B) apply with respect to contracts referred to in subsection (a) of the first section of the Miller Act that are in excess of $25,000 but not in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).

(ii) MILLER ACT REFERENCE.—The Miller Act referred to in subparagraph (A) is the Act of August 24, 1935 (40 U.S.C. 270a et seq.), commonly referred to as the ''Miller Act''.

(d) CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.—

(1) IN GENERAL.—Section 103 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 329) is amended by adding at the end the following new subsection:

''(c) This title does not apply to a contract in an amount that is not in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

(2) CONFORMING AMENDMENT.—Section 107(a) of such Act (40 U.S.C. 333(a)) is amended by inserting after ''It shall be a condition of each contract'' the following: ''(other than a contract referred to in section 103(c))''.

(e) DRUG-FREE WORKPLACE ACT OF 1988.—Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (subtitle D of title V of the Anti-Drug Abuse Act of 1988; Public Law 100–690; 41 U.S.C. 701(a)(1)) is amended by striking out ''of $25,000 or more from any Federal agency'' and inserting in lieu thereof ''in excess of the simplified acquisition threshold (as defined in section 4(11) of such Act (41 U.S.C. 403(11))) by any Federal agency''.

(f) CERTAIN PROCUREMENT INTEGRITY REQUIREMENTS.—

(1) CERTIFICATION REQUIREMENT.—Subsection (e)(7)(A) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended by striking out ''$100,000'' and inserting in lieu thereof ''the simplified acquisition threshold''.

(2) CONTRACT CLAUSE REQUIREMENT.—Subsection (g)(1) of such section is amended by inserting after ''awarded by a Federal agency'' the following: ''(other than a contract in an amount that is not in excess of the simplified acquisition threshold)''.

(g) SOLID WASTE DISPOSAL ACT.—Section 6002(a) of the Solid Waste Disposal Act (42 U.S.C. 6962(a)) is amended by striking out all that follows ''with respect to any'' and inserting in lieu thereof ''contract in excess of the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))).''.

PART IV—CONFORMING AMENDMENTS

SEC. 44071. ARMED SERVICES ACQUISITIONS.

(a) SIMPLIFIED ACQUISITION PROCEDURES.—Section 2304(g) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ''small purchases of property and services'' and inserting in lieu thereof ''purchases of property and services not in excess of the simplified acquisition threshold'';

(2) by striking out paragraph (2);

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

(4) in paragraph (2), as so redesignated—

(A) by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''; and

(B) by striking out ''small purchase procedures'' and inserting in lieu thereof ''simplified procedures''; and

(5) in paragraph (3), as redesignated by paragraph (3), by striking out ''small purchase procedures'' and inserting in lieu thereof ''the simplified procedures''.

(b) SOLICITATION CONTENT REQUIREMENT.—Section 2305(a)(2) of title 10, United States Code, is amended by striking out ''small purchases)'' in the matter above subparagraph (A) and inserting in lieu thereof ''purchases not in excess of the simplified acquisition threshold)''.

(c) COST TYPE CONTRACTS.—Section 2306(e)(2)(A) of title 10, United States Code, is amended by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''.

SEC. 44072. CIVILIAN AGENCY ACQUISITIONS.

(a) SIMPLIFIED ACQUISITION PROCEDURES.—

(1) PROPERTY AND SERVICES GENERALLY.—Section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)) is amended—

(A) in paragraph (1), by striking out ''small purchases of property and services'' and inserting in lieu thereof ''purchases of property and services not in excess of the simplified acquisition threshold'';

(B) by striking out paragraphs (2) and (5);

(C) in paragraph (3)—

(i) by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''; and

(ii) by striking out ''small purchase procedures'' and inserting in lieu thereof ''simplified procedures'';

(E) in paragraph (4), by striking out ''small purchase procedures'' and inserting in lieu thereof ''the simplified procedures''; and

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

''(2)(A) The Administrator of General Services shall prescribe regulations that provide special simplified procedures for acquisitions of leasehold interests in real property at rental rates that do not exceed the simplified acquisition threshold.

''(B) For purposes of subparagraph (A), the rental rate or rates under a multiyear lease do not exceed the simplified acquisition threshold if the average annual amount of the rent payable for the period of the lease does not exceed the simplified acquisition threshold.''.

(b) SOLICITATION CONTENT REQUIREMENT.—Section 303A(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a(b)) is amended by striking out ''small purchases)'' in the matter above paragraph (1) and inserting in lieu thereof ''purchases not in excess of the simplified acquisition threshold)''.

(c) COST TYPE CONTRACTS.—Section 304(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(b)), as amended by section 41071, is further amended in the second sentence by striking out ''either $25,000'' and inserting in lieu thereof ''either the simplified acquisition threshold''.

SEC. 44073. OFFICE OF FEDERAL PROCUREMENT POLICY ACT.

Section 19(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 417(a)) is amended by striking out ''procurements, other than small purchases,'' and inserting in lieu thereof ''procurements in excess of the simplified acquisition threshold''.

SEC. 44074. SMALL BUSINESS ACT.

(a) DEFINITION.—Section 3(m) of the Small Business Act (15 U.S.C. 632(m)) is amended by striking out ''`small purchase threshold'`'' and inserting in lieu thereof ''`simplified acquisition threshold'`''.

(b) USE OF SIMPLIFIED ACQUISITION THRESHOLD TERM.—Section 8(d)(2)(A) of the Small Business Act (15 U.S.C. 637(d)(2)(A)) is amended by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''.

PART V—REVISION OF REGULATIONS

SEC. 44081. REVISION REQUIRED.

(a) FEDERAL ACQUISITION REGULATION.—The Federal Acquisition Regulatory Council established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall review the Federal Acquisition Regulation to identify regulations that are applicable to acquisitions in excess of a specified amount that is less than $100,000. The Council shall amend the regulations so identified as necessary to provide that such regulations do not apply to acquisitions that are not in excess of the simplified acquisition threshold. The preceding sentence does not apply in the case of a regulation for which such an amendment would not be in the national interest, as determined by the Council.

(b) SUPPLEMENTAL REGULATIONS.—The head of each Federal agency that has issued regulations, policies, or procedures referred to in section 25(c)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(2)) shall identify any such regulations, policies, or procedures that are applicable to acquisitions in excess of a specified amount that is less than $100,000. The agency head shall amend the regulations so identified as necessary to provide that such regulations, policies, and procedures do not apply to acquisitions that are not in excess of the simplified acquisition threshold. The preceding sentence does not apply in the case of a regulation, policy, or procedure for which such an amendment would not be in the national interest, as determined by the agency head.

(c) COMPLETION OF ACTIONS.—All actions under this section shall be completed not later than 180 days after the date of the enactment of this division.

(d) DEFINITIONS.—In this section:

(1) The term ''simplified acquisition threshold'' has the meaning given such term in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), as amended by section 44001.

(2) The term ''Federal agency'' has the meaning given such term in section 3(b) of the Federal

Property and Administrative Services Act of 1949 (41 U.S.C. 472(b)).

Subtitle B—Socioeconomic and Small Business Laws

SEC. 44101. ACQUISITIONS GENERALLY.

(a) REPEAL OF EXECUTED REPORTING REQUIREMENT.—Section 306 of the Trade Agreements Act of 1979 (19 U.S.C. 2516) is repealed.

(b) WALSH-HEALEY ACT.—

(1) REPEAL OTHER THAN FOR CERTAIN DEFINITIONAL PURPOSES.—The Act of June 30, 1936 (41 U.S.C. 35 et seq.), commonly referred to as the ''Walsh-Healey Act'', is amended to read as follows:

''SECTION 1. (a) The Secretary of Labor may prescribe in regulations the standards for determining whether a contractor is a manufacturer of or a regular dealer in materials, supplies, articles, or equipment to be manufactured or used in the performance of a contract entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States, for the manufacture or furnishing of materials, supplies, articles, and equipment.

''(b) Any interested person shall have the right of judicial review of any legal question regarding the interpretation of the terms 'regular dealer' and 'manufacturer', as defined pursuant to subsection (a).''

(2) CONFORMING AMENDMENT.—Section 2304(h) of title 10, United States Code, is amended to read as follows:

''(h) For the purposes of the Act entitled 'An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931 (commonly referred to as the 'Davis-Bacon Act') (40 U.S.C. 276a et seq.), purchases or contracts awarded after using procedures other than sealed-bid procedures shall be treated as if they were made with sealed-bid procedures.''.

(c) REPEAL OF REDUNDANT REQUIREMENT REGARDING APPLICABILITY OF THE DAVIS-BACON ACT AND THE WALSH-HEALEY ACT.—Section 308 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 258) is repealed.

SEC. 44102. ACQUISITIONS FROM SMALL BUSINESSES.

(a) SET-ASIDE PRIORITY.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by striking out subsections (e) and (f).

(b) CERTIFICATE OF COMPETENCE.—Section 804 of Public Law 103–484 (106 Stat. 2447; 10 U.S.C. 2305 note) is repealed.

SEC. 44103. CONTRACTING PROGRAM FOR CERTAIN SMALL BUSINESS CONCERNS.

(a) PROCUREMENT PROCEDURES AUTHORIZED.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by inserting after subsection (b) the following new subsection:

''(c)(1) To facilitate the attainment of a goal for the participation of small business concerns owned and controlled by socially and economically disadvantaged individuals that is established for a Federal agency pursuant to section 15(g)(1), the head of the agency may enter into contracts using—

''(A) less than full and open competition by restricting the competition for such awards to small business concerns owned and controlled by socially and economically disadvantaged individuals described in subsection (d)(3)(C) of this section; and

''(B) a price evaluation preference not in excess of 10 percent when evaluating an offer received from such a small business concern as the result of an unrestricted solicitation.

''(2) Paragraph (1) does not apply to the Department of Defense.''.

(b) IMPLEMENTATION THROUGH THE FEDERAL ACQUISITION REGULATION.—

(1) IN GENERAL.—The Federal Acquisition Regulation shall be amended to provide for uniform implementation of the authority provided in section 8(c) of the Small Business Act, as added by subsection (a).

(2) MATTERS TO BE ADDRESSED.—The provisions of the Federal Acquisition Regulation prescribed pursuant to paragraph (1) shall include—

(A) conditions for the use of advance payments;

(B) provisions for contract payment terms that provide for—

(i) accelerated payment for work performed during the period for contract performance; and

(ii) full payment for work performed;

(C) guidance on how contracting officers may use, in solicitations for various classes of products or services, a price evaluation preference pursuant to section 8(c)(1)(B) of the Small Business Act, as added by subsection (a),

to provide a reasonable advantage to small business concerns owned and controlled by socially and economically disadvantaged individuals without effectively eliminating any participation of other small business concerns; and

(D)(i) procedures for a person to request the head of Federal agency to determine whether the use of competitions restricted to small business concerns owned and controlled by socially and economically disadvantaged individuals at a contracting activity of such agency has caused a particular industry category to bear a disproportionate share of the contracts awarded to attain the goal established for that contracting activity; and

(ii) guidance for limiting the use of such restricted competitions in the case of any contracting activity and class of contracts determined in accordance with such procedures to have caused a particular industry category to bear a disproportionate share of the contracts awarded to attain the goal established for that contracting activity.

(c) TERMINATION.—Section 8(c) of the Small Business Act, as added by subsection (a), shall cease to be effective at the end of September 30, 1999.

SEC. 44104. PROCUREMENT GOALS FOR SMALL BUSINESS CONCERNS OWNED BY WOMEN.

(a) GOALS.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) by striking out ''and small business concerns owned and controlled by socially and economically disadvantaged individuals'' each place it appears in the first sentence and fourth sentences of subsection (g)(1), the second sentence of subsection (g)(2), and paragraphs (1), (2)(A), (2)(D), and (2)(E) of subsection (h) and inserting in lieu thereof '', small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women'';

(2) in subsection (g)—

(A) by inserting after the third sentence of paragraph (1) the following: ''The Government-wide goal for participation by small business concerns owned and controlled by women shall be established at not less than 5 percent of the

total value of all prime contract and subcontract awards for each fiscal year.'';

(B) in the first sentence of paragraph (2), by striking out ''and by small business concerns owned and controlled by socially and economically disadvantaged individuals,'' and inserting in lieu thereof '', by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women''; and

(C) in the fourth sentence of paragraph (2), by inserting after ''including participation by small business concerns owned and controlled by socially and economically disadvantaged individuals'' the following: ''and by participation small business concerns owned and controlled by women''; and

(3) in subsection (h)(2)(F), by striking out ''women-owned small business enterprises'' and inserting in lieu thereof ''small business concerns owned and controlled by women''.

(b) SUBCONTRACT PARTICIPATION.—Section 8(d) of such Act (15 U.S.C. 637(d)) is amended—

(1) by striking out ''and small business concerns owned and controlled by socially and economically disadvantaged individuals'' both places it appears in paragraph (1), both places it appears in paragraph (3)(A), in paragraph (4)(D), in subparagraphs (A), (C), and (F) of paragraph (6), and in paragraph (10)(B) and inserting in lieu thereof '', small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women'';

(2) by striking out subparagraph (D) in paragraph (3) and inserting in lieu thereof the following:

''(E) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, or a small business concern owned and controlled by women.'';

(3) in paragraph (3), by inserting after subparagraph (C) the following new subparagraph (D):

''(D) The term 'small business concern owned and controlled by women' shall mean a small business concern—

''(i) which is at least 51 per centum owned by one or more women; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more women; and

''(ii) whose management and daily business operations are controlled by one or more women.''; and

(4) in paragraph (4)(E), by inserting ''and for small business concerns owned and controlled by women'' after ''as defined in paragraph (3) of this subsection''.

(c) MISREPRESENTATIONS OF STATUS.—(1) Subsection (d)(1) of section 16 of such Act (15 U.S.C. 645) is amended by striking out ''or 'small business concern owned and controlled by socially and economically disadvantaged individuals' '' and inserting in lieu thereof '', a 'small business concern owned and controlled by socially and economically disadvantaged individuals', or a 'small business concerns owned and controlled by women' ''.

(2) Subsection (e) of such section is amended by striking out ''or 'small business concern owned and controlled by socially and economically disadvantaged individuals' '' and inserting in lieu thereof '', a 'small business concern owned and controlled by socially and economically

disadvantaged individuals', or a 'small business concerns owned and controlled by women' ''.

(d) DEFINITION.—Section 3 of such Act (15 U.S.C. 632) is amended by adding at the end the following new subsection:

''(n) For the purposes of this Act, a small business concern is a small business concern owned and controlled by women if—

''(1) at least 51 percent of small business concern is owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

''(2) the management and daily business operations of the business are controlled by one or more women.''.

SEC. 44105. DEVELOPMENT OF DEFINITIONS REGARDING CERTAIN SMALL BUSINESS CONCERNS.

(a) REVIEW REQUIRED.—

(1) DEFINITIONS TO BE IDENTIFIED.—The Administrator for Federal Procurement Policy shall conduct a comprehensive review of Federal laws, as in effect on November 1, 1994, to identify and catalogue all of the provisions in such laws that define (or describe for definitional purposes) the small busi-

ness concerns set forth in paragraph (2) for purposes of authorizing the participation of such small business concerns as prime contractors or subcontractors in—

(A) contracts awarded directly by the Federal Government or subcontracts awarded under such contracts; or

(B) contracts and subcontracts funded, in whole or in part, by Federal financial assistance under grants, cooperative agreements, or other forms of Federal assistance.

(2) COVERED SMALL BUSINESS CONCERNS.—The small business concerns referred to in paragraph (1) are as follows:

(A) Small business concerns owned and controlled by socially and economically disadvantaged individuals.

(B) Minority-owned small business concerns.

(C) Small business concerns owned and controlled by women.

(D) Woman-owned small business concerns.

(b) MATTERS TO BE DEVELOPED.—On the basis of the results of the review carried out under subsection (a),

the Administrator for Federal Procurement Policy shall develop—

(1) uniform definitions for the small business concerns referred to in subsection (a)(2);

(2) uniform agency certification standards and procedures for—

(A) determinations of whether a small business concern qualifies as a small business concern referred to in subsection (a)(2) under an applicable standard for purposes contracts and subcontracts referred to in subsection (a)(1); and

(B) reciprocal recognition by an agency of a decision of another agency regarding whether a small business concern qualifies as a small business concern referred to in subsection (a)(2) for such purposes; and

(3) such other related recommendations as the Administrator determines appropriate consistent with the review results.

(c) PROCEDURES AND SCHEDULE.—

(1) PARTICIPATION BY CERTAIN INTERESTED PARTIES.—The Administrator for Federal Procurement Policy shall provide for the participation in the

review and activities under subsections (a) and (b) by representatives of—

(A) the Small Business Administration (including the Office of the Chief Counsel for Advocacy);

(B) the Minority Business Development Agency of the Department of Commerce;

(C) the Department of Transportation;

(D) the Environmental Protection Agency; and

(E) such other executive departments and agencies as the Administrator considers appropriate.

(2) CONSULTATION WITH CERTAIN INTERESTED PARTIES.—In carrying out subsections (a) and (b), the Administrator shall consult with representatives of organizations representing—

(A) minority-owned business enterprises;

(B) women-owned business enterprises; and

(C) other organizations that the Administrator considers appropriate.

(3) SCHEDULE.—Not later than 60 days after the date of the enactment of this division, the Ad-

ministrator shall publish in the Federal Register a notice which—

(A) lists the provisions of law identified in the review carried out under subsection (a);

(B) describes the matters to be developed on the basis of the results of the review pursuant to subsection (b);

(C) solicits public comment regarding the matters described in the notice pursuant to subparagraphs (A) and (B) for a period of not less than 60 days; and

(D) addresses such other matters as the Administrator considers appropriate to ensure the comprehensiveness of the review and activities under subsections (a) and (b).

(d) REPORT.—Not later than May 1, 1995, the Administrator for Federal Procurement Policy shall submit to the Committees on Small Business of the Senate and the House of Representatives a report on the results of the review carried out under subsection (a) and the actions taken under subsection (b). The report shall include a discussion of the results of the review, a description of the consultations conducted and public comments received, and the Administrator's recommendations with regard to the matters identified under subsection (b).

Subtitle C—Miscellaneous Acquisition Laws

SEC. 44151. PROHIBITION ON USE OF FUNDS FOR DOCUMENTING ECONOMIC OR EMPLOYMENT IMPACT OF CERTAIN ACQUISITION PROGRAMS.

(a) REVISION AND CODIFICATION.—

(1) IN GENERAL.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2247. Prohibition on use of funds for documenting economic or employment impact of certain acquisition programs

''No funds appropriated by the Congress may be obligated or expended to assist any contractor of the Department of Defense in preparing any material, report, lists, or analysis with respect to the actual or projected economic or employment impact in a particular State or congressional district of an acquisition program for which all research, development, testing, and evaluation has not been completed.''.

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

''2247. Prohibition on use of funds for documenting economic or employment impact of certain acquisition programs.''.

(b) REPEAL OF SUPERSEDED LAW.—Section 9048 of Public Law 102–396 (106 Stat. 1913) is repealed.

SEC. 44152. RESTRICTION ON USE OF NONCOMPETITIVE PROCEDURES FOR PROCUREMENT FROM A PARTICULAR SOURCE.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304 of title 10, United States Code, as amended by section 41005(b), is further amended—

(1) in subsection (c)(5), by inserting ''subject to subsection (j),'' after ''(5)''; and

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

''(j)(1) It is the policy of Congress that no legislation should be enacted that requires a procurement to be made from a specified non-Federal Government source.

''(2) A provision of law may not be construed as requiring a procurement to be made from a specified non-Federal Government source unless that provision of law—

''(A) specifically refers to this subsection;

''(B) specifically identifies the particular non-Federal Government source involved; and

''(C) specifically states that the procurement from that source is required by such provision of law in contravention of the policy set forth in paragraph (1).''.

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended—

(1) in subsection (c)(5), by inserting ''subject to subsection (h),'' after ''(5)''; and

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

''(h)(1) It is the policy of Congress that no legislation should be enacted that requires a procurement to be made from a specified non-Federal Government source.

''(2) A provision of law may not be construed as requiring a procurement to be made from a specified non-Federal Government source unless that provision of law—

''(A) specifically refers to this subsection;

''(B) specifically identifies the particular non-Federal Government source involved; and

''(C) specifically states that the procurement from that source is required by such provision of law in contravention of the policy set forth in paragraph (1).''.

TITLE XLV—ACQUISITION MANAGEMENT

Subtitle A—Armed Services Acquisitions

SEC. 45001. PERFORMANCE BASED MANAGEMENT.

(a) POLICY AND GOALS FOR PERFORMANCE BASED MANAGEMENT OF PROGRAMS.—

(1) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2219. Performance based management: acquisition programs

''(a) CONGRESSIONAL POLICY.—It is the policy of Congress that—

''(1) the Department of Defense should achieve, on average, 90 percent of the cost and schedule goals established for the research and development programs and acquisition programs of the Department of Defense without reducing the performance or capabilities of the items being acquired; and

''(2) the average period necessary for converting an emerging technology into initial operational capability for the Department of Defense should not exceed 8 years.

''(b) ESTABLISHMENT OF GOALS.—(1) The Secretary of Defense shall approve or define the cost, performance, and schedule goals for major defense acquisition programs of the Department of Defense.

''(2) The Comptroller of the Department of Defense shall evaluate the cost goals proposed for each major defense acquisition program of the Department.

''(c) IDENTIFICATION OF NONCOMPLIANT PROGRAMS.—Whenever it is necessary to do so in order to implement the policy set out in subsection (a), the Secretary of Defense shall—

''(1) identify and consider whether there is a continuing need for programs that are significantly behind schedule, over budget, or not in compliance with performance or capability requirements taking into consideration—

''(A) the needs of the Department known as of the time of consideration;

''(B) the state of the technology or technologies relevant to the programs and to the needs of the Department;

''(C) the estimated costs and projected schedules necessary for the completion of such programs; and

''(D) other pertinent information; and

''(2) identify existing and potential research and development programs and acquisition programs that are suitable alternatives for programs considered pursuant to paragraph (1).

''(d) ANNUAL REPORTING REQUIREMENT.—The Secretary of Defense shall include in the annual report submitted to Congress pursuant to section 113(c) of this title an assessment of the progress made in implementing the policy stated in subsection (a). The Secretary shall use data from existing management systems in making the assessment.''.

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

''2219. Performance based management: acquisition programs.''.

(b) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—Within one year after the date of the enactment of this division, the Secretary of Defense shall review the incentives and personnel actions available to the Secretary for encouraging excellence in the defense acquisition workforce and provide an enhanced system of incentives for the encouragement of excellence in such workforce. The enhanced system of incentives shall, to the maximum extent consistent with applicable law—

(1) relate pay to performance (including the extent to which the performance of personnel in such

workforce contributes to achieving the cost goals, schedule goals, and performance goals established for acquisition programs of the department pursuant to section 2219(b) of title 10, as added by subsection (a)); and

(2) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel in such workforce contributes to achieving the cost goals, schedule goals, and performance goals established for acquisition programs of the department pursuant to section 2219(b) of title 10, United States Code, as added by subsection (a).

(c) RECOMMENDED LEGISLATION.—Not later than one year after the date of the enactment of this division, the Secretary of Defense shall submit to Congress any recommended legislation that the Secretary considers necessary to carry out section 2219 of title 10, United States Code, as added by subsection (a), and otherwise to facilitate and enhance management of Department of Defense acquisition programs and the defense acquisition workforce on the basis of performance.

SEC. 45002. RESULTS ORIENTED ACQUISITION PROGRAM CYCLE.

The Secretary of Defense shall define in regulations a simplified acquisition program cycle that is results-oriented. The Secretary shall consider including in the regulations provisions for the following:

(1) Program phases as follows:

(A) An integrated decision team meeting which—

(i) may be requested by a potential user of the system or component to be acquired, the head of a laboratory, or a program office on such bases as the emergence of a new military requirement, cost savings opportunity, or new technology opportunity;

(ii) is conducted by an acquisition program executive officer; and

(iii) is usually completed within 1 to 3 months.

(B) A prototype development and testing phase which—

(i) includes operational tests and concerns relating to manufacturing operations and life cycle support;

(ii) is usually completed within 6 to 36 months; and

(iii) produces sufficient numbers of prototypes to assess operational utility.

(C) Product integration, development, and testing which—

(i) includes full-scale development, operational testing, and integration of components; and

(ii) is usually completed within 1 to 5 years.

(D) Production, integration into existing systems, or production and integration into existing systems.

(2) An acquisition program approval process for major program decisions which consists of the following:

(A) One major decision point—

(i) which occurs for an acquisition program before the program proceeds into product integration and development; and

(ii) at which the Under Secretary of Defense for Acquisition and Technology, in consultation with the Vice Chairman of the Joint Chiefs of Staff reviews the program,

determines whether the program should continue to be carried out beyond product integration and development, and decides whether to commit to further development, to require further prototyping, or to terminate the program.

(B) Consideration of the potential benefits, affordability, needs, and risks of an acquisition program in the review of the acquisition program.

SEC. 45003. DEFENSE ACQUISITION PILOT PROGRAM DESIGNATIONS.

(a) PROGRAMS AND WAIVERS.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended by inserting the following new section at the end of subtitle D of title VIII:

''SEC. 840. DEFENSE ACQUISITION PILOT PROGRAM DESIGNATIONS.

''(a) ELIGIBLE PROGRAMS.—The Secretary of Defense is authorized to designate the following defense acquisition programs for participation in the defense acquisition pilot program authorized by section 809 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2430 note):

''(1) Defense Personnel Support Center medical, clothing and textile, and subsistence programs with respect to the following:

''(A) All contracts for processed fruits and vegetables and frozen seafood items for both depot stock and direct vendor delivery.

''(B) All contracts in the subsistence prime vendor program for grocery items.

''(C) All contracts in the Mail Order Pharmacy Program, the prime vendor programs for pharmaceuticals and for medical surgical items for delivery to military hospitals.

''(D) All contracts in the medical electronic commerce program for acquisition for depot stock and direct vendor delivery.

''(E) All contracts for the following items: dress coats (small lots), dress coats, duffel bags, Navy work clothing, general purpose tents, suitcases, gloves for electrical workers, boot flyers, socks, drawers, undershirts, and items offered under the Broad Agency Announcements for Clothing and Textiles Advanced Business Practices Demonstration Program.

''(2) The Fire Support Combined Arms Tactical Trainer program with respect to all contracts directly related to the procurement of a training system (including related hardware, software, and subsystems) to perform collective training of field artillery gunnery team components with development of software as required to generate the training exercises and component interfaces.

''(3) The Joint Direct Attack Munition program (JDAM I) with respect to all contracts directly related to the development and procurement of a strap-on guidance kit, using an inertially guided, Global Positioning System updated guidance kit for inventory 1,000 and 2,000 pound bombs.

''(4) The Joint Primary Aircraft Training System (JPATS) with respect to all contracts directly related to the acquisition of a new primary trainer aircraft to fulfill Air Force and Navy joint undergraduate aviation training requirements, and an associated ground-based training system consisting of air crew training devices (simulators), courseware, a Training Management System, and contractor support for the life of the system.

''(5) The Commercial Derivatives Aircraft program with respect to all contracts directly related to

the acquisition or upgrading of civil-derivative aircraft for use in (A) foreign military sales of Airborne Warning and Control Systems to foreign governments with modifications of a type customarily provided to commercial customers, or (B) future Air Force airlift and tanker requirements.

''(6) The Commercial Derivative Engine program with respect to all contracts directly related to the acquisition of (A) commercially derived engines (including spare engines), logistics support equipment, technical orders, management data, and initial spare parts for use in the C–17A production line, and (B) commercially derived engines to support the purchase of commercial-derivative aircraft to meet future Air Force airlift and tanker requirements, including engine replacement and upgrades.

''(b) WAIVER AUTHORITY.—Subject to section 809(c) of the National Defense Authorization Act for Fiscal Year 1991, the Secretary of Defense is authorized—

''(1) to apply any amendment or repeal of a provision of law made in the Federal Acquisition Streamlining Act of 1994 to the programs described in subsection (a) before the effective date of such amendment or repeal; and

''(2) to apply to a procurement of noncommercial items under such programs—

''(A) any authority provided in such Act (or in an amendment made by a provision of such Act) to waive a provision of law in the case of commercial items, and

''(B) any exception applicable under such Act (or an amendment made by a provision of such Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of noncommercial items.

''(c) PILOT PROGRAM IMPLEMENTATION.—In exercising the authority provided in section 809 of the National Defense Authorization Act for 1991, and in accordance with sections 833 through 839 of this Act, the Secretary of Defense, shall take the following actions:

''(1) MISSION-ORIENTED PROGRAM MANAGEMENT.—For one or more of the defense acquisition programs designated for participation in the defense acquisition pilot program, prescribe and implement procedures which—

''(A) provide for interaction between the program manager and the commander of the operational command responsible for the requirement for the equipment acquired;

''(B) include provisions for a determination by the commander that items proposed for procurement fulfill the need defined in approved requirements documents; and

''(C) may include a role for the operational commander in decision making for program milestone decisions and performance of acceptance testing of items acquired.

''(2) SAVINGS OBJECTIVES.—Not later than 45 days after the date of enactment of the Federal Acquisition Streamlining Act of 1994, identify for each defense acquisition program participating in the pilot program quantitative measures and goals for reducing acquisition management costs.

''(3) PROGRAM PHASES.—For each defense acquisition program participating in the pilot program, incorporate in an approved acquisition strategy a program review process that provides senior acquisition officials with reports that—

''(A) contain essential information on program results at quarterly intervals;

''(B) reduce data requirements from the current major program review reporting requirements; and

''(C) include data on program costs estimates, actual expenditures, performance estimates, performance data from tests, and, consistent with existing statutes, the minimum necessary other data items required to ensure the appropriate expenditure of funds appropriated for that program.

''(4) PROGRAM WORK FORCE POLICIES.—With regard to the review of incentives and personnel actions required under section 836 of this Act—

''(A) not later than 60 days after the date of the enactment of the Federal Acquisition Streamlining Act of 1994—

''(i) complete the review; and

''(ii) on the basis of the review, define one or more systems that relate incentives, including pay, to achievement of budgets, schedules, and performance requirements;

''(B) not later than 120 days after the date of the enactment of the Federal Acquisition Streamlining Act of 1994—

''(i) apply such a system of incentives to not less than one defense acquisition program participating in the pilot program; and

''(ii) provide for an assessment of the effectiveness of that system; and

''(C) incorporate the results of actions taken pursuant to this paragraph into the development of regulations for the implementation of section 45001(b) of the Federal Acquisition Streamlining Act of 1994.

''(5) EFFICIENT CONTRACTING PROCESS.—Take any additional actions that the Secretary considers necessary to waive regulations, not required by statute, that affect the efficiency of the contracting process, including, in the Secretary's discretion, defining alternative techniques to reduce reliance on military specifications and standards in contracts for the defense acquisition programs participating in the pilot program.

''(6) CONTRACT ADMINISTRATION: PERFORMANCE BASED CONTRACT MANAGEMENT.—For at least one participating defense acquisition program for which a determination is made to make payments for work in progress under the authority of

section 2307 of title 10, United States Code, define payment milestones on the basis of quantitative measures of results.

''(7) CONTRACTOR PERFORMANCE ASSESSMENT.—Collect and evaluate performance information on each contract entered into for a defense acquisition program participating in the pilot program, including information on cost, schedule, and technical performance for each contractor supporting a participating program.

''(d) APPLICABILITY.—(1) Subsection (b) applies with respect to—

''(A) a contract that is awarded or modified during the period described in paragraph (2); and

''(B) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

''(2) The period referred to in paragraph (1) is the period that begins 45 days after the date of the enactment of the Federal Acquisition Streamlining Act of 1994 and ends on September 30, 1998.''.

(b) RULE OF CONSTRUCTION.—Nothing in section 840 of the National Defense Authorization Act for Fiscal Year 1994, as added by subsection (a), shall be construed

as authorizing the appropriation or obligation of funds for the programs designated for participation in the defense acquisition pilot program under the authority of subsection (a) of such section 840.

Subtitle B—Civilian Agency Acquisitions

SEC. 45051. PERFORMANCE BASED MANAGEMENT.

(a) POLICY AND GOALS FOR PERFORMANCE BASED MANAGEMENT OF PROGRAMS.—

(1) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 301 et seq.), as amended by sections 1552 and 1553, is further amended by adding at the end the following new section:

''PERFORMANCE BASED MANAGEMENT: ACQUISITION PROGRAMS

''SEC. 311. (a) CONGRESSIONAL POLICY.—It is the policy of Congress that the head of each executive agency should achieve, on average, 90 percent of the cost and schedule goals established for the research and development programs and acquisition programs of the agency without reducing the performance or capabilities of the items being acquired.

''(b) ESTABLISHMENT OF GOALS.—(1) The head of each executive agency shall approve or define the cost, per-

formance, and schedule goals for major acquisition programs of the agency.

''(2) The chief financial officer of an executive agency shall evaluate the cost goals proposed for each major defense acquisition program of the agency.

''(c) IDENTIFICATION OF NONCOMPLIANT PROGRAMS.—Whenever it is necessary to do so in order to implement the policy set out in subsection (a), the head of an executive agency shall—

''(1) identify and consider whether there is a continuing need for programs that are significantly behind schedule, over budget, or not in compliance with performance or capability requirements taking into consideration—

''(A) the needs of the agency known as of the time of consideration;

''(B) the state of the technology or technologies relevant to the programs and to the needs of the agency;

''(C) the estimated costs and projected schedules necessary for the completion of such programs; and

''(D) other pertinent information; and

''(2) identify existing and potential research and development programs and acquisition programs

that are suitable alternatives for programs considered pursuant to paragraph (1).''.

(2) CLERICAL AMENDMENT.—The table of contents in the first section of such Act, as amended by sections 1552 and 1553, is further amended by inserting after the item relating to section 310 the following new item:

''Sec. 311. Performance based management: acquisition programs.''.

(b) ANNUAL REPORTING REQUIREMENT.—Section 6 of the Office of Federal Procurement Policy Act (41 U.S.C. 405), as amended by section 41091, is further amended by adding at the end the following new subsection:

''(k) The Administrator shall submit to Congress, on an annual basis, an assessment of the progress made in executive agencies in implementing the policy stated in section 311(a) of the Federal Property and Administrative Services Act of 1949. The Administrator shall use data from existing management systems in making the assessment.''.

(c) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—Within one year after the date of the enactment of this division, the Administrator for Federal Procurement Policy, in consultation with appropriate officials in other departments and agencies of the Federal Govern-

ment, shall, to the maximum extent consistent with applicable law—

(1) establish policies and procedures for the heads of such departments and agencies to designate acquisition positions and manage employees (including the accession, education, training and career development of employees) in the designated acquisition positions;

(2) extend to the acquisition workforce of the entire executive branch the acquisition workforce policies contained in chapter 87 of title 10, United States Code, relating to the acquisition workforce of the Department of Defense; and

(3) review the incentives and personnel actions available to the heads of department and agencies of the Federal Government for encouraging excellence in the acquisition workforce of the Federal Government and provide an enhanced system of incentives for the encouragement of excellence in such workforce which—

(A) relates pay to performance (including the extent to which the performance of personnel in such workforce contributes to achieving the cost goals, schedule goals, and performance goals established for acquisition programs pur-

suant to section 311(b) of the Federal Property and Administrative Services Act of 1949, as added by subsection (a)); and

(B) provides for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel in such workforce contributes to achieving such cost goals, schedule goals, and performance goals.

(d) RECOMMENDED LEGISLATION.—Not later than one year after the date of the enactment of this division, the Administrator for Federal Procurement Policy shall submit to Congress any recommended legislation that the Secretary considers necessary to carry out section 311 of the Federal Property and Administrative Services Act of 1949, as added by subsection (a), and otherwise to facilitate and enhance management of Federal Government acquisition programs and the acquisition workforce of the Federal Government on the basis of performance.

SEC. 45052. RESULTS-ORIENTED ACQUISITION PROCESS.

(a) DEVELOPMENT OF PROCESS REQUIRED.—The Administrator for Federal Procurement Policy, in consultation with the heads of appropriate Federal agencies, shall develop a results-oriented acquisition process for implementation by agencies in acquisitions of property and

services by the Federal agencies. The process shall include the identification of quantitative measures and standards for determining the extent to which an acquisition of non-commercial items by a Federal agency satisfies the needs for which the items are being acquired.

(b) INAPPLICABILITY OF PROCESS TO DEPARTMENT OF DEFENSE.—The process developed pursuant to subsection (a) may not be applied to the Department of Defense.

Subtitle C—Miscellaneous

SEC. 45091. CONTRACTOR EXCEPTIONAL PERFORMANCE AWARDS.

The Office of Federal Procurement Policy Act, as amended by section 44021, is further amended by adding at the end the following:

''CONTRACTOR EXCEPTIONAL PERFORMANCE AWARDS

''SEC. 31. (a) ESTABLISHMENT.—There is hereby established an executive branch program to recognize and promote exceptional contract performance by Federal Government contractors.

''(b) SELECTION.—(1) The Administrator shall ensure the establishment of criteria for selection of contractors to receive exceptional performance awards under the program.

''(2) The head of an executive agency may select one or more agency contractors to receive an exceptional performance award under the program.

''(c) AWARD CEREMONY.—The Vice President, or the head of the executive agency selecting a contractor for an exceptional performance award, shall present the award to the contractor with such ceremony as the Vice President or head of the agency, as the case may be, considers appropriate.''.

SEC. 45092. DEPARTMENT OF DEFENSE ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS.

Section 2386 of title 410, United States Code, is amended by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

''(3) Technical data and computer software.

''(4) Releases for past infringement of patents or copyrights or for unauthorized use of technical data or computer software.''.

TITLE XLVI—STANDARDS OF CONDUCT

Subtitle A—Ethics Provisions

SEC. 46001. AMENDMENTS TO OFFICE OF FEDERAL PROCUREMENT POLICY ACT.

(a) RECUSAL.—Subsection (c) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended—

(1) in paragraph (1)—

(A) in the matter above subparagraph (A), by inserting ''only'' after ''subsection (b)(1)''; and

(B) in subparagraph (A), by inserting ''(including the modification or extension of a contract)'' after ''any procurement'';

(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof:

''(2) Whenever the head of a procuring activity approves a recusal under paragraph (1), a copy of the recusal request and the approval of the request shall be retained by such official for a period (not less than five years) specified in regulations prescribed in accordance with subsection (o).

''(3)(A) Except as provided in subparagraph (B), all recusal requests and approvals of recusal requests pursu-

ant to this subsection shall be made available to the public on request.

''(B) Any part of a recusal request or an approval of a recusal request that is exempt from the disclosure requirements of section 552 of title 5, United States Code, under subsection (b)(1) of such section may be withheld from disclosure to the public otherwise required under subparagraph (A).''; and

(3) in paragraph (4), by striking out ''competing contractor'' and inserting in lieu thereof ''person''.

(b) APPLICABILITY OF CERTIFICATION REQUIREMENT.—Subsection (e)(7)(A) of such section is amended by adding at the end the following: ''However, paragraph (1)(B) does not apply with respect to a contract for less than $500,000.''.

(c) RESTRICTIONS RESULTING FROM PROCUREMENT ACTIVITIES OF PROCUREMENT OFFICIALS.—Subsection (f) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

''(1) No individual who, in the year prior to separation from service as an officer or employee of the Govern-

ment or an officer of the uniformed services in a covered position, participated personally and substantially in acquisition functions related to a contract, subcontract, or claim of $500,000 or more and—

''(A) engaged in repeated direct contact with the contractor or subcontractor on matters relating to such contract, subcontract, or claim; or

''(B) exercised significant ongoing decisionmaking responsibility with respect to the contractor or subcontractor on matters relating to such contract, subcontract, or claim,

shall knowingly accept or continue employment with such contractor or subcontractor for a period of 1 year following the individual's separation from service, except that such individual may accept or continue employment with any division or affiliate of such contractor or subcontractor that does not produce the same or similar products as the entity involved in the negotiation or performance of the contract or subcontract or the adjustment of the claim.

''(2) No contractor or subcontractor, or any officer, employee, agent, or consultant of such contractor or subcontractor shall knowingly offer, provide, or continue any employment for another person, if such contractor, subcontractor, officer, employee, agent, or consultant knows

or should know that the acceptance of such employment is or would be in violation of paragraph (1).

''(3) The head of each Federal agency shall designate in writing as a 'covered position' under this section each of the following positions in that agency:

''(A) The position of source selection authority, member of a source selection evaluation board, or chief of a financial or technical evaluation team, or any other position, if the officer or employee in that position is likely personally to exercise substantial responsibility for ongoing discretionary functions in the evaluation of proposals or the selection of a source for a contract in excess of $500,000.

''(B) The position of procuring contracting officer, or any other position, if the officer or employee in that position is likely personally to exercise substantial responsibility for ongoing discretionary functions in the negotiation of a contract in excess of $500,000 or the negotiation or settlement of a claim in excess of $500,000.

''(C) The position of program executive officer, program manager, or deputy program manager, or any other position, if the officer or employee in that position is likely personally to exercise similar substantial responsibility for ongoing discretionary func-

tions in the management or administration of a contract in excess of $500,000.

''(D) The position of administrative contracting officer, the position of an officer or employee assigned on a permanent basis to a Government Plant Representative's Office, the position of auditor, a quality assurance position, or any other position, if the officer or employee in that position is likely personally to exercise substantial responsibility for ongoing discretionary functions in the on-site oversight of a contractor's operations with respect to a contract in excess of $500,000.

''(E) A position in which the incumbent is likely personally to exercise substantial responsibility for ongoing discretionary functions in operational or developmental testing activities involving repeated direct contact with a contractor regarding a contract in excess of $500,000.''.

(d) DISCLOSURE OF PROPRIETARY OR SOURCE SELECTION INFORMATION TO UNAUTHORIZED PERSONS.—Subsection (l) of such section is amended—

(1) by inserting ''who are likely to be involved in contracts, modifications, or extensions in excess of $25,000'' in the first sentence after ''its procurement officials''; and

(2) by striking out ''(e)'' each place it appears and inserting in each such place ''(f)''.

(e) RULES OF CONSTRUCTION.—Subsection (n) of such section is amended to read as follows:

''(n) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—

''(1) authorize the withholding of any information from the Congress, any committee or subcommittee thereof, a Federal agency, any board of contract appeals of a Federal agency, the Comptroller General, or an inspector general of a Federal agency;

''(2) restrict the disclosure of information to, or receipt of information by, any person or class of persons authorized, in accordance with applicable agency regulations or procedures, to receive that information;

''(3) restrict a contractor from disclosing its own proprietary information or the recipient of information so disclosed by a contractor from receiving such information; or

''(4) restrict the disclosure or receipt of information relating to a Federal agency procurement that has been canceled by the agency and that the

contracting officer concerned determines in writing is not likely to be resumed.''.

(f) TERM TO BE DEFINED IN REGULATIONS.—Subsection (o)(2)(A) of such section is amended—

(1) by inserting ''money, gratuity, or other'' before ''thing of value'''; and

(2) by inserting before the semicolon ''and such other exceptions as may be adopted on a Governmentwide basis under section 7353 of title 5, United States Code''.

(g) TERMS DEFINED IN LAW.—Subsection (p) of such section is amended—

(1) in paragraph (1) by striking out ''clauses (i)–(viii)'' and inserting in lieu thereof ''clauses (i) through (vii)'';

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking out clause (i);

(ii) by redesignating clauses (ii), (iii), (iv), (v), (vi), (vii), and (viii) as clauses (i), (ii), (iii), (iv), (v), (vi), and (vii), respectively; and

(iii) in clause (i) (as redesignated by subclause (II) of this clause), by striking out ''review and approval of a specifica-

tion'' and inserting in lieu thereof ''approval or issuance of a specification, acquisition plan, procurement request, or requisition''; and

(B) in subparagraph (B), by striking out all after ''includes'' and inserting in lieu thereof the following: ''any individual acting on behalf of, or providing advice to, the agency with respect to any phase of the agency procurement concerned, regardless of whether such individual is a consultant, expert, or adviser, or an officer or employee of a contractor or subcontractor (other than a competing contractor).''; and

(3) in paragraph (6)(A), by inserting ''nonpublic'' before ''information''.

SEC. 46002. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

Section 208(a) of title 18, United States Code, is amended—

(1) by inserting ''(1)'' before ''Except as permitted''; and

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

''(2) Whoever knowingly aids, abets, counsels, commands, induces, or procures conduct prohibited by this

section shall be subject to the penalties set forth in section 216 of this title.''.

SEC. 46003. REPEAL OF SUPERSEDED AND OBSOLETE LAWS.

(a) REPEAL.—The following provisions of law are repealed:

(1) Sections 2207, 2397, 2397a, 2397b, and 2397c of title 10, United States Code.

(2) Section 281 of title 18, United States Code.

(3) Section 801 of title 37, United States Code.

(4) Part A of title VI of the Department of Energy Organization Act (42 U.S.C. 7211 through 7218).

(b) CLERICAL AMENDMENTS.—

(1) TITLE 10.—Part IV of subtitle A of title 10, United States Code, is amended—

(A) in the table of sections at the beginning of chapter 131, by striking out the item relating to section 2207; and

(B) in the table of sections for chapter 141, by striking out the items relating to sections 2397, 2397a, 2397b, and 2397c.

(2) TITLE 18.—The table of sections for chapter 15 of title 18, United States Code, is amended by striking out the item relating to section 281.

(3) TITLE 37.—The table of sections for chapter 15 of title 37, United States Code, is amended by striking out the item relating to section 801.

(4) DEPARTMENT OF ENERGY ORGANIZATION ACT.—The table of contents for the Department of Energy Organization Act is amended by striking out the matter relating to part A of title VI.

SEC. 46004. IMPLEMENTATION.

(a) REGULATIONS.—Not later than 180 days after the date of the enactment of this division, regulations implementing the amendments made by section 46001 to section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), including definitions of the terms used in subsection (f) of such section, shall be issued in accordance with sections 6 and 25 of such Act (41 U.S.C. 405 and 521) after coordination with the Director of the Office of Government Ethics.

(b) SAVINGS PROVISIONS.—

(1) CONTRACTOR CERTIFICATIONS.—No officer, employee, agent, representative, or consultant of a contractor who has signed a certification under section 27(e)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(e)(1)(B)) before the effective date of this division shall be required to

sign a new certification as a result of the enactment of this division.

(2) FEDERAL PROCUREMENT OFFICIAL CERTIFICATIONS.—No procurement official of a Federal agency who has signed a certification under section 27(l) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(l)) before the date of enactment of this division shall be required to sign a new certification as a result of the enactment of this division.

(c) INSPECTOR GENERAL REPORTS.—Not later than May 31 of each of the years 1995 through 1998, the Inspector General of each Federal agency (or, in the case of a Federal agency that does not have an Inspector General, the head of such agency) shall submit to Congress a report on the compliance by the agency during the preceding year with the requirement for the head of the agency to designate covered procurement positions under section 27(f)(3) of the Office of Federal Procurement Policy Act (as added by section 46001(c)).

Subtitle B—Additional Amendments

SEC. 46051. CONTRACTING FUNCTIONS PERFORMED BY FEDERAL PERSONNEL.

(a) AMENDMENT OF OFPP ACT.—The Office of Federal Procurement Policy Act, as amended by section 41092, is further amended by inserting after section 22 the following new section 23:

''CONTRACTING FUNCTIONS PERFORMED BY FEDERAL PERSONNEL

''SEC. 23. (a) LIMITATION ON PAYMENT FOR ADVISORY AND ASSISTANCE SERVICES.—(1) No person who is not a person described in subsection (b) may be paid by an agency for services to conduct evaluations or analyses of any aspect of a proposal submitted for an acquisition unless personnel described in subsection (b) with adequate training and capabilities to perform such evaluations and analyses are not readily available within the agency or another Federal agency, as determined in accordance with standards and procedures prescribed in the Federal Acquisition Regulation.

''(2) In the administration of this subsection, the head of each agency shall determine in accordance with the standards and procedures set forth in the Federal Acquisition Regulation whether—

''(A) a sufficient number of personnel described in subsection (b) within the agency or another Federal agency are readily available to perform a particular evaluation or analysis for the agency head making the determination; and

''(B) the readily available personnel have the training and capabilities necessary to perform the evaluation or analysis.

''(b) COVERED PERSONNEL.—For purposes of subsection (a), the personnel described in this subsection are as follows:

''(1) An employee, as defined in section 2105 of title 5, United States Code.

''(2) A member of the Armed Forces of the United States.

''(3) A person assigned to a Federal agency pursuant to subchapter VI of chapter 33 of title 5, United States Code.

''(c) RULE OF CONSTRUCTION.—Nothing in this section is intended to affect the relationship between the Federal Government and a federally funded research and development center.''.

(b) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—Not later than 90 days after the date of the enactment of this division, the Federal Acquisition Regu-

latory Council established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall—

(1) review part 37 of title 48 of the Code of Federal Regulations as it relates to the use of advisory and assistance services; and

(2) provide guidance and promulgate regulations regarding—

(A) what actions Federal agencies are required to take to determine whether expertise is readily available within the Federal Government before contracting for advisory and technical services to conduct acquisitions; and

(B) the manner in which personnel with expertise may be shared with agencies needing expertise for such acquisitions.

SEC. 46052. REPEAL OF EXECUTED REQUIREMENT FOR STUDY AND REPORT.

Section 17 of the Office of Federal Procurement Policy Act (41 U.S.C. 415) is repealed.

SEC. 46053. INTERESTS OF MEMBERS OF CONGRESS.

Section 3741 of the Revised Statutes (41 U.S.C. 22) is amended to read as follows:

''No member of Congress shall be admitted to any share or part of any contract or agreement made, entered

into, or accepted by or on behalf of the United States, or to any benefit to arise thereupon.''.

SEC. 46054. WAITING PERIOD FOR SIGNIFICANT CHANGES PROPOSED FOR ACQUISITION REGULATIONS.

(a) INCREASED PERIOD.—Section 22(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 418b) is amended—

(1) by striking out ''30 days'' and inserting in lieu thereof ''60 days''; and

(2) by adding at the end the following: ''Notwithstanding the preceding sentence, such a policy, regulation, procedure, or form may take effect earlier than 60 days after the publication date when there are compelling circumstances for the earlier effective date, but in no event may that effective date be less than 30 days after the publication date.''.

(b) TECHNICAL AMENDMENT.—Section 22(d) of such Act is amended by designating the second sentence as paragraph (3).

Subtitle C—Whistleblower Protection

SEC. 46101. ARMED SERVICES PROCUREMENTS.

(a) WHISTLEBLOWER PROTECTIONS FOR CONTRACTOR EMPLOYEES.—Section 2409 of title 10, United States Code, is amended—

(1) by striking out subsection (d);

(2) by redesignating subsection (c) as subsection (d); and

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

''(c) REMEDY AND ENFORCEMENT AUTHORITY.—(1) If the Secretary of Defense determines that a defense contractor has subjected a person to a reprisal prohibited by subsection (a), the Secretary may take one or more of the following actions:

''(A) Order the defense contractor to take affirmative action to abate the reprisal.

''(B) Order the defense contractor to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken.

''(C) Order the defense contractor to pay the complainant an amount equal to the aggregate amount of all costs and expenses (including attorney's fees and expert witnesses' fees) that were reasonably incurred by the complainant for, or in connection with, bringing the complaint regarding the reprisal, as determined by the Secretary.

''(2) Whenever a person fails to comply with an order issued under paragraph (1), the Secretary shall file an action for enforcement of such order in the United States district court for a district in which the reprisal was found to have occurred. In any action brought under this paragraph, the court may grant appropriate relief, including injunctive relief and compensatory and exemplary damages.

''(3) Any person adversely affected or aggrieved by an order issued under paragraph (1) may obtain review of the order's conformance with this subsection, and any regulations issued to carry out this section, in the United States court of appeals for a circuit in which the reprisal is alleged in the order to have occurred. No petition seeking such review may be filed more than 60 days after issuance of the Secretary's order. Review shall conform to chapter 7 of title 5.''.

(b) RELATED LAW.—

(1) REPEAL.—Section 2409a of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2409a.

SEC. 46102. GOVERNMENTWIDE WHISTLEBLOWER PROTECTIONS FOR CONTRACTOR EMPLOYEES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 45091, is further amended by adding at the end the following new section:

''CONTRACTOR EMPLOYEES: PROTECTION FROM REPRISAL FOR DISCLOSURE OF CERTAIN INFORMATION

''SEC. 32. (a) PROHIBITION OF REPRISALS.—An employee of an executive agency contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a Member of Congress or an authorized official of the agency or the Department of Justice information relating to a substantial violation of law related to an agency contract (including the competition for or negotiation of an agency contract).

''(b) INVESTIGATION OF COMPLAINTS.—A person who believes that the person has been subjected to a reprisal prohibited by subsection (a) may submit a complaint to the Inspector General of the executive agency. Unless

the Inspector General determines that the complaint is frivolous, the Inspector General shall investigate the complaint and, upon completion of such investigation, submit a report of the findings of the investigation to the person, the contractor concerned, and the head of the agency. In the case of an executive agency that does not have an inspector general, the duties of the inspector general under this section shall be performed by an official designated by the agency head.

''(c) REMEDY AND ENFORCEMENT AUTHORITY.—(1) If the head of an executive agency determines that an agency contractor has subjected a person to a reprisal prohibited by subsection (a), the agency head may take one or more of the following actions:

''(A) Order the contractor to take affirmative action to abate the reprisal.

''(B) Order the contractor to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken.

''(C) Order the contractor to pay the complainant an amount equal to the aggregate amount of all

costs and expenses (including attorney's fees and expert witnesses' fees) that were reasonably incurred by the complainant for, or in connection with, bringing the complaint regarding the reprisal, as determined by the Secretary.

''(2) Whenever a person fails to comply with an order issued under paragraph (1), the agency head shall file an action for enforcement of such order in the United States district court for a district in which the reprisal was found to have occurred. In any action brought under this paragraph, the court may grant appropriate relief, including injunctive relief and compensatory and exemplary damages.

''(3) Any person adversely affected or aggrieved by an order issued under paragraph (1) may obtain review of the order's conformance with this subsection, and any regulations issued to carry out this section, in the United States court of appeals for a circuit in which the reprisal is alleged in the order to have occurred. No petition seeking such review may be filed more than 60 days after issuance of the agency head's order. Review shall conform to chapter 7 of title 5, United States Code.

''(d) CONSTRUCTION.—Nothing in this section may be construed to authorize the discharge of, demotion of, or discrimination against an employee for a disclosure

other than a disclosure protected by subsection (a) or to modify or derogate from a right or remedy otherwise available to the employee.

''(e) COORDINATION WITH OTHER LAW.—This section does not apply with respect to the Department of Defense. For the corresponding provision of law applicable to the Department of Defense, see section 2409 of title 10, United States Code.

''(f) DEFINITION.—In this section, the term 'Inspector General' means an Inspector General appointed under the Inspector General Act of 1978.''.

TITLE XLVII—DEFENSE TRADE AND COOPERATION

SEC. 47001. PURCHASES OF FOREIGN GOODS.

(a) REPEAL OF EXECUTED REQUIREMENTS.—

(1) REQUIREMENT FOR POLICY GUIDANCE.—Title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.), commonly referred to as the ''Buy American Act'', is amended in section 4(g) (41 U.S.C. 10b–1(g)) by striking out paragraphs (2)(C) and (3).

(2) REPORTING REQUIREMENT.—Section 9096(b) of Public Law 102–396 (106 Stat. 1924; 41 U.S.C. 10b–2(b)) is repealed.

(b) REPEAL OF REDUNDANT PROVISION.—

(1) CONSIDERATION OF NATIONAL SECURITY OBJECTIVES.—Section 2327 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 137 of such title is amended by striking out the item relating to section 2327.

SEC. 47002. INTERNATIONAL COOPERATIVE AGREEMENTS.

(a) TERMINOLOGY REVISIONS.—Section 2531 of title 10, United States Code, is amended—

(1) in the subsection captions for subsections (a) and (c), by striking out ''MOUS AND RELATED'' and inserting in lieu thereof ''INTERNATIONAL'';

(2) in subsection (a), by striking out ''proposed memorandum of understanding, or any existing or proposed agreement related to a memorandum of understanding,'' in the matter above paragraph (1) and inserting in lieu thereof ''proposed international agreement, including a memorandum of understanding,'';

(3) by striking out ''memorandum of understanding or related agreement'' each place it appears and inserting in lieu thereof ''international agreement'';

(4) in subsection (b), by striking out ''memorandum or related agreement'' each place it appears in the second sentence and inserting in lieu thereof ''international agreement''; and

(5) in subsection (c)—

(A) by striking out ''A'' after ''AGREEMENTS.—'' and inserting in lieu thereof ''An''; and

(B) by striking out ''memorandum or agreement'' and inserting in lieu thereof ''international agreement''.

(b) EXPANDED SCOPE OF AGREEMENTS.—Section 2531(a) of title 10, United States Code, is amended by striking out ''research, development, or production'' in the matter above paragraph (1) and inserting in lieu thereof ''research, development, production, or logistics support''.

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of section 2531 of title 10, United States Code, is amended to read as follows:

''§ 2531. Defense international agreements''.

(2) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of subchapter V of chapter 148 of such title is amended to read as follows:

''2531. Defense international agreements.''.

SEC. 47003. ACQUISITION, CROSS-SERVICING AGREEMENTS, AND STANDARDIZATION.

(a) LIMITED WAIVER OF RESTRICTIONS ON ACCRUED REIMBURSABLE LIABILITIES AND CREDITS FOR CONTINGENCY OPERATIONS.—Section 2347 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) The Secretary of Defense may waive the restrictions in subsections (a) and (b) for a period not to exceed 180 days upon a written determination that the armed forces are involved in a contingency operation or that involvement of the armed forces in a contingency operation is imminent. Upon making such a determination, the Secretary shall transmit a copy of the determination to the Committees on Armed Services of the Senate and House of Representatives.''.

(b) COMMUNICATIONS SUPPORT.—Section 2350f of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

''(d)(1) Nothing in this section shall be construed to limit the authority of the Secretary of Defense, without a formal bilateral agreement or multilateral arrangement, to furnish communications support and related supplies

to, or receive communications support and related supplies from, an allied country in accordance with this subsection.

''(2) The Secretary of Defense may furnish or receive such support and supplies on a reciprocal basis for a period not to exceed 90 days—

''(A) in order to meet emerging operational requirements of the United States and the allied country; or

''(B) incident to a joint military exercise with the allied country.

''(3) If interconnection of communication circuits is maintained for joint or multilateral defense purposes under the authority of this subsection, the costs of maintaining such circuits may be allocated among the various users.''.

TITLE XLVIII—COMMERCIAL ITEMS

SEC. 48001. DEFINITIONS.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403), as amended by section 44001(a), is further amended—

(1) by striking out ''Act—''and inserting in lieu thereof ''Act:'';

(2) by capitalizing the initial letter in the first word of each paragraph;

(3) by striking out the semicolon at the end of each of paragraphs (1), (2), (3), (5), (6), (7), (8), and (9) and inserting in lieu thereof a period;

(4) in paragraphs (4) and (10), by striking out ''; and'' at the end and inserting in lieu thereof a period; and

(5) by adding at the end the following new paragraphs:

''(12) The term 'commercial item' means—

''(A) property, other than real property, that is of a type customarily used by the general public or by nongovernmental entities in the course of normal business operations for purposes other than governmental purposes and—

''(i) has been sold, leased, or licensed to the general public;

''(ii) has not been sold, leased, or licensed to the general public but has been offered for sale, lease, or license to the general public; or

''(iii) is not yet available in the commercial marketplace but will be made available for commercial delivery within a reasonable period;

''(B) any item that, but for—

''(i) modifications of a type customarily available in the commercial marketplace, or

''(ii) minor modifications made to meet Federal Government requirements,

would satisfy the criteria in subparagraph (A);

''(C) any combination of items meeting the requirements of subparagraph (A), (B), or (D) that are of a type customarily combined and sold in combination to the general public;

''(D) installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in subparagraph (A), (B), or (C) and if the source of such services—

''(i) offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions; and

''(ii) offers to use the same work force for providing the Federal Government with such services as the source uses for providing such services to the general public; and

''(E) any item, combination of items, or service referred to in subparagraph (A), (B), (C), or (D), regardless of whether the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a contractor.

''(13) The term 'nondevelopmental item' means—

''(A) any commercial item;

''(B) any previously developed item of supply that is in use by a department or agency of the United States, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;

''(C) any item of supply described in subparagraph (A) or (B) that requires only minor modification of the type normally available in the commercial marketplace in order to meet the requirements of the procuring department or agency; or

''(D) any item of supply currently being produced that does not meet the requirements of subparagraph (A), (B), or (C) solely because the item—

''(i) is not yet in use; or

''(ii) is not yet available in the commercial marketplace.

''(14) The term 'component' means any item supplied to the Federal Government as part of an end item or of another component.

''(15) The term 'commercial component' means any component that is a commercial item.''.

SEC. 48002. PREFERENCE FOR ACQUISITION OF COMMERCIAL ITEMS AND NONDEVELOPMENTAL ITEMS.

(a) PREFERENCE REQUIRED.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 46102, is further amended by adding at the end the following new section:

''PREFERENCE FOR ACQUISITION OF COMMERCIAL ITEMS AND NONDEVELOPMENTAL ITEMS

''SEC. 33. (a) PREFERENCE.—The head of each executive agency shall ensure that, to the maximum extent practicable—

''(1) requirements of the executive agency with respect to a procurement of supplies are stated in terms of—

''(A) functions to be performed;

''(B) performance required; or

''(C) essential physical characteristics;

''(2) such requirements are defined so that commercial items or, to the extent that commercial items suitable to meet the agency's needs are not available, other nondevelopmental items may be procured to fulfill such requirements; and

''(3) offerors of commercial items and other nondevelopmental items are provided an opportunity to compete in any procurement to fill such requirements.

''(b) IMPLEMENTATION.—The head of each executive agency shall ensure that procurement officials in that executive agency, to the maximum extent practicable—

''(1) acquire commercial items or other nondevelopmental items to meet the needs of the executive agency;

''(2) require prime contractors and subcontractors at all levels under the executive agency contracts to incorporate commercial items or other nondevelopmental items as components of items supplied to the executive agency;

''(3) modify requirements in appropriate cases to ensure that the requirements can be met by commercial items or, to the extent that commercial items suitable to meet the agency's needs are not available, other nondevelopmental items;

''(4) state specifications in terms that enable and encourage bidders and offerors to supply commercial items or, to the extent that commercial items suitable to meet the agency's needs are not available, other nondevelopmental items in response to the executive agency solicitations;

''(5) revise the executive agency's procurement policies, practices, and procedures not required by law to reduce any impediments in those policies, practices, and procedures to the acquisition of commercial items; and

''(6) require training of appropriate personnel in the acquisition of commercial items.

''(c) PRELIMINARY MARKET RESEARCH.—(1) The head of an executive agency shall conduct market research appropriate to the circumstances—

''(A) before developing new specifications for a procurement by that executive agency; and

''(B) before soliciting bids or proposals for a contract in excess of the simplified acquisition threshold.

''(2) The head of an executive agency shall use the results of market research to determine whether there are commercial items or, to the extent that commercial items

suitable to meet the agency's needs are not available, other nondevelopmental items available that—

''(A) meet the executive agency's requirements;

''(B) could be modified to meet the executive agency's requirements; or

''(C) could meet the executive agency's requirements if those requirements were modified to a reasonable extent.

''(3) In conducting market research, the head of an executive agency should not require potential sources to submit more than the minimum information that is necessary to make the determinations required in paragraph (2).''.

(b) REPEAL OF SUPERSEDED PROVISION.—

(1) SEPARATE STATEMENT OF PREFERENCE FOR DEPARTMENT OF DEFENSE.—Section 2325 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 137 of such title is amended by striking out the item relating to section 2325.

SEC. 48003. ACQUISITION OF COMMERCIAL ITEMS.

(a) REQUIRED FAR PROVISIONS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.),

as amended by section 48002, is further amended by adding at the end the following:

''FEDERAL ACQUISITION REGULATION PROVISIONS REGARDING ACQUISITIONS OF COMMERCIAL ITEMS AND COMPONENTS

''SEC. 34. (a) CONTRACT CLAUSES AND OTHER CLAUSES.—(1)(A) The Federal Acquisition Regulation shall include one or more sets of contract clauses containing the required terms and conditions for the acquisition of commercial items and commercial components by executive agencies and by contractors in the performance of contracts of executive agencies.

''(B) The contract clauses referred to in subparagraph (A) shall include only—

''(i) those clauses that are required to implement provisions of law or executive orders applicable to acquisitions of commercial items or commercial components, as the case may be;

''(ii) those contract clauses that are essential for the protection of the Federal Government's interest in an acquisition of commercial items or commercial components, as the case may be; and

''(iii) those contract clauses that are determined to be consistent with standard commercial practice.

''(2) Subject to paragraph (3), the Federal Acquisition Regulation shall require that, to the maximum extent

practicable, only the contract clauses referred to in paragraph (1) be used in a contract, or be required to be used in a subcontract, for the acquisition of commercial items or commercial components by or for an executive agency.

''(3) The Federal Acquisition Regulation shall provide that a contract or subcontract referred to in paragraph (2) may contain contract clauses other than the contract clauses referred to in that paragraph only if the other clauses are essential for the protection of the Federal Government's interest in—

''(A) that contract or subcontract, as determined in writing by the contracting officer for such contract; or

''(B) a class of contracts or subcontracts, as determined by the head of an agency concerned, unless the determination of that head of an agency is disapproved by the Administrator.

''(4) The Federal Acquisition Regulation shall provide standards and procedures for waiving the use of contract clauses required pursuant to paragraph (1), other than those required by law, including standards for determining the cases in which a waiver is appropriate.

''(b) MARKET ACCEPTANCE.—(1) The Federal Acquisition Regulation shall provide that under appropriate

conditions the head of an executive agency may require offerors to demonstrate that the items offered—

''(A) have either—

''(i) achieved commercial market acceptance; or

''(ii) been satisfactorily supplied to an executive agency under current or recent contracts for the same or similar requirements; and

''(B) otherwise meet the item description, specifications, or other criteria prescribed in the public notice and solicitation relating to the contract.

''(2) The Federal Acquisition Regulation shall provide guidance to ensure that the criteria for determining commercial market acceptance include the consideration of—

''(A) the minimum needs of the executive agency concerned; and

''(B) the entire relevant commercial market, including small businesses.

''(c) USE OF FIRM, FIXED PRICE CONTRACTS.—The Federal Acquisition Regulation shall include a requirement that firm, fixed price contracts or fixed price with economic price adjustment contracts, be used, to the maximum extent practicable, for the acquisition of commercial items.

''(d) CONTRACT QUALITY REQUIREMENTS.—The Federal Acquisition Regulation shall include provisions that—

''(1) permit, to the maximum extent practicable, a contractor under a commercial items acquisition to use the contractor's existing quality assurance system as a substitute for compliance with a requirement for the Federal Government to inspect or test the commercial items before the contractor's tender of those items for acceptance by the Federal Government;

''(2) require that, to the maximum extent practicable, an executive agency accept commercial warranties (including extended warranties) offered by offerors of commercial items to commercial customers and use such warranties for the repair and replacement of commercial items; and

''(3) set forth guidance to executive agencies regarding the use of past performance of items and sources as a factor in contract award decisions.

''(e) TREATMENT OF TRANSFERS BETWEEN AFFILIATES.—The Federal Acquisition Regulation shall provide for a transfer of commercial items from one division, subsidiary, or affiliate of a contractor to another division, subsidiary, or affiliate of the contractor to be treated as a

subcontract for purposes of section 35 of the Office of Federal Procurement Policy Act and the provisions of law amended by section 48005 of the Federal Acquisition Streamlining Act of 1994.''.

(b) DEFENSE CONTRACT CLAUSES.—

(1) TERMINATION OF DOD AUTHORITY.—Section 824(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 2325 note) shall cease to be effective on the date on which the regulations implementing section 34 of the Office of Federal Procurement Policy Act, as added by subsection (a), become effective.

(2) SAVINGS PROVISION.—Notwithstanding section 34(a) of the Office of Federal Procurement Policy Act (as added by subsection (a)), contracts of the Department of Defense entered into before the date on which section 824(b) ceases to be effective under paragraph (1), and subcontracts entered into before such date under such contracts, may include clauses developed pursuant to paragraphs (2) and (3) of section 824(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 2325 note).

SEC. 48004. CLASS WAIVER OF APPLICABILITY OF CERTAIN LAWS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 48003, is further amended by adding at the end the following:

''CLASS WAIVER OF APPLICABILITY OF CERTAIN LAWS TO ACQUISITIONS OF COMMERCIAL ITEMS

''SEC. 35. (a) IN GENERAL.—The applicability of a provision of law described in subsection (c) that is enacted after the date of the enactment of the Federal Acquisition Streamlining Act of 1994 to contracts for the acquisition of commercial items may be waived on a class basis in the Federal Acquisition Regulation. Such a waiver shall not apply to a provision of law that expressly refers to this section and prohibits the waiver of that provision of law.

''(b) WAIVER OF APPLICABILITY TO SUBCONTRACTS.—(1) The applicability of a provision of law described in subsection (c) to subcontracts under a contract for the acquisition of commercial items or a subcontract for the acquisition of commercial components may be waived on a class basis in the Federal Acquisition Regulation. Such a waiver shall not apply to a provision of law that expressly refers to this section and prohibits the waiver of that provision of law.

''(2) Nothing in this subsection shall be construed to authorize the waiver of the applicability of any provision of law with respect to—

''(A) any contract with a prime contractor; or

''(B) any subcontract under a contract with a prime contractor who does not substantially transform the commercial items supplied under the contract.

''(c) COVERED LAW.—A provision of law referred to in subsections (a) and (b) is any provision of law that, as determined by the Federal Acquisition Regulatory Council, sets forth policies, procedures, requirements, or restrictions for the procurement of property or services by the Federal Government.''.

SEC. 48005. INAPPLICABILITY OF CERTAIN PROVISIONS OF LAW.

(a) ARMED SERVICES ACQUISITIONS.—

(1) PROHIBITION ON CONTINGENT FEES.—Section 2306(b) of title 10, United States Code, as amended by section 44022(a), is further amended by inserting before the period at the end of the sentence added by section 44022(a) the following: ''or to a contract for the acquisition of commercial items''.

(2) REQUIREMENT TO IDENTIFY SUPPLIERS AND SOURCES OF SUPPLIES.—Paragraph (2) of sec-

tion 2384(b) of title 10, United States Code, is amended to read as follows:

''(2) The regulations prescribed pursuant to paragraph (1) do not apply to a contract that requires the delivery of supplies that are commercial items, as defined in section 2302 of this title.''.

(3) PROHIBITION AGAINST DOING BUSINESS WITH CERTAIN OFFERORS OR CONTRACTORS.—Section 2393(d) of title 10, United States Code, as amended by section 44022(e), is further amended by adding at the end the following: ''The requirement shall not apply in the case of a subcontract for the acquisition of commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))).''.

(4) PROHIBITION ON LIMITATION OF SUBCONTRACTOR DIRECT SALES.—Section 2402 of title 10, United States Code, as amended by section 44022(b), is further amended by adding at the end the following new subsection:

''(d)(1) An agreement between the contractor in a contract for the acquisition of commercial items and a subcontractor under such contract that restricts sales by such subcontractor directly to persons other than the contractor may not be considered to unreasonably restrict

sales by that subcontractor to the United States in violation of the provision included in such contract pursuant to subsection (a) if the agreement does not result in the Federal Government being treated differently with regard to the restriction than any other prospective purchaser of such commercial items from that subcontractor.

''(2) In paragraph (1), the term 'commercial item' has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).''.

(5) CONTRACTOR INVENTORY ACCOUNTING SYSTEMS: STANDARDS.—Section 2410b of title 10, United States Code, is amended—

(A) by inserting ''(a) REGULATIONS REQUIRED.—'' before ''The Secretary of Defense''; and

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

''(b) INAPPLICABILITY TO ACQUISITIONS OF COMMERCIAL ITEMS.—The regulations prescribed pursuant to subsection (a) need not apply to a contract for the acquisition of commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))).''.

(6) PROHIBITION ON PERSONS CONVICTED OF DEFENSE-CONTRACT RELATED FELONIES.—Paragraph (4) of section 2408(a) of title 10, United States Code, as added by section 44022(f), is amended—

(A) by inserting after subparagraph (A) the following:

''(B) A contract referred to in such subparagraph that is for the acquisition of commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))).''; and

(B) by inserting ''or (B)'' before the period at the end of subparagraph (C).

(b) CIVILIAN AGENCY ACQUISITIONS.—

(1) RESTRICTIONS ON SUBCONTRACTOR SALES TO THE UNITED STATES.—Section 303G of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253g), as amended by section 44023(b), is further amended by adding at the end the following new subsection:

''(d) An agreement between the contractor in a contract for the acquisition of commercial items and a subcontractor under such contract that restricts sales by such subcontractor directly to persons other than the contractor may not be considered to unreasonably restrict sales by

that subcontractor to the United States in violation of the provision included in such contract pursuant to subsection (a) if the agreement does not result in the Federal Government being treated differently with regard to the restriction than any other prospective purchaser of such commercial items from that subcontractor.''.

(2) PROHIBITION ON CONTINGENT FEES.—Section 304(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(a)), as amended by section 44023(a), is further amended by inserting before the period at the end of the sentence added by section 44023(a) the following: ''or to a contract for the acquisition of commercial items''.

(c) ACQUISITIONS GENERALLY.—

(1) FEDERAL WATER POLLUTION CONTROL ACT.—Section 508 of the Federal Water Pollution Control Act (33 U.S.C. 1368) is amended by adding at the end the following new subsection:

''(f)(1) No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement of this section or a prohibition or requirement issued in the implementation of this section.

''(2) In paragraph (1), the term 'commercial item' has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).''.

(2) CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.—The Contract Work Hours and Safety Standards Act (title I of the Work Hours and Safety Act of 1962 (40 U.S.C. 327 et seq.)) is amended by adding at the end the following new section:

''SEC. 108. (a) No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement in this title.

''(b) In subsection (a), the term 'commercial item' has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).''.

(3) OFFICE OF FEDERAL PROCUREMENT POLICY ACT REQUIREMENT RELATING TO PROCUREMENT INTEGRITY CERTIFICATIONS.—Section 27(e)(7) of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended by adding at the end the following new subparagraph:

''(C) This subsection does not apply to a contract for the acquisition of commercial items.''.

(4) CERTAIN PROVISIONS OF THE ANTI-KICKBACK ACT OF 1986.—

(A) REQUIREMENT FOR CONTRACT CLAUSE.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57), as amended by section 44024(b), is further amended by inserting before the period at the end of subsection (d) the following: ''or to a prime contract for the acquisition of commercial items (as defined in section 4(12) of such Act (41 U.S.C. 403(12))).''.

(B) INSPECTION AUTHORITY.—Section 8 of such Act (41 U.S.C. 58) is amended by adding at the end the following: ''This section does not apply with respect to a prime contract for the acquisition of commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))).''.

(5) DRUG-FREE WORKPLACE ACT OF 1988.—Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (subtitle D of title V of Public Law 100–690; 41 U.S.C. 701(a)(1)), as amended by section 44024(e), is further amended by inserting after the matter inserted by such section 44024(e) the follow-

ing: '', other than a contract for the procurement of commercial items (as defined in section 4(12) of such Act (41 U.S.C. 403(12))),''.

(6) CLEAN AIR ACT.—Section 306 of the Clean Air Act (42 U.S.C. 7606) is amended by adding at the end the following new subsection:

''(f)(1) No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement of this section or a prohibition or requirement issued in the implementation of this section.

''(2) In paragraph (1), the term 'commercial item' has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).''.

(7) FLY AMERICAN REQUIREMENTS.—Section 1117 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1517) is amended by adding at the end the following new subsection:

''(e)(1) No certification by a contractor, and no contract clause, may be required in the case of a contract for the transportation of commercial items in order to implement a requirement in this section.

''(2) In paragraph (1), the term 'commercial item' has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).''.

SEC. 48006. FLEXIBLE DEADLINES FOR SUBMISSION OF OFFERS OF COMMERCIAL ITEMS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT AMENDMENT.—Section 18(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)) is amended by adding at the end the following new paragraph:

''(4) The requirements of paragraph (3)(B) do not apply to contracts for the purchase of commercial items. The Administrator shall prescribe for such contracts appropriate limits on the applicability of a deadline for submission of bids or proposals that is required by paragraph (1). Such limits shall be incorporated in the Federal Acquisition Regulation. The Federal Acquisition Regulation shall specify a minimum period for submission of a response to a solicitation of offers for a contract for the acquisition of commercial items.''.

(b) SAVINGS PROVISION.—The deadlines for submission of offers that are in effect in accordance with section 18(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)) shall continue to apply to contracts

for the purchase of commercial items until the limits prescribed pursuant to paragraph (4) of section 18(a) of the Office of Federal Procurement Policy Act (as added by subsection (a)) are incorporated in the Federal Acquisition Regulation, as required by such paragraph.

SEC. 48007. ADVOCATES FOR ACQUISITION OF COMMERCIAL AND NONDEVELOPMENTAL ITEMS.

(a) RESPONSIBILITIES OF THE ADVOCATE FOR COMPETITION.—Section 20(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 418(c)) is amended to read as follows:

''(c) The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items and other nondevelopmental items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 28 of such Act (41 U.S.C. 424) is repealed.

SEC. 48008. PROVISIONS NOT AFFECTED.

Nothing in this title shall be construed as amending, modifying, or superseding, or as intended to impair or restrict authorities or responsibilities under—

(1) section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), popularly referred to as the ''Brooks Automatic Data Processing Act'';

(2) title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.), popularly referred to as the ''Brooks Architect-Engineers Act'';

(3) subsections (a) and (d) of section 8 of the Small Business Act (15 U.S.C. 637); or

(4) the Act of June 25, 1938 (41 U.S.C. 46–48c), that was revised and reenacted in the Act of June 23, 1971 (85 Stat. 77), popularly referred to as the ''Javits-Wagner-O'Day Act''.

SEC. 48009. COMPTROLLER GENERAL REVIEW OF FEDERAL GOVERNMENT USE OF MARKET RESEARCH.

(a) REPORT REQUIRED.—Not later than 2 years after the date of the enactment of this division, the Comptroller General of the United States shall submit to the Congress a report on the use of market research by the Federal Government in support of the procurement of commercial items and nondevelopmental items.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A review of existing Federal Government market research efforts to gather data concerning commercial and other nondevelopmental items.

(2) A review of the feasibility of creating a Government-wide data base for storing, retrieving, and analyzing market data, including use of existing Federal Government resources.

(3) Any recommendations for changes in law or regulations that the Comptroller General considers appropriate.

TITLE XLIX—MISCELLANEOUS PROVISIONS

SEC. 49001. COMPTROLLER GENERAL REVIEW OF THE PROVISION OF LEGAL ADVICE FOR INSPECTORS GENERAL.

(a) REVIEW AND REPORT REQUIRED.—Not later than March 1, 1995, the Comptroller General of the United States shall—

(1) conduct a review of the independence of the legal services being provided to Inspectors General appointed under the Inspector General Act of 1978; and

(2) submit to Congress a report on the results of the review.

(b) MATTERS REQUIRED FOR REPORT.—The report shall include the following matters:

(1) With respect to each department or agency of the Federal Government that has an Inspector General appointed in accordance with the Inspector General Act of 1978 whose only or principal source of legal advice is the general counsel or other chief legal officer of the department or agency, an assessment of the extent of the independence of the legal advisors providing advice to the Inspector General.

(2) A comparison of the findings under the assessment referred to in paragraph (1) with findings on the same matters with respect to each Inspector General whose source of legal advice is legal counsel accountable solely to the Inspector General.

SEC. 49002. COST SAVINGS FOR OFFICIAL TRAVEL.

(a) The Administrator of the General Services Administration, no later than 120 days after enactment of this section, shall issue guidelines to ensure that agencies promote, encourage and facilitate the use of frequent traveler programs offered by airlines, hotels and car rental vendors by Federal employees who engage in official air travel, for the purpose of realizing to the maximum extent practicable cost savings for official travel.

(b) Any awards granted under such a frequent traveler program accrued through official travel shall be used only for official travel.

(c) Within one year of enactment of this section, the Administrator shall report to the Congress on efforts to promote the use of frequent traveler programs by Federal employees.

SEC. 49003. PROMPT RESOLUTION OF AUDIT RECOMMENDATIONS.

Federal agencies shall resolve or take corrective action on all Office of Inspector General audit report findings within a maximum of six months after their issuance, or, in the case of audits performed by non-Federal auditors, six months after receipt of the report by the Federal Government.

SEC. 49004. UNIFORM SUSPENSION AND DEBARMENT.

(a) Within six months after the date of enactment of this division, regulations shall be issued providing that provisions for the debarment, suspension, or other exclusion of a participant in a procurement activity under the Federal Acquisition Regulation, or in a nonprocurement activity under regulations issued pursuant to Executive Order No. 12549, shall have government-wide effect. No agency shall allow a party to participate in any procurement or nonprocurement activity if any agency has

debarred, suspended, or otherwise excluded (to the extent specified in the exclusion agreement) that party from participation in a procurement or nonprocurement activity.

(b) The Regulations issued pursuant to subsection (a) shall provide that an agency may grant an exception permitting a debarred, suspended, or otherwise excluded party to participate in procurement activities of that agency to the extent exceptions are authorized under the Federal Acquisition Regulation, or to participate in nonprocurement activities of that agency to the extent exceptions are authorized under regulations issued pursuant to Executive Order No. 12549.

(c) DEFINITIONS.—For the purposes of this part—

(1) ''Procurement activities'' refers to all acquisition programs and activities of the Federal Government, as defined in the Federal Acquisition Regulation.

(2) ''Nonprocurement activities'' refers to all programs and activities involving Federal financial and nonfinancial assistance and benefits, as covered by Executive Order No. 12549 and the Office of Management and Budget guidelines implementing that order.

(3) ''Agency'' refers to executive departments and agencies.

TITLE L—EFFECTIVE DATES AND IMPLEMENTATION

SEC. 50001. EFFECTIVE DATES.

(a) EFFECTIVE DATE OF ACT.—Except as otherwise provided in this division, this division shall take effect on the date of the enactment of this Act.

(b) EFFECTIVE DATE OF AMENDMENTS.—Except as otherwise provided in this division, the amendments made by this division shall take effect on the date on which final implementing regulations are prescribed in accordance with section 50002.

SEC. 50002. IMPLEMENTING REGULATIONS.

(a) PROPOSED CHANGES.—Proposed changes to the Federal Acquisition Regulation and such other proposed regulations (or changes to existing regulations) as may be necessary to implement this division shall be published in the Federal Register not later than 210 days after the date of the enactment of this division.

(b) PUBLIC COMMENT.—The proposed regulations described in subsection (a) shall be made available for public comment for a period of not less than 60 days.

(c) FINAL REGULATIONS.—Final regulations shall be published in the Federal Register not later than 330 days after the date of enactment of this division.

(d) APPLICABILITY.—(1) The amendments made by this division shall apply, in the manner prescribed in such final regulations, to any solicitation that is issued or any unsolicited proposal that is received on or after the date described in paragraph (3).

(2) The amendments made by this division shall apply, to the extent and in the manner prescribed in such final regulations, to any matter related to—

(A) a contract that is in effect on the date described in paragraph (3);

(B) an offer under consideration on the date described in paragraph (3); or

(C) any other proceeding or action that is ongoing on the date described in paragraph (3).

(3) The date referred to in paragraphs (1) and (2) is the date specified in such regulations, which—

(A) shall not be earlier than the end of the 30-day period that begins on the date the regulations required by subsection (c) are published; and

(B) shall not be later than October 1, 1995.

(e) REQUIREMENT FOR CLARITY.—Officers and employees of the Federal Government who prescribe regulations to implement this division and the amendments made by this division shall make every effort practicable to ensure that the regulations are concise and are easily

understandable by potential offerors as well as by Government officials.

(f) SAVINGS PROVISION.—Nothing in this division shall be construed to affect the validity of any action taken or any contract entered into prior to the date specified in the regulations pursuant to subsection (d)(3) except to the extent and in the manner prescribed in such regulations.

SEC. 50003. EVALUATION BY THE COMPTROLLER GENERAL.

(a) EVALUATION RELATING TO ISSUANCE OF REGULATIONS.—Not later than December 1, 1995, the Comptroller General shall submit to the committees referred to in subsection (c) a report evaluating compliance with the requirements in section 50002, relating to the issuance of implementing regulations.

(b) EVALUATION OF IMPLEMENTATION OF REGULATIONS.—Not later than December 1, 1996, the Comptroller General shall submit to the committees referred to in subsection (c) a report evaluating the effectiveness of the regulations implementing this division in streamlining the acquisition system and fulfilling the other purposes of this division. The report shall include the Comptroller General's evaluation of the extent to which the departments and agencies of the Federal Government, in implementing this division and the amendments made by this division,

are reducing acquisition management layers and associated costs.

(c) COMMITTEES DESIGNATED TO RECEIVE THE REPORTS.—The Comptroller General shall submit the reports required by this section to the Committees on Armed Services and on Governmental Affairs of the Senate and the Committees on Small Business on Government Operations of the House of Representatives.

SEC. 50004. DATA COLLECTION THROUGH THE FEDERAL PROCUREMENT DATA SYSTEM.

(a) DATA COLLECTION REQUIRED.—The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)) shall be modified to collect from contracts in excess of the simplified acquisition threshold data pertaining to the following matters:

(1) Contract awards made pursuant to competitions conducted pursuant to section 2323 of title 10, United States Code, or section 8(c) of the Small Business Act (15 U.S.C. 637(c)).

(2) Awards to business concerns owned and controlled by women.

(3) Number of offers received in response to a solicitation.

(4) Task order contracts.

(5) Contracts for the acquisition of commercial items.

(b) DEFINITION.—In this section, the term ''simplified acquisition threshold'' has the meaning given such term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

TITLE LI—WAIVER OF THE APPLICATION OF THE PREVAILING WAGE-SETTING REQUIREMENTS TO VOLUNTEERS

SEC. 51001. SHORT TITLE.

This title may be cited as the ''Community Improvement Volunteer Act of 1994''.

SEC. 51002. PURPOSE.

It is the purpose of this title to promote and provide more opportunities for people who wish to volunteer their services in the construction, repair or alteration (including painting and decorating) of public buildings and public works funded, in whole or in part, with Federal financial assistance authorized under certain Federal programs that might not otherwise be possible without the use of volunteers, by waiving the application of the otherwise applicable prevailing wage-setting provisions of the Act of March 3, 1931 (commonly known as the ''Davis-Bacon Act'') (40 U.S.C. 276a et seq.) to such volunteers.

SEC. 51003. WAIVER.

(a) IN GENERAL.—The requirement that certain laborers and mechanics be paid in accordance with the wage-setting provisions of the Act of March 3, 1931 (commonly known as the ''Davis-Bacon Act'') (40 U.S.C. 276a et seq.) as set forth in any of the Acts or provisions described in subsection (d), and the provisions relating to wages, in any federally assisted or insured contract or subcontract for construction, shall not apply to any individual—

(1) who volunteers—

(A) to perform a service for a public or private entity for civic, charitable, or humanitarian reasons, without promise, expectation, or receipt of compensation for services rendered other than expenses, reasonable benefits, or a nominal fee (as defined in subsection (b)), but solely for the personal purpose or pleasure of the individual; and

(B) to provide such services freely and without pressure or coercion, direct or implied, from an employer;

(2) whose contribution of service is not for the benefit of any contractor otherwise performing or seeking to perform work on the same project; and

(3) who is not otherwise employed at any time under the federally assisted or insured contract or subcontract involved for construction with respect to the project for which the individual is volunteering.

(b) EXPENSES.—Payments of expenses, reasonable benefits, or a nominal fee may be provided to volunteers described in subsection (a) if the Secretary of Labor determines, after an examination of the total amount of payments made (relating to expenses, benefits, or fees) in the context of the economic realities of the specific federally assisted or insured project, that such payments are appropriate. Subject to such a determination—

(1) a payment for an expense may be received by a volunteer for items such as uniform allowances, protective gear and clothing, reimbursement for approximate out-of-pocket expenses, or for the cost or expense of meals and transportation;

(2) a reasonable benefit may include the inclusion of a volunteer in a group insurance plan (such as a liability, health, life, disability, or worker's compensation plan) or pension plan, or the awarding of a length of service award; and

(3) a nominal fee may not be used as a substitute for compensation and may not be tied to productivity.

The decision as to what constitutes a nominal fee for purposes of paragraph (3) shall be made on a case-by-case basis and in the context of the economic realities of the situation involved.

(c) ECONOMIC REALITY.—For purposes of subsection (b), in determining whether an expense, benefit, or fee described in such subsection may be paid to volunteers in the context of the economic realities of the particular situation, the Secretary of Labor shall not approve any such expense, benefit, or fee that has the effect of undermining labor standards by creating downward pressure on prevailing wages in the local construction industry.

(d) CONTRACTS EXEMPTED.—For purposes of subsection (a), the Acts or provisions described in this subsection are the following:

(1) The Library Services and Construction Act (20 U.S.C. 351 et seq.).

(2) The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

(3) Section 329 of the Public Health Service Act (42 U.S.C. 254b).

(4) Section 330 of the Public Health Service Act (42 U.S.C. 254c).

SEC. 51004. REPORT.

Not later than December 31, 1997, the Secretary of Labor shall prepare and submit to the appropriate committees of Congress a report that—

(1) identifies and assesses, to the maximum extent practicable—

(A) the projects for which volunteers were permitted to work under this title; and

(B) the number of volunteers permitted to work because of the compliance of entities with the provisions of this title; and

(2) contains recommendations with respect to Acts related to the Davis-Bacon Act that could be addressed to permit volunteer work.

Passed the Senate July 1 (legislative day, June 7), 1994.

Attest:

Secretary.

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