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S. 2767

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 9, 2006

Mr. WARNER, from the Committee on Armed Services, reported the following original bill; which was read twice and placed on the calendar

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A BILL

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Department of Defense Authorization Act for Fiscal Year 2007''.

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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $3,457,329,000.

(2) For missiles, $1,428,859,000.

(3) For weapons and tracked combat vehicles, $2,849,743,000.

(4) For ammunition, $2,036,785,000.

(5) For other procurement, $7,729,602,000.

SEC. 102. NAVY AND MARINE CORPS.

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

(1) For aircraft, $10,704,155,000.

(2) For weapons, including missiles and torpedoes, $2,587,020,000.

(3) For shipbuilding and conversion, $12,058,553,000.

(4) For other procurement, $5,045,516,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,300,213,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $809,943,000.

SEC. 103. AIR FORCE.

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

(1) For aircraft, $12,004,096,000.

(2) For missiles, $4,224,145,000.

(3) For ammunition, $1,076,749,000.

(4) For other procurement, $15,434,586,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,980,498,000.

Subtitle B—Army Programs

SEC. 111. LIMITATION ON AVAILABILITY OF FUNDS FOR THE JOINT NETWORK NODE.

(a) LIMITATION.—Of the amount authorized to be appropriated by section 101(5) for other procurement for the Army and available for purposes of the procurement

of the Joint Network Node, not more than 50 percent of such amount may be available for such purposes until the Secretary of the Army submits to the congressional defense committees a report on the strategy of the Army for the convergence of the Joint Network Node, the Warfighter Information Network–Tactical, and the Mounted Battle Command On-the-Move communications programs.

(b) ELEMENTS.—The report described in subsection (a) shall include a description of the acquisition plan required for the convergence described in that subsection, including the implementation plan, schedule, and funding of such acquisition plan.

(c) DEADLINE.—The report described in subsection (a) shall be submitted under that subsection, if at all, not later than March 15, 2007.

SEC. 112. COMPTROLLER GENERAL REPORT ON THE CONTRACT FOR THE FUTURE COMBAT SYSTEMS PROGRAM.

(a) REPORT REQUIRED.—Not later than March 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program

under the contract of the Army for the Future Combat Systems.

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

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

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

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

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

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

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

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

SEC. 113. REPORTS ON ARMY MODULARITY INITIATIVE.

(a) REPORT BY SECRETARY OF THE ARMY.—

(1) REPORT REQUIRED.—Not later than March 15, 2007, the Secretary of the Army shall submit to the congressional defense committees a report on the modularity initiative of the Army.

(2) ELEMENTS.—The report required by this subsection shall include the following:

(A) A description of the manner in which the Army distinguishes costs under the modularity initiative from costs of modernization and reset.

(B) An identification, by line item, of the amount of funds expended to date on the modularity initiative.

(C) An identification, by line item, of the amount of funds the Army has budgeted and programmed to date on the modularity initiative.

(D) A detailed description on how modularity equipment will be allocated to the regular components and reserve components of the Armed Forces by 2011, and a description of any anticipated shortfalls in such allocation.

(E) A plan for further testing and evaluation of modular designs, and a summary of any lessons learned to date from modular brigades that have been established, deployed to Iraq, or both.

(b) ANNUAL COMPTROLLER GENERAL REPORTS.—

(1) REPORTS REQUIRED.—The Comptroller General of the United States shall submit to the congressional defense committees each year, not later than 45 days after the date on which the budget of the President is submitted to Congress for a fiscal year under section 1105 of title 31, United States Code, a report on the assessment of the Comptroller General on the following:

(A) The progress of the Army in equipping and manning modular units in the regular com-

ponents and reserve components of the Armed Forces.

(B) The use of funds by the Army for the modularity initiative.

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

(2) FIRST REPORT.—The first report required under this subsection shall be submitted in conjunction with the budget for fiscal year 2008.

Subtitle C—Navy Programs

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

(a) AVAILABILITY OF FUNDS FOR CVN–21 CLASS AIRCRAFT CARRIERS.—Amounts authorized to be appropriated to Shipbuilding and Conversion, Navy, for purposes of the construction of CVN–21 class aircraft carriers shall be available in the fiscal year for which authorized to be appropriated and the succeeding three fiscal years.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $834,100,000 shall be available for advance procurement with respect to the

CVN–21 class aircraft carriers designated CVN–78, CVN–79, and CVN–80.

(c) CONTRACT AUTHORITY.—

(1) ADVANCE PROCUREMENT.—The Secretary of the Navy may enter into a contract during fiscal year 2007 for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–79 and CVN–80.

(2) CONSTRUCTION.—In the fiscal year immediately following the last fiscal year of the contract for advance procurement for a CVN–21 class aircraft carrier referred to in paragraph (1), the Secretary may enter into a contract for the construction of such aircraft carrier to be funded in the fiscal year of such contract for construction and the succeeding three fiscal years.

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

SEC. 122. CONSTRUCTION OF FIRST TWO VESSELS UNDER THE NEXT-GENERATION DESTROYER PROGRAM.

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

(b) CONTRACT AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy may in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of each of the first two vessels under the next-generation destroyer program.

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

(3) DURATION ON PROCUREMENT.—Each contract under paragraph (1) shall contemplate funding for the procurement of a vessel under such contract in fiscal years 2007 and 2008.

(4) CONDITION ON OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under paragraph

(1) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2007 is subject to the availability of appropriations for that purpose for such fiscal year.

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

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

Subtitle D—Air Force Programs

SEC. 141. PROCUREMENT OF JOINT PRIMARY AIRCRAFT TRAINING SYSTEM AIRCRAFT AFTER FISCAL YEAR 2006.

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

eral Acquisition Regulation, relating to acquisition of commercial items (48 C.F.R. 12.000 et seq.).

SEC. 142. PROHIBITION ON RETIREMENT OF C–130E/H TACTICAL AIRLIFT AIRCRAFT.

The Secretary of the Air Force shall not retire any C–130E/H tactical airlift aircraft of the Air Force in fiscal year 2007.

SEC. 143. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of KC–135E aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 29 such aircraft.

SEC. 144. LIMITATION ON RETIREMENT OF B–52H BOMBER AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of B–52H bomber aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 18 such aircraft.

SEC. 145. RETIREMENT OF B–52H BOMBER AIRCRAFT.

(a) LIMITATION ON RETIREMENT PENDING REPORT ON BOMBER FORCE STRUCTURE.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for retiring or dismantling any of the 93 B–52H bomber aircraft in service in the Air

Force as of June 1, 2006, until 30 days after the Secretary of the Air Force transmits to the Committees on Armed Services of the Senate and the House of Representatives a report on the bomber force structure of the Air Force meeting the requirements of subsection (b).

(b) ELEMENTS.—

(1) IN GENERAL.—A report under subsection (a) shall set forth the following:

(A) The plan of the Air Force for the modernization of the B–52H bomber aircraft fleet.

(B) The plans of the Air Force for the modernization of the balance of the bomber force structure.

(C) The amount and type of bombers in the bomber force structure that is appropriate to meet the requirements of the national security strategy of the United States.

(D) A justification of the cost and projected savings of any reductions to the B–52H bomber aircraft fleet as a result of the retirement or dismantlement of the B–52H bomber aircraft covered by the report.

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

(F) The date by which any new bomber aircraft must reach initial operational capability and the capabilities of the bomber force structure that would be replaced or superseded by any new bomber aircraft.

(2) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this subsection, the term ''amount and type of bomber force structure'' means the number of B–2 bomber aircraft, B–52H bomber aircraft, and B–1 bomber aircraft that are required to carry out the national security strategy of the United States.

(c) PREPARATION OF REPORT.—A report under this section shall be prepared and submitted by the Institute of Defense Analysis to the Secretary of the Air Force for transmittal by the Secretary in accordance with subsection (a).

SEC. 146. PROHIBITION ON INCREMENTAL FUNDING AND MULTIYEAR PROCUREMENT OF F–22A AIRCRAFT.

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

(b) PROHIBITION ON MULTIYEAR CONTRACT.—The Secretary of the Air Force shall not enter into a multiyear

contract for the procurement of F–22A aircraft in fiscal year 2007.

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 2007 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $11,151,009,000.

(2) For the Navy, $17,451,823,000.

(3) For the Air Force, $24,400,857,000.

(4) For Defense-wide activities, $21,160,459,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $11,468,959,000 shall be available for science and technology projects.

(b) SCIENCE AND TECHNOLOGY DEFINED.—In this section, the term ''science and technology project'' means

work funded in program elements for defense research, development, test, and evaluation under Department of Defense budget activities 1, 2, or 3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. INDEPENDENT ESTIMATE OF COSTS OF THE FUTURE COMBAT SYSTEMS.

(a) LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN ACTIVITIES.—Of the amount authorized to be appropriated by this title and available for the Future Combat Systems (FCS) for purposes of system of systems engineering and program management for the Future Combat Systems, an amount equal to $500,000,000 of such amount may not be obligated and expended for such purposes until the Secretary of Defense submits to the congressional defense committees the report required by subsection (b)(4).

(b) INDEPENDENT ESTIMATE REQUIRED.—

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

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

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

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

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

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

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

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

(F) any pass-through charges anticipated to be assessed by the lead systems integrator of

the Future Combat Systems and its major subcontractors.

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

(5) DEADLINE FOR SUBMITTAL.—The report described in paragraph (4) shall be submitted not later than the date of the submittal to Congress of the budget of the President for fiscal year 2008 (as submitted to Congress under section 1105(a) of title 31, United States Code).

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

SEC. 212. FUNDING OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAMS.

(a) EXTENSION OF FUNDING OBJECTIVE.—Subsection (b) of section 212 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2501 note) is amended by striking ''through 2009'' and inserting ''through 2012''.

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

"(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—(1) If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection, the Secretary of Defense shall submit to the congressional defense committees—

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

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

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

"(B) a report, in both classified and unclassified form, containing an analysis and evaluation of international research and technology capabilities, including an identification of any technology areas in which the United States will not have global tech-

nical leadership within the next five years, in each of the technology areas described in the following plans:

"(i) The most current Joint Warfighting Science and Technology Plan required by section 270 of the National Defense Authorization Act for Fiscal Year 1997 (10 U.S.C. 2501 note).

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

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

"(2)(A) The list required by paragraph (1)(A) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted together with the Department of Defense budget justification materials submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.

"(B) The report required by paragraph (1)(B) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted not later than the six months after the submittal of the Department of Defense budget justification materials that are submitted to Congress under section 1105

of title 31, United States Code, with the budget for the next fiscal year.''.

SEC. 213. HYPERSONICS DEVELOPMENT.

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

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

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

(1) Coordinate and integrate the research, development, test, and evaluation programs and system demonstration programs of the Department of Defense on hypersonics.

(2) Undertake appropriate actions to ensure—

(A) close and continuous integration of the programs on hypersonics of the military depart-

ments with the programs on hypersonics of the Defense Agencies; and

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

(3) Approve demonstration programs on hypersonic systems.

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

(d) ROADMAP.—

(1) ROADMAP REQUIRED.—The joint technology office established under subsection (a) shall, in coordination with the Joint Staff and the National Aeronautics and Space Administration, develop a roadmap for the hypersonics programs of the Department of Defense.

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

(A) Short-term, mid-term, and long-term goals for the Department of Defense on hypersonics which shall be consistent with the

missions and anticipated requirements of the Department over the applicable period.

(B) Acquisition transition plans for hypersonics.

(C) Anticipated mission requirements for hypersonics.

(D) A schedule for meeting such goals, including the activities and funding anticipated to be required for meeting such goals.

(3) SUBMITTAL TO CONGRESS.—The Secretary shall submit the roadmap to the congressional defense committees at the same time as the submittal to Congress of the budget for fiscal year 2008 (as submitted pursuant to section 1105 of title 31, United States Code).

(e) ANNUAL REVIEW AND CERTIFICATION OF FUNDING.—

(1) ANNUAL REVIEW.—The joint technology office established under subsection (a) shall conduct on an annual basis a review of the funding available for research, development, test, and evaluation and demonstration programs of the Department of Defense on hypersonics in order to determine whether or not such funding and programs are consistent with the roadmap developed under subsection (d).

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

(3) TERMINATION.—The requirements of this subsection shall terminate after the submittal to Congress of the budget for fiscal year 2012 pursuant to section 1105 of title 31, United States Code.

(f) REPORTS TO CONGRESS.—If, as a result of a review under subsection (e), funding or a program on hypersonics is certified under that subsection not to be consistent with the roadmap developed under subsection (d), the Secretary shall submit to Congress a report on such funding or program, as the case may be, together with a statement of the actions to be taken to make such funding or program, as the case may be, consistent with the roadmap.

(g) HYPERSONICS DEFINED.—In this section, the term ''hypersonics'' means aircraft and missiles capable of travelling at speeds in excess of Mach 5.

SEC. 214. TRIDENT SEA-LAUNCHED BALLISTIC MISSILES.

(a) LIMITATION ON AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), none of the funds authorized to be appropriated by this Act for the Conventional Trident Modification (CTM) program may be obligated or expended for the development or modification of the Trident D–5 sea-launched ballistic missile until 30 days after the date on which the report required by subsection (b) is submitted to the congressional defense committees.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to amounts authorized to be appropriated by section 201(2) for research, development, test, and evaluation, Navy, and available for Advanced Conventional Strike Capability (PE #64327N) in an amount not to exceed $32,000,000.

(b) REPORT.—

(1) REPORT REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of State, submit to the congressional defense committees a report setting forth a proposal to replace nuclear warheads on twenty-four Trident D–5 sea-launched ballistic missiles with conventional kinetic warheads for deployment on submarines that carry Trident sea-launched ballistic missiles.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

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

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

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

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

(E) An assessment of the capabilities of other countries to discriminate between the launch of a nuclear sea-launched ballistic mis-

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

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

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

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

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

(J) An analysis and assessment of the implications for the United States missile defense

system if other countries utilize long range conventional ballistic missiles.

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

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

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

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

(c) AVAILABILITY OF FUNDS FOR REPORT.—Of the amounts authorized to be appropriated by this Act (other

than the amounts covered by the limitation in subsection (a)), $20,000,000 may be available to prepare the report required by subsection (b).

Subtitle C—Missile Defense Programs

SEC. 231. AVAILABILITY OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR FIELDING BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal year 2008 for the use of the Department of Defense for research, development, test, and evaluation and available for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 232. POLICY OF THE UNITED STATES ON PRIORITIES IN THE DEVELOPMENT, TESTING, AND FIELDING OF MISSILE DEFENSE CAPABILITIES.

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

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

(2) According to assessments by the intelligence community of the United States, North Korea tested in 2005 a new solid propellant short-range ballistic missile and is likely developing intermediate-range and intercontinental ballistic missile capabilities that could someday reach as far as the United States with a nuclear payload.

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

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

SEC. 233. ONE-YEAR EXTENSION OF COMPTROLLER GENERAL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE PROGRAMS.

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

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

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

SEC. 234. SUBMITTAL OF PLANS FOR TEST AND EVALUATION OF THE OPERATIONAL CAPABILITY OF THE BALLISTIC MISSILE DEFENSE SYSTEM.

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

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

SEC. 235. ANNUAL REPORTS ON TRANSITION OF BALLISTIC MISSILE DEFENSE PROGRAMS TO THE MILITARY DEPARTMENTS.

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

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

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

(1) An identification of—

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

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

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

military department, and an explanation of such schedule.

(3) A description of the status of the plans and agreements of the Missile Defense Agency and the military departments on the transition of missile defense programs to the military departments.

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

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

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

Subtitle D—Other Matters

SEC. 251. EXTENSION OF REQUIREMENT FOR GLOBAL RESEARCH WATCH PROGRAM.

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

SEC. 252. EXPANSION AND EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXPANSION.—

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

(A) by striking ''Director of the Defense Advanced Research Projects Agency'' and inserting ''Director of Defense Research and Engineering and the Service Acquisition Executives of the military departments''; and

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

(2) CONFORMING AMENDMENTS.—(A) Subsection (b) of such section is amended by striking ''The program'' and inserting ''Any program''.

(B) Subsection (d) of such section is amended—

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

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

(b) EXTENSION.—Subsection (f) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2011''.

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

''(e) ANNUAL REPORT.—(l) Not later than March 1 each year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the activities undertaken during the preceding fiscal year under the authority in subsection (a).

''(2) The report for a fiscal year under this subsection shall include the following:

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

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

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

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

"(E) A description of the resources, including personnel and funding, used in the execution of each program, together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the Department for recording as obligations and expenditures.

"(F) A description of any plans to transition the technologies or prototypes developed as a result

of each program into an acquisition program of the Department.''.

SEC. 253. POLICIES AND PRACTICES ON TEST AND EVALUATION TO ADDRESS EMERGING ACQUISITION APPROACHES.

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

(1) REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall review Department of Defense policies and practices on test and evaluation in light of emerging approaches to acquisitions.

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

(3) COORDINATION.—The Under Secretary shall carry out this subsection in coordination with the Director of Operational Test and Evaluation and the Director of the Defense Test Resource Management Center.

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

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

(A) items that are acquired pursuant to the authority for rapid acquisition and deployment of items in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

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

(C) systems that are acquired pursuant to time-certain development programs; and

(D) equipment that is not subject to the operational test and evaluation requirements in section 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purpose of ensuring the

safety and survivability of such equipment and personnel using such equipment; and

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

(c) FUNDING MATTERS.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources developed pursuant to section 196 of title 10, United States Code—

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

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

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

(e) TIME-CERTAIN DEVELOPMENT PROGRAM DEFINED.—In this section, the term ''time-certain development program'' means a development program that is assigned a specific length of time in which milestone events will be accomplished by contract.

SEC. 254. DEVELOPMENT OF THE PROPULSION SYSTEM FOR THE JOINT STRIKE FIGHTER.

(a) IN GENERAL.—The Secretary of Defense shall provide for the development of the propulsion system for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'') by a means elected by the Secretary from among the following:

(1) Through the continuing development and sustainment of two interchangeable propulsion systems for the F–35 fighter aircraft by two separate contractors throughout the life cycle of the aircraft.

(2) Through a one-time firm fixed price contract for a selected propulsion system for the F–35 fighter aircraft for the life cycle of the aircraft following the Initial Service Release of the F–35 fighter aircraft propulsion system in fiscal year 2008.

(b) NOTICE OF CHANGE IN DEVELOPMENT.—The Secretary may not carry out any modification of the procurement program for the F–35 fighter aircraft that would result in the development of the propulsion system

for such aircraft in a manner other than as elected by the Secretary under subsection (a) until the Secretary notifies the congressional defense committees of such modification.

SEC. 255. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) COST ANALYSES.—

(1) ANALYSES REQUIRED.—The Secretary of Defense (acting through the cost analysis improvement group of the Office of the Secretary of Defense), a federally funded research and development center (FFRDC) selected by the Secretary for purposes of this section, and the Comptroller General of the United States shall each perform three detailed and comprehensive cost analyses of the engine program for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'').

(2) ELEMENTS.—Each official or entity performing cost analyses under paragraph (1) shall perform a cost analysis of each of the following:

(A) An alternative under which the F–35 fighter aircraft is capable of using the F135 engine only.

(B) An alternative under which the F–35 fighter aircraft is capable of using either the F135 engine or the F136 engine.

(C) Any other alternative, whether secured through a competitive or sole-source bidding process, that would reduce cost, improve program schedule, and improve performance and reliability of the F–35 fighter aircraft program.

(b) REPORTS.—

(1) REPORTS REQUIRED.—Not later than March 15, 2007, the Secretary, the federally funded research and development center selected under subsection (a), and the Comptroller General shall each submit to the congressional defense committees a report on the three independent cost analyses performed by such official or entity under subsection (a).

(2) REPORT ELEMENTS.—Each report under paragraph (1) shall include the following:

(A) A statement of the key assumptions utilized in performing each cost analysis covered by such report.

(B) A discussion of the methodology and techniques utilized in performing each cost analysis.

(C) For each alternative under subsection (a)(2)—

(i) a comparison of the life-cycle costs, including costs in current and constant dollars and a net-present-value analysis, with the other alternatives under that subsection; and

(ii) an estimate of—

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

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

(III) the total number of engines anticipated to be procured over the lifetime of the F–35 fighter aircraft program.

(D) A discussion of the acquisition strategies used for the acquisition of engines for other tactical fighter aircraft, including the F–15, F–16, F–18, and F–22 fighter aircraft, and an assessment of the experience in terms of

cost, schedule, and performance under the acquisition programs for such engines.

(E) A comparison in terms of performance, savings, maintainability, reliability, and technical innovation of the acquisition programs for engines for tactical fighter aircraft carried out on a sole-source basis with the acquisition programs for tactical fighter aircraft carried out on a competitive basis.

(F) Such conclusions and recommendations in light of the cost analyses as the official or entity submitting such report considers appropriate.

(3) CERTIFICATION OF FFRDC AND COMPTROLLER GENERAL.—In submitting the report required by this subsection, the federally funded research and development center and the Comptroller General shall each also submit a certification as to whether the federally funded research and development center or the Comptroller General, as the case may be, had access to sufficient information to enable the federally funded research and development center or the Comptroller General, as the case may be, to make informed judgments on the matters required to be included in the report.

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

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

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

SEC. 256. SENSE OF SENATE ON TECHNOLOGY SHARING OF JOINT STRIKE FIGHTER TECHNOLOGY.

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

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 2007 for the use of the Armed Forces and other

activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,795,580,000.

(2) For the Navy, $31,130,784,000.

(3) For the Marine Corps, $3,905,262,000.

(4) For the Air Force, $31,251,107,000.

(5) For Defense-wide activities, $20,106,756,000.

(6) For the Army Reserve, $2,139,702,000.

(7) For the Naval Reserve, $1,288,764,000.

(8) For the Marine Corps Reserve, $211,911,000.

(9) For the Air Force Reserve, $2,575,100,000.

(10) For the Army National Guard, $4,857,728,000.

(11) For the Air National Guard, $5,318,717,000.

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

(13) For Environmental Restoration, Army, $463,794,000.

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

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

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

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

(18) For the Overseas Contingency Operations Transfer Fund, $10,000,000.

(19) For Cooperative Threat Reduction programs, $372,128,000.

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

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,364,498,000.

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

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of

Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, $20,915,321,000, of which—

(1) $20,381,863,000 is for Operation and Maintenance;

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

(3) $397,855,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—

(1) IN GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,277,304,000, of which—

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

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

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

(A) the destruction of lethal chemical agents and munitions in accordance with sec-

tion 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $926,890,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $216,297,000, of which—

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

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

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. LIMITATION ON AVAILABILITY OF FUNDS FOR THE ARMY LOGISTICS MODERNIZATION PROGRAM.

Of the funds authorized to be appropriated for the Department of Defense by this division and available for the Army Logistics Modernization Program (LMP), not more than $6,900,000 may be obligated or expended for the development, fielding, or operation of the program until the Chairman of the Defense Business Systems Modernization Committee certifies to the congressional defense committees each of the following:

(1) That the program is essential to the national security of the United States or to the efficient management of the Department of Defense.

(2) That there is no alternative to the system under the program which will provide equal or greater capability at a lower cost.

(3) That the estimated costs, and the proposed schedule and performance parameters, for the program and system are reasonable.

(4) That the management structure for the program is adequate to manage and control program costs.

SEC. 312. AVAILABILITY OF FUNDS FOR EXHIBITS FOR THE NATIONAL MUSEUMS OF THE ARMED FORCES.

(a) NATIONAL MUSEUM OF THE UNITED STATES ARMY.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $3,000,000 may be available to the Secretary of the Army for education and training purposes to contract with the Army Historical Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the United States Army.

(b) NATIONAL MUSEUM OF THE UNITED STATES NAVY.—Of the amounts authorized to be appropriated by section 301(2) for operation and maintenance for the Navy, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the Naval Historical Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the United States Navy.

(c) NATIONAL MUSEUM OF THE MARINE CORPS AND HERITAGE CENTER.—Of the amounts authorized to be appropriated by section 301(3) for operation and mainte-

nance for the Marine Corps, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the United States Marine Corps Heritage Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the Marine Corps and Heritage Center.

(d) NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE.—Of the amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force, $3,000,000 may be available to the Secretary of the Air Force for education and training purposes to contract with the Air Force Museum Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the United States Air Force.

(e) REIMBURSEMENT.—

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

(2) TREATMENT.—Amounts accepted as reimbursement under paragraph (1) shall be credited to the account that was used to cover the costs incurred by the Secretary of the military department concerned under this section. Amounts so credited shall be merged with amounts in such account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

SEC. 313. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN THE DEPARTMENT OF DEFENSE.

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

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

(2) likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

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

SEC. 314. LIMITATION ON AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS FOR THE MANAGEMENT HEADQUARTERS OF THE DEFENSE INFORMATION SYSTEMS AGENCY.

Of the amount authorized to be appropriated by this title and available for purposes of the operation and maintenance of the management headquarters of the Defense Information Systems Agency, not more than 50 percent may be available for such purposes until the Secretary of Defense submits to Congress the report on the acquisition strategy of the Department of Defense for commercial satellite communications services required by section 818(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–136; 119 Stat. 3385).

Subtitle C—Environmental Provisions

SEC. 331. RESPONSE PLAN FOR REMEDIATION OF MILITARY MUNITIONS.

(a) PERFORMANCE GOALS FOR REMEDIATION.—The Department of Defense shall set the following remediation goals:

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

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

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

(4) To achieve, by a time certain established by the Secretary, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges) and all military installations realigned or closed under the 2005 round of defense base closure and realignment.

(b) RESPONSE PLAN REQUIRED.—

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

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

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

(B) such interim goals as the Secretary determines feasible for efficiently achieving the

goal required under paragraph (4) of such subsection; and

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

(3) UPDATES.—(A) The Secretary shall, not later than March 15 of 2008, 2009, and 2010, submit to the congressional defense committees an update of the plan required under paragraph (1). Each update may be included in the report on environmental restoration activities submitted to Congress under section 2706(a) of title 10, United States Code, that is submitted in the year in which such update is submitted.

(B) The Secretary may include in an update submitted under subparagraph (A) any adjustment to the remediation goals established under subsection (a) that the Secretary determines necessary to respond to unforeseen circumstances.

(c) REPORT ON REUSE STANDARDS AND PRINCIPLES.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the efforts of the Department of Defense to achieve agreement with relevant regu-

latory agencies on appropriate reuse standards or principles, including—

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

(2) a discussion of any issues that remain in disagreement (including the impact that any such disagreement is likely to have on the ability of the Department of Defense to carry out the plan).

(d) DEFINITIONS.—In this section, the terms ''unexploded ordnance'', ''discarded military munitions'', ''munitions constituents'', ''operational range'', and ''defense site'' have the meaning given such terms in section 2710(e) of title 10, United States Code.

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

SEC. 332. EXTENSION OF AUTHORITY TO GRANT EXEMPTIONS TO CERTAIN REQUIREMENTS.

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

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

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

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

''(D) The Administrator may grant an exemption pursuant to subparagraph (B) for a period of up to 3 years for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the customs territory of the United States of polychlorinated biphenyls generated by or under the control of the Department of Defense for purposes of their disposal, treatment, or storage in the customs territory of the United States.''.

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

(c) REPORT.—Not later than March 1, 2011, the Secretary of Defense shall submit to the Committee on

Armed Services and the Committee on Environment and Public Works of the Senate and the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives a report on the status of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States. The report shall address, at a minimum—

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

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

(A) reducing the volume of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States; or

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

SEC. 333. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF MUNITIONS.

(a) IDENTIFICATION OF DISPOSAL SITES.—

(1) HISTORICAL REVIEW.—The Secretary of Defense, in cooperation with the Commandant of the Coast Guard, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other relevant Federal agencies, shall conduct a historical review of available records to determine the number, size, and probable locations of sites where the Armed Forces disposed of military munitions in coastal waters. The historical review shall, to the extent possible, identify the types of munitions at individual sites.

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

(3) INCLUSION OF INFORMATION IN ANNUAL REPORT ON ENVIRONMENTAL RESTORATION ACTIVITIES.—The Secretary shall include the information obtained pursuant to the review conducted under paragraph (1) in the annual report on environmental

restoration activities submitted to Congress under section 2706 of title 10, United States Code.

(4) FINAL REPORT.—The Secretary shall complete the historical review required under paragraph (1) and submit a final report on the findings of such review in the annual report on environmental restoration activities submitted to Congress for fiscal year 2009.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

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

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

military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

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

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

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

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

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

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

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

(3) RESEARCH CRITERIA.—In conducting the research required by this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at representative sites, taking into account factors such as depth, water temperature, nature of the military munitions present, and relative proximity to onshore populations. In conducting such research, the Secretary shall select at least two representative sites each in the areas of the Atlantic coast, the Pacific coast (including Alaska), and the Hawaiian Islands.

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

(d) MONITORING.—If the historical review required by subsection (a) or the research required by subsection (c) indicates that contamination is being released into the

ocean waters from disposed military munitions at a particular site or that the site poses a significant public health or safety risk, the Secretary shall institute appropriate monitoring mechanisms at that site and report to the congressional defense committees on any additional measures that may be necessary to address the release or risk, as applicable.

(e) DEFINITIONS.—In this section:

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

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

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

SEC. 334. CLARIFICATION OF MULTI-YEAR AUTHORITY TO USE BASE CLOSURE FUNDS TO FUND COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This two-year limitation does not apply to agreements

funded through the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established by sections 2906 and 2906A, respectively, of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 335. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

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

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

(3) The reimbursement described in paragraph (2) is provided for in the interagency agreement entered into by the Department of the Army and the Environmental Pro-

tection Agency for the Moses Lake Wellfield Superfund Site in March 1999.

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

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

Subtitle D—Reports

SEC. 351. COMPTROLLER GENERAL REPORT ON READINESS OF THE GROUND FORCES OF THE ARMY AND THE MARINE CORPS.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the readiness of the active component and reserve component ground forces of the Army and the Marine Corps.

(2) ONE OR MORE REPORTS.—In complying with the requirements of this section, the Comptroller General may submit a single report address-

ing all the elements specified in subsection (b) or two or more reports addressing any combination of such elements. If the Comptroller General submits more than one report under this section, all such reports shall be submitted not later than the date specified in paragraph (1).

(b) ELEMENTS.—The elements specified in this subsection include the following:

(1) An analysis of the current readiness status of each of the active component and reserve component ground forces of the Army and the Marine Corps, including a description of any major deficiency identified, an analysis of the trends in readiness of such forces during not less than the ten years preceding the report, and a comparison of the current readiness indicators of such ground forces with historical patterns.

(2) An assessment of the ability of the Army and the Marine Corps to provide trained and ready forces for ongoing operations as well as other commitments assigned to the Army and the Marine Corps in defense planning documents.

(3) An analysis of the availability of equipment for training by units of the Army and the Marine Corps in the United States in configurations com-

parable to the equipment being used by units of the Army and the Marine Corps, as applicable, in ongoing operations.

(4) An analysis of the current and projected requirement for repair or replacement of equipment of the Army and the Marine Corps due to ongoing operations, and the impact of such required repair or replacement of equipment on the availability of equipment for training.

(5) An assessment of the current personnel tempo of Army and Marine Corps forces, including—

(A) a comparison of such tempos to historical trends;

(B) an identification of particular occupational specialties that are experiencing unusually high or low deployment rates; and

(C) an analysis of retention rates in the occupational specialties identified under subparagraph (B).

(6) An assessment of the efforts of the Army and the Marine Corps to mitigate the impact of high operational tempos, including cross-leveling of personnel and equipment or cross training of personnel or units for new or additional mission requirements.

(7) A description of the current policy of the Army and the Marine Corps with respect to the mobilization of reserve component personnel, together with an analysis of the number of reserve component personnel in each of the Army and the Marine Corps that are projected to be available for deployment under such policy.

(c) FORM OF REPORT.—Any report submitted under subsection (a) shall be submitted in both classified and unclassified form.

Subtitle E—Workplace and Depot Issues

SEC. 361. MINIMUM CAPITAL INVESTMENT LEVELS FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.

(a) MINIMUM INVESTMENT LEVELS.—Section 2208 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(s) MINIMUM CAPITAL INVESTMENT FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.—(1) Each public depot that is serviced by a working capital fund shall invest in its capital budget each fiscal year an amount equal to not less than six percent of the actual total revenue of the public depot for the previous fiscal year.

"(2) The Secretary of Defense may waive the requirement in paragraph (1) with respect to a particular public depot for a fiscal year if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees of the reasons for the waiver.

"(3)(A) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the level of capital investment at each public depot serviced by working capital funds as of the end of the previous fiscal year.

"(B) Each report under this paragraph shall include the following:

"(i) A specification of the statutory, regulatory, or operational impediments, if any, to achieving the requirement in paragraph (1) with respect to each public depot described in that paragraph.

"(ii) A description of the benchmarks established by each public depot and working capital fund for capital investment and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

"(iii) If the requirement set out in paragraph (1) is not met for any public depot in the previous fiscal year, a statement of the reasons why and a plan of actions to meet the requirement for such public depot in the fiscal year beginning in the year in which such report is submitted.

"(4) In this subsection, the terms 'total revenue' and 'capital budget' have the meaning given such terms in Department of Defense Financial Management Regulation 7000.14–R of June 2004.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 362. PERMANENT EXCLUSION OF CERTAIN CONTRACT EXPENDITURES FROM PERCENTAGE LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking "entered into during fiscal years 2003 through 2009".

SEC. 363. ADDITIONAL EXCEPTION TO PROHIBITION ON CONTRACTOR PERFORMANCE OF FIRE-FIGHTING FUNCTIONS.

Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) A contract for the performance of fire-fighting functions to—

"(A) fight wildland fires such as range or forest fires; and

"(B) perform wildland fire management, including the conduct of hazardous fuels treatments to reduce wildland fire risks (including prescribed fire and mechanical treatments).".

SEC. 364. TEMPORARY SECURITY GUARD SERVICES FOR CERTAIN WORK CAUSED BY REALIGNMENT OF MILITARY INSTALLATIONS UNDER THE BASE CLOSURE LAWS.

(a) AUTHORITY FOR TEMPORARY SERVICES.—Notwithstanding section 2465 of title 10, United States Code, the Secretary of the military department concerned may, for a period not to exceed one year at any single military installation, contract for security guard services at military installations approved for realignment under a base closure law when such services are required for the safe and secure relocation of either of the following:

(1) Military munitions and munitions-related equipment.

(2) High-value items in temporary storage areas.

(b) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given such term in section 101(a)(17) of title 10, United States Code.

(2) The term ''military munitions'' has the meaning given such term in section 101(e)(4) of title 10, United States Code.

(c) EXPIRATION.—The authority to enter into a contract under subsection (a) shall expire on September 15, 2011.

Subtitle F—Other Matters

SEC. 371. RECYCLING OF MILITARY MUNITIONS.

(a) IN GENERAL.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4690. Sale of recyclable munitions materials

''(a) AUTHORITY FOR PROGRAM.—(1) The Secretary of the Army may carry out a program to—

''(A) sell recyclable munitions materials resulting from the demilitarization of conventional military munitions; and

"(B) use the proceeds of sale for reclamation, recycling, and reuse of conventional military munitions.

"(2) The program authorized by this section may be known as the 'Military Munitions Recycling Program'.

"(b) GEOGRAPHIC LIMITATION.—The program authorized by subsection (a) may only be carried out in the United States and its possessions.

"(c) METHOD OF SALE.—(1) Except as provided in paragraph (2), the Secretary shall use competitive procedures to sell recyclable munitions materials under the program authorized by this section.

"(2) The Secretary may use procedures other than competitive procedures to sell recyclable munitions materials under the program authorized by this section in any case in which the Secretary determines there is only one potential buyer of the items being offered for sale.

"(3) The provisions of title 40 concerning disposal of property are not applicable to sales of materials under the program authorized by this section.

"(d) USE OF PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under the program authorized by this section shall be credited to the Ammunition Demilitarization Account within the Procurement of Ammunition, Army, Account.

"(2) Amounts credited to the Ammunition Demilitarization Account under paragraph (1) shall be available solely for purposes of reclamation, recycling, and reuse of conventional military munitions, including for research and development for such purposes and for the procurement of equipment for such purposes.

"(3) Funds credited to the Ammunition Demilitarization Account under paragraph (1) in a fiscal year shall be available for obligation under paragraph (2) during the fiscal year in which the funds are so credited and for three fiscal years thereafter.

"(4) Funds credited to the Ammunition Demilitarization Account under paragraph (1) that are not obligated under paragraph (2) within the period of availability under paragraph (3) shall, at the end of such period, be deposited into the Treasury as miscellaneous receipts.

"(e) REGULATIONS.—The Secretary shall prescribe regulations on the operation of the program authorized by this section. The regulations shall be consistent with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and any regulations prescribed thereunder.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 443 of such title is amended by adding at the end the following new item:

"4690. Sale of recyclable munitions materials.".

SEC. 372. INCENTIVES CLAUSES IN CHEMICAL DEMILITARIZATION CONTRACTS.

(a) IN GENERAL.—

(1) AUTHORITY TO INCLUDE CLAUSES IN CONTRACTS.—The Secretary of Defense may, for the purpose specified in paragraph (2), authorize the inclusion of an incentives clause in any contract for the destruction of the United States stockpile of lethal chemical agents and munitions carried out pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521).

(2) PURPOSE.—The purpose of a clause referred to in paragraph (1) is to provide the contractor for a chemical demilitarization facility an incentive to accelerate the safe elimination of the United States chemical weapons stockpile and to reduce the total cost of the Chemical Demilitarization Program by providing incentive payments for the early completion of destruction operations and the closure of such facility.

(b) INCENTIVES CLAUSES.—

(1) IN GENERAL.—An incentives clause under this section shall permit the contractor for the chemical demilitarization facility concerned the opportunity to earn incentive payments for the completion of destruction operations and facility closure activi-

ties within target incentive ranges specified in such clause.

(2) LIMITATION ON INCENTIVE PAYMENTS.—The maximum incentive payment under an incentives clause with respect to a chemical demilitarization facility may not exceed amounts as follows:

(A) In the case of an incentive payment for the completion of destruction operations within the target incentive range specified in such clause, $110,000,000.

(B) In the case of an incentive payment for the completion of facility closure activities within the target incentive range specified in such clause, $55,000,000.

(3) TARGET RANGES.—An incentives clause in a contract under this section shall specify the target incentive ranges of costs for completion of destruction operations and facility closure activities, respectively, as jointly agreed upon by the contracting officer and the contractor concerned. An incentives clause shall require a proportionate reduction in the maximum incentive payment amounts in the event that the contractor exceeds an agreed-upon target cost if such excess costs are the responsibility of the contractor.

(4) CALCULATION OF INCENTIVE PAYMENTS.—The amount of the incentive payment earned by a contractor for a chemical demilitarization facility under an incentives clause under this section shall be based upon a determination by the Secretary on how early in the target incentive range specified in such clause destruction operations or facility closure activities, as the case may be, are completed.

(5) CONSISTENCY WITH EXISTING OBLIGATIONS.—The provisions of any incentives clause under this section shall be consistent with the obligation of the Secretary of Defense under section 1412(c)(1)(A) of the Department of Defense Authorization Act, 1986 to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions.

(6) ADDITIONAL TERMS AND CONDITIONS.—In negotiating the inclusion of an incentives clause in a contract under this section, the Secretary may include in such clause such additional terms and conditions as the Secretary considers appropriate.

(c) LIMITATION.—The authority to include an incentives clause in a contract under this section is subject to the availability of appropriations for that purpose.

SEC. 373. EXTENSION OF DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT PROGRAM.

(a) TERMINATION AT END OF CONTINGENCY OPERATION.—Subsection (c) of section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1449), as amended by section 341 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1857), is further amended by striking ''terminate on September 30, 2006'' and inserting ''terminate with respect to a contingency operation on the date that is 60 days after the date on which the Secretary determines that the contingency operation has ended''.

(b) APPLICATION TO OTHER CONTINGENCY OPERATIONS.—Such section is further amended—

(1) in subsection (a), by striking ''Operation Iraqi Freedom and Operation Enduring Freedom'' and inserting ''a contingency operation''; and

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

''(g) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given that term in section 101(a)(13) of title 10, United States Code. The term includes Operation Iraqi Freedom and Operation Enduring Freedom.''.

(c) EXTENSION TO HOSPITALIZED MEMBERS.—Subsection (a) of such section is further amended—

(1) by striking ''As soon as possible after the date of the enactment of this Act, the'' and inserting ''The''; and

(2) by adding at the end the following new sentence: ''As soon as possible after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007, the Secretary shall extend such telecommunications benefit to members of the Armed Forces who, although no longer covered by the preceding sentence, are hospitalized as a result of wounds or other injuries incurred while serving in direct support of a contingency operation.''.

(d) REPORT ON IMPLEMENTATION OF MODIFIED BENEFITS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing the status of the efforts of the Department of Defense to implement the modifications of the Department of Defense telecommunications benefit required by section 344 of the National Defense Authorization Act for Fiscal Year 2004 that result from the amendments made by this section.

SEC. 374. EXTENSION OF AVAILABILITY OF FUNDS FOR COMMEMORATION OF SUCCESS OF THE ARMED FORCES IN OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

Section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3214) is amended by striking ''fiscal year 2006'' and inserting ''fiscal years 2006 and 2007''.

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, 2007, as follows:

(1) The Army, 512,400.

(2) The Navy, 340,700.

(3) The Marine Corps, 180,000.

(4) The Air Force, 334,200.

SEC. 402. REPEAL OF REQUIREMENT FOR PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 691.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2007, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 200,000.

(3) The Navy Reserve, 71,300.

(4) The Marine Corps Reserve, 39,600.

(5) The Air National Guard of the United States, 107,000.

(6) The Air Force Reserve, 74,900.

(7) The Coast Guard Reserve, 10,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

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

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory partici-

pation in training) without their consent at the end of the fiscal year.

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

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,441.

(2) The Army Reserve, 15,416.

(3) The Navy Reserve, 12,564.

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

(5) The Air National Guard of the United States, 13,206.

(6) The Air Force Reserve, 2,707.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,912.

(2) For the Army National Guard of the United States, 26,050.

(3) For the Air Force Reserve, 10,124.

(4) For the Air National Guard of the United States, 23,255.

SEC. 414. FISCAL YEAR 2007 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

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

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

(2) ARMY RESERVE.—The number of non-dual status technicians employed by the Army Reserve as of September 30, 2007, may not exceed 595.

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2007, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

(1) The Army National Guard of the United States, 17,000.

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

(4) The Marine Corps Reserve, 3,000.

(5) The Air National Guard of the United States, 16,000.

(6) The Air Force Reserve, 14,000.

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $112,043,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

Section 528 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(e) MILITARY STATUS.—An officer of the armed forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or by any officer or employee of the Department of Defense, except as directed by the Secretary or the Secretary's designee concerning reassignment from such position; and

''(2) shall not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(f) EFFECT OF APPOINTMENT.—Except as provided in subsection (e), the appointment of an officer of the armed forces to a position covered by this section shall

not affect the status, position, rank, or grade of such officer in the armed forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

"(g) MILITARY PAY AND ALLOWANCES.—(1) An officer of the armed forces on active duty who is appointed to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances, and shall not receive the pay prescribed for such position.

"(2) Funds from which pay and allowances under paragraph (1) are paid shall be reimbursed from the following:

"(A) Funds available to the Director of the Central Intelligence Agency, for positions within the Central Intelligence Agency.

"(B) Funds available to the Director of National Intelligence, for positions within the Office of the Director of National Intelligence.".

SEC. 502. EXTENSION OF TEMPORARY REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION FOR CERTAIN ACTIVE-DUTY LIST OFFICERS IN GRADES OF FIRST LIEUTENANT AND LIEUTENANT (JUNIOR GRADE).

Section 619(a)(1)(B) of title 10, United States Code, is amended by striking ''October 1, 2005'' and inserting ''October 1, 2008''.

SEC. 503. EXTENSION OF AGE LIMITS FOR ACTIVE-DUTY GENERAL AND FLAG OFFICERS.

(a) RESTATEMENT AND MODIFICATION OF CURRENT AGE LIMITS.—Section 1251 of title 10, United States Code, is amended to read as follows:

''§ 1251. Regular commissioned officers; exceptions

''(a) AGE LIMITS FOR GENERAL AND FLAG OFFICERS.—(1) Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps serving in a grade at or above brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 64 years of age.

''(2) Notwithstanding paragraph (1), the Secretary of Defense may defer the retirement of an officer serving in a position that carries a grade above major general or rear

admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 66 years of age.

"(3) Notwithstanding paragraphs (1) and (2), the President may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

"(b) AGE LIMITS FOR OTHER OFFICERS.—Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps other than an officer covered by section 1252 of this title or a commissioned warrant officer) serving in a grade below brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 62 years of age.

"(c) DEFERRED RETIREMENT OF HEALTH PROFESSIONS OFFICERS.—(1) The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

"(2) For purposes of this subsection, a health professions officer is—

"(A) a medical officer;

"(B) a dental officer; or

"(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

"(d) DEFERRED RETIREMENT OF CHAPLAINS.—The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

"(e) LIMITATION ON DEFERRAL OF RETIREMENTS.—(1) Except as provided in paragraph (2), a deferment under subsection (c) or (d) may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

"(2) The Secretary of the military department concerned may extend a deferment under subsection (c) or (d) beyond the day referred to in paragraph (1) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis

and shall be for such period as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of such title is amended by striking the item relating to section 1251 and inserting the following new item:

''1251. Regular commissioned officers; exceptions.''.

SEC. 504. MODIFICATION OF AUTHORITIES ON SENIOR MEMBERS OF THE JUDGE ADVOCATE GENERAL'S CORPS.

(a) DEPARTMENT OF THE ARMY.—

(1) GRADE OF JUDGE ADVOCATE GENERAL.—Subsection (a) of section 3037 of title 10, United States Code, is amended by striking the third sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(2) REDESIGNATION OF ASSISTANT JUDGE ADVOCATE GENERAL AS DEPUTY JUDGE ADVOCATE GENERAL.—Such section is further amended—

(A) in subsection (a), by striking ''Assistant Judge Advocate General'' each place it appears and inserting ''Deputy Judge Advocate General''; and

(B) in subsection (d), by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(3) CONFORMING AND CLERICAL AMENDMENTS.—(A) The heading of such section is amended by striking ''**Assistant Judge Advocate General**'' and inserting ''**Deputy Judge Advocate General**''.

(B) The table of sections at the beginning of chapter 305 of such title is amended in the item relating to section 3037 by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(b) GRADE OF JUDGE ADVOCATE GENERAL OF THE NAVY.—Section 5148(b) of such title is amended in subsection by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of vice admiral or lieutenant general, as appropriate.''.

(c) GRADE OF JUDGE ADVOCATE GENERAL OF THE AIR FORCE.—Section 8037(a) of such title is amended by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(d) EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER STRENGTH AND DISTRIBUTION LIMITATIONS.—Section 525(b) of such title is amended by adding at the end the following new paragraph:

''(9) An officer while serving as the Judge Advocate General of the Army, the Judge Advocate General of the Navy, or the Judge Advocate General of the Air Force is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral under paragraph (1) or (2), as applicable.''.

SEC. 505. REQUIREMENT FOR SIGNIFICANT JOINT EXPERIENCE FOR OFFICERS APPOINTED AS SURGEON GENERAL OF THE ARMY, NAVY, AND AIR FORCE.

(a) RESTATEMENT AND STANDARDIZATION OF AUTHORITIES ON SURGEON GENERAL OF THE ARMY.—

(1) IN GENERAL.—Chapter 305 of title 10, United States Code, is amended by inserting after section 3036 the following new section:

"§ 3036a. Surgeon General: appointment; grade

''(a) SURGEON GENERAL.—There is a Surgeon General of the Army who is appointed by the President, by and with the advice and consent of the Senate, from officers in any corps of the Army Medical Department.

"(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

"(c) TERM OF OFFICE.—An officer appointed as Surgeon General normally holds office for four years.

"(d) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

"(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

"(A) the Secretary of the Army requests the waiver; and

"(B) in the judgment of the Secretary of Defense—

"(i) the officer is qualified for service as Surgeon General; and

"(ii) the waiver is necessary for the good of the Army.

"(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.".

(2) CONFORMING AMENDMENT.—Section 3036(b) of such title is amended in the flush matter following paragraph (2) by striking the second sentence.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 305 of such title is amended by inserting after the item relating to section 3036 the following new item:

"3036a. Surgeon General: appointment; grade.".

(b) SURGEON GENERAL OF THE NAVY.—

(1) IN GENERAL.—Section 5137 of such title is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

"(b) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT AS CHIEF.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

"(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect

to the recommendation of an officer as Surgeon General if—

"(A) the Secretary of the Navy requests the waiver; and

"(B) in the judgment of the Secretary of Defense—

"(i) the officer is qualified for service as Surgeon General; and

"(ii) the waiver is necessary for the good of the Navy.

"(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.".

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

(A) in subsection (a), by inserting "CHIEF.—" after "(a)"; and

(B) in subsection (c), as redesignated by paragraph (1)(A) of this subsection, by inserting "DEPUTY CHIEF.—" after "(c)".

(c) SURGEON GENERAL OF THE AIR FORCE.—The text of section 8036 of such title is amended to read as follows:

"(a) SURGEON GENERAL.—There is a Surgeon General of the Air Force who is appointed by the President, by and with the advice and consent of the Senate, from

officers of the Air Force who are in the Air Force medical department.

"(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

"(c) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

"(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

"(A) the Secretary of the Air Force requests the waiver; and

"(B) in the judgment of the Secretary of Defense—

"(i) the officer is qualified for service as Surgeon General; and

"(ii) the waiver is necessary for the good of the Air Force.

"(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008, and shall apply with respect to appointments to the position of Surgeon General of the Army, Surgeon General of the Navy, and Surgeon General of the Air Force that are made on or after that date.

SEC. 506. GRADE AND EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER DISTRIBUTION AND STRENGTH LIMITATIONS OF OFFICER SERVING AS ATTENDING PHYSICIAN TO THE CONGRESS.

(a) GRADE.—

(1) REGULAR OFFICER.—(A) Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 722. Attending Physician to the Congress: grade

''A general officer serving as Attending Physician to the Congress, while so serving, holds the grade of major general. A flag officer serving as Attending Physician to the Congress, while so serving, holds the grade of rear admiral.''.

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

''722. Attending Physician to the Congress: grade.''.

(2) RESERVE OFFICER.—(A) Section 12210 of such title is amended by striking ''who holds'' and all that follows and inserting ''holds the reserve grade of major general or rear admiral, as appropriate.''.

(B) The heading of such section is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade''.

(C) The table of sections at the beginning of chapter 1205 of such title is amended by striking the item relating to section 12210 and inserting the following new item:

''12210. Attending Physician to the Congress: reserve grade.''.

(b) DISTRIBUTION LIMITATIONS.—Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) An officer while serving as Attending Physician to the Congress is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above brigadier general or rear admiral (lower half) under subsection (a).''.

(c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section 526 of such title is amended by adding at the end the following new subsection:

"(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE CONGRESS.—The limitations of this section do not apply to the general or flag officer who is serving as Attending Physician to the Congress.".

SEC. 507. DISCRETIONARY SEPARATION AND RETIREMENT OF CHIEF WARRANT OFFICERS, W–4, TWICE FAILING SELECTION FOR PROMOTION.

(a) IN GENERAL.—Section 580(a) of title 10, United Stated Code, is amended—

(1) in paragraph (1), by inserting ", except as provided in paragraph (5)," after "shall";

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

(3) by inserting after paragraph (4) the following new paragraph (5):

"(5) In the case of a warrant officer described in paragraph (1) who is in the grade of chief warrant officer, W–4, the retirement or separation of such member under this subsection shall be subject to the discretion of the Secretary concerned.".

(b) ELIGIBILITY FOR PROMOTION.—Paragraph (6) of such section, as redesignated by subsection (a)(2) of this section, is further amended—

(1) by striking ''A warrant officer'' and inserting ''(A) Except as provided in subparagraph (B), a warrant officer''; and

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

''(B) A warrant officer who is retained on active duty pursuant to an exercise of the authority in paragraph (5) is eligible for further consideration for promotion while remaining on active duty.''.

SEC. 508. INCREASED MANDATORY RETIREMENT AGES FOR RESERVE OFFICERS.

(a) MAJOR GENERALS AND REAR ADMIRALS.—

(1) INCREASED AGE.—Section 14511 of title 10, United States Code, is amended by striking ''62 years'' and inserting ''64 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14511. Separation at age 64: major generals and rear admirals''.

(b) BRIGADIER GENERALS AND REAR ADMIRALS (LOWER HALF).—

(1) INCREASED AGE.—Section 14510 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 14510. Separation at age 62: brigadier generals and rear admirals (lower half)".

(c) OFFICERS BELOW BRIGADIER GENERAL OR REAR ADMIRAL (LOWER HALF).—

(1) INCREASED AGE.—Section 14509 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half)".

(d) CERTAIN OTHER OFFICERS.—

(1) INCREASED AGE.—Section 14512 of such title is amended by striking ''64 years'' both places it appears and inserting ''66 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 14512. Separation at age 66: officers holding certain offices".

(e) CONFORMING AMENDMENTS.—Section 14508 of such title is amended—

(1) in subsection (c), by striking ''60 years'' and inserting ''62 years''; and

(2) in subsection (d), by striking ''62 years'' and inserting ''64 years''.

(f) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1407 of such title is amended by striking the items relating to sections 14509, 14510, 14511, and 14512 and inserting the following new items:

''14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half).
''14510. Separation at age 62: brigadier generals and rear admirals (lower half).
''14511. Separation at age 64: major generals and rear admirals.
''14512. Separation at age 66: officers holding certain offices.''.

Part II—Officer Promotion Policy

SEC. 515. PROMOTIONS.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a)(1) of section 624 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on

the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Subsection (d) of such section is amended—

(A) in paragraph (1), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''; and

(B) in paragraph (2), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''.

(4) ADDITIONAL BASIS FOR DELAY OF APPOINTMENT.—Subsection (d)(1) of such section is further amended—

(A) in subparagraph (C), by striking ''or'' at the end;

(B) in subparagraph (D), by striking the period at the end and inserting ''; or'';

(C) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(D) in the flush matter following subparagraph (E), as inserted by subparagraph (C) of this paragraph—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Subsection (d)(2) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that

the officer is qualified for promotion to such grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to such grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to such grade''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a) of section 14308 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Section 14311 of such title is amended—

(A) in subsection (a)(1), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''; and

(B) in subsection (b), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''.

(4) ADDITIONAL BASIS FOR ORIGINAL DELAY OF APPOINTMENT.—Section 14311(a) of such title is further amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

''(E) Substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(B) in paragraph (2)—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse informa-

tion about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Section 14311(b) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to the higher grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to the higher grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as

applicable, the officer is determined to be among the officers best qualified for promotion to the higher grade''.

(c) DEADLINE FOR UNIFORM REGULATIONS ON DELAY OF PROMOTIONS.—The Secretary of Defense shall prescribe the regulations required by section 624(d) of title 10, United States Code (as amended by subsection (a)(3) of this section), and the regulations required by section 14311 of title 10, United States Code (as amended by subsection (b)(3) of this section), not later than March 1, 2008.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to officers on promotion lists established on or after that date.

SEC. 516. CONSIDERATION OF ADVERSE INFORMATION BY PROMOTION SELECTION BOARDS IN RECOMMENDATIONS ON OFFICERS TO BE PROMOTED.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 616(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 615 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14108(b) of such title is amended—

(1) in the heading, by striking ''MAJORITY REQUIRED'' and inserting ''ACTIONS REQUIRED'';

(2) in paragraph (1), by striking ''and'' at the end;

(3) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 14107 of this

title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 517. EXPANDED AUTHORITY FOR REMOVAL FROM REPORTS OF SELECTION BOARDS OF OFFICERS RECOMMENDED FOR PROMOTION TO GRADES BELOW GENERAL AND FLAG GRADES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 618(d) of title 10, United States Code, is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection

board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14111(b) of such title is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 518. CLARIFICATION OF NONDISCLOSURE REQUIREMENTS APPLICABLE TO PROMOTION SELECTION BOARD PROCEEDINGS.

(a) SELECTION BOARD PROCEEDINGS FOR ACTIVE DUTY OFFICERS.—Subsection (f) of section 618 of title 10, United States Code, is amended to read as follows:

"(f)(1) Proceedings of a selection board convened under section 611 of this title shall not be disclosed to any person not a member of the board.

"(2) Discussions and deliberations of a selection board described in paragraph (1), and any written or documentary records thereof, shall—

"(A) be immune from legal process;

"(B) not be admitted as evidence; and

"(C) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.".

(b) SELECTION BOARD PROCEEDINGS FOR RESERVE OFFICERS.—

(1) IN GENERAL.—Section 14104 of such title is amended to read as follows:

"§ 14104. Nondisclosure of board proceedings

"(a) IN GENERAL.—The proceedings of a selection board convened under section 14101 of this title shall not be disclosed to any person not a member of the board.

"(b) DISCUSSIONS AND DELIBERATIONS.—Discussions and deliberations of a selection board described in subsection (a), and any written or documentary records thereof, shall—

"(1) be immune from legal process;

"(2) not be admitted as evidence; and

"(3) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1403 of such title is amended by striking the item relating to section 14104 and inserting the following new item:

"14104. Nondisclosure of board proceedings.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the proceedings of any promotion selection board, whether convened before, on, or after such date.

SEC. 519. SPECIAL SELECTION BOARD AUTHORITIES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) BOARDS FOR ADMINISTRATIVE ERROR AVAILABLE ONLY TO OFFICERS IN OR ABOVE PROMOTION ZONE.—Subsection (a)(1) of section 628 of title 10, United States Code, is amended by inserting "from in or above the promotion zone" after "for selection for promotion".

(2) ACTIONS TREATABLE AS MATERIAL UNFAIRNESS.—Subsection (b)(1)(A) of such section is

amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—Section 14502(b)(1)(A) of such title is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 520. REMOVAL FROM PROMOTION LISTS OF OFFICERS RETURNED TO THE PRESIDENT BY THE SENATE.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 629 of title 10, United States Code, is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

(B) by inserting after subsection (b) the following new subsection (c):

"(c)(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

"(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

"(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

"(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President."; and

(C) in paragraph (1) of subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 14310 of such title is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

(B) by inserting after subsection (b) the following new subsection (c):

''(c) REMOVAL FOLLOWING RETURN BY THE SENATE TO THE PRESIDENT.—(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

"(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

"(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

"(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President."; and

(C) in subsection (d), as redesignated by paragraph (1) of this subsection, by striking "or (b)" and inserting "(b), or (c)".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 2007.

(2) APPLICABILITY TO CERTAIN OFFICERS.—The amendments made by this section shall not apply to any officer on the active-duty list or reserve

active status list whose name is on a promotion list or report of a selection board on the date of the enactment of this Act. Any officer whose name is on a promotion list as of the date of the enactment of this Act following the return of the officer's nomination to the President by the Senate and who is eligible as of that date for retirement for years of service shall be retired not later than October 1, 2008.

Part III—Joint Officer Management Requirements

SEC. 526. MODIFICATION AND ENHANCEMENT OF GENERAL AUTHORITIES ON MANAGEMENT OF JOINT QUALIFIED OFFICERS.

(a) REDESIGNATION OF APPLICABILITY OF POLICIES TOWARD JOINT QUALIFICATION.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking the last sentence and inserting the following new sentence: ''For purposes of this chapter, officers to be managed by such policies, procedures, and practices are referred to as 'joint qualified'.''.

(b) NUMBERS AND DESIGNATION.—Subsection (b) of such section is amended—

(1) in the heading, by striking ''SELECTION'' and inserting ''DESIGNATION'';

(2) in paragraph (1), by striking ''of officers with the joint specialty'' and inserting ''and levels of joint qualified officers'';

(3) in paragraph (2)—

(A) by striking ''selected for the joint specialty'' and inserting ''designated as joint qualified officers''; and

(B) by striking the second and third sentences and inserting the following new sentence: ''Officers considered for joint qualification shall—

''(A) meet criteria prescribed by the Secretary of Defense; and

''(B) be those officers who are serving in the grade of captain or, in the case of the Navy, lieutenant, or a higher grade.''; and

(4) in paragraph (3)—

(A) by striking ''select officers for the joint specialty'' and inserting ''designate officers as joint qualified officers''; and

(B) by striking ''the Deputy Secretary of Defense'' and inserting ''the Under Secretary of Defense for Personnel and Readiness''.

(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

"(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—(1) An officer may not be designated as a joint qualified officer until the officer—

"(A)(i) successfully completes an appropriate program at a joint professional military education school; and

"(ii) successfully completes a full tour of duty in a joint duty assignment (as described in section 664(f) of this title (other than in paragraph (2) of such section)); or

"(B) under regulations and policy prescribed by the Secretary of Defense, successfully demonstrates a mastery of knowledge, skills, and abilities in joint matters.

"(2)(A) In the case of an officer who has completed two full tours of duty in a joint duty assignment (as described in section 664(f) of this title) and demonstrates a mastery of knowledge, skills, and abilities on joint matters, the Secretary of Defense may waive the requirement that the officer have successfully completed a program of education referred to in paragraph (1)(A)(i) if the Secretary determines that the types of joint duty experiences

completed by the officer have been of sufficient breadth to prepare the officer adequately for the highest level of joint qualification.

"(B) The authority of the Secretary of Defense to grant a waiver under subparagraph (A) may be delegated only to the Under Secretary of Defense for Personnel and Readiness.

"(C)(i) A waiver under subparagraph (A) may be granted only on a case-by-case basis.

"(ii) A waiver under subparagraph (A) may be granted only under circumstances justifying variation from the requirements of paragraph (1) for designation of an officer for the highest level of joint qualification as specified by the Secretary of Defense.

"(iii) In the case of a general or flag officer, a waiver under subparagraph (A) may be granted only under circumstances described in clause (ii) and circumstances in which the waiver is necessary to meet a critical need of the armed forces, as determined by the Chairman of the Joint Chiefs of Staff.

"(iv) In the case of officers in grades below brigadier general or rear admiral (lower half), the total number of waivers granted under subparagraph (A) for officers in the same pay grade during a fiscal year may not exceed 10 percent of the total number of officers in that pay grade

selected for the highest level of joint qualification during that fiscal year.

"(D) There may not be more than 32 general and flag officers on active duty at the same time who were selected for the joint specialty or highest level of joint qualification while holding a general or flag officer grade and for whom a waiver was granted under subparagraph (A).".

(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—Subsection (d) of such section is amended to read as follows:

"(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1) The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above major or, in the case of the Navy, lieutenant commander are filled at any time by officers who have the highest level of joint qualification.

"(2) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall designate an appropriate number of joint duty assignment positions as critical joint duty assignment positions. A position may be designated as a critical joint duty assignment position only if the duties and responsibilities of the position make it important that the occupant be particularly trained in, and oriented toward, joint matters.

"(3)(A) Except as provided in subparagraph (B), a position designated under paragraph (2) may be held only by an officer who has the highest level of joint qualification.

"(B) The Secretary of Defense may waive the requirement in subparagraph (A) with respect to the assignment of an officer to a position designated under paragraph (1). Any such waiver shall be granted on a case-by-case basis. The authority of the Secretary to grant such a waiver may be delegated only to the Chairman of the Joint Chiefs of Staff.

"(4) The Secretary of Defense shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.".

(e) CAREER GUIDELINES.—Subsection (e) of such section is amended by striking "officers with the joint specialty" and inserting "officers who are joint qualified officers".

(f) TREATMENT OF CERTAIN SERVICE.—Subsection (f) of such section is amended by striking "(including section 619(e)(1) of this title)".

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 38 of such title is amended

by striking the item relating to section 661 and inserting the following new item:

"661. Management policies for joint qualified officers.".

SEC. 527. MODIFICATION OF PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting "and" after the semicolon; and

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

"(2) officers who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.".

SEC. 528. APPLICABILITY OF JOINT DUTY ASSIGNMENT REQUIREMENTS LIMITED TO GRADUATES OF NATIONAL DEFENSE UNIVERSITY SCHOOLS.

(a) APPLICABILITY.—Section 663 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "a joint professional military education school" and inserting "a school within the National Defense University"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(B) in paragraph (2), by striking ''a joint professional military education school'' and inserting ''a school referred to in paragraph (1)''.

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

''(c) SCHOOL WITHIN THE NATIONAL DEFENSE UNIVERSITY.—For purposes of this section, a school within the National Defense University includes a school as follows:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Joint Advanced Warfighting School.

''(4) The Joint Forces Staff College.''.

SEC. 529. MODIFICATION OF DEFINITIONS RELATING TO JOINTNESS.

(a) MODIFICATION OF DEFINITION OF ''JOINT MATTERS''.—Subsection (a) of section 668 of title 10, United States Code, is amended to read as follows:

''(a) JOINT MATTERS.—In this chapter, the term 'joint matters' means matters involving the integrated use

of military forces relating to national military strategy, strategic and contingency planning, and command and control of operations under unified command that may be conducted under unified action on land, sea, or air, in space, or in the information environment with participants from multiple armed forces, the armed forces and other departments and agencies of the United States Government, the armed forces and the military forces or agencies of other countries, the armed forces and non-governmental persons or entities, or any combination thereof.''.

(b) MODIFICATION OF DEFINITION OF ''JOINT DUTY ASSIGNMENT''.—Paragraph (1) of subsection (b) of such section is amended by striking ''and shall exclude'' and all that follows and inserting a period.

(c) RESTATEMENT OF DEFINITION OF ''CRITICAL OCCUPATIONAL SPECIALTY''.—

(1) IN GENERAL.—Section 668 of such title is further amended by adding at the end the following new subsection:

''(d) CRITICAL OCCUPATIONAL SPECIALTY.—In this chapter, the term 'critical occupational specialty' means a military occupational specialty within a combat arm of the Army, or an equivalent arm of the Navy, Air Force, and Marine Corps, that is designated by the Secretary of Defense as a critical occupational specialty because such

combat arm is experiencing a severe shortage of trained officers in that military occupational specialty.''.

(2) CONFORMING AMENDMENTS.—The following provisions of such title are each amended by striking ''under section 661(c)(2) of this title'':

(A) Section 664(c)(2).

(B) Section 667(3).

Subtitle B—Reserve Component Personnel Matters

SEC. 531. ENHANCED FLEXIBILITY IN THE MANAGEMENT OF RESERVE COMPONENT PERSONNEL.

(a) CLARIFICATION OF DEFINITION OF ''ACTIVE GUARD AND RESERVE DUTY'' UNDER TITLE 10, UNITED STATES CODE.—Section 101(d)(6)(A) of title 10, United States Code, is amended—

(1) by striking ''or full-time National Guard duty'' the first place it appears;

(2) by striking ''to active duty or'' and inserting ''to'';

(3) by striking ''Guard, pursuant'' and inserting ''Guard pursuant''; and

(4) by inserting a comma before ''for a period''.

(b) EXPANSION OF ACTIVE GUARD AND RESERVE DUTY TO INCLUDE SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAIN-

ING.—Section 12310 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(2) by striking subsections (a) and (b) and inserting the following new subsections:

"(a) ACTIVE GUARD AND RESERVE DUTY.—The Secretary concerned may order a Reserve ordered to or retained on active duty under section 12301(d) of this title to perform active Guard and Reserve duty.

"(b) ADDITIONAL DUTIES.—A Reserve on active duty as described in subsection (a) who is performing active Guard and Reserve duty pursuant to an order under that subsection may be assigned additional duties (to the extent such duties do not interfere with the performance by the Reserve of active Guard and Reserve duty under that subsection) as follows:

"(1) Supporting operations or missions assigned in whole or in part to the reserve components.

"(2) Supporting operations or missions performed or to be performed by—

"(A) a unit composed of elements from more than one component of the same armed force; or

"(B) a joint forces unit that includes—

"(i) one or more reserve component units; or

"(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

"(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands on reserve component matters.

"(4) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the armed forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.

"(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—A Reserve ordered to active duty under subsection (a) shall be ordered in his reserve grade. While so serving, he continues to be eligible for promotion as a Reserve, if he is otherwise qualified."; and

(3) in paragraph (1) of subsection (d), as so redesignated—

(A) by striking ''Notwithstanding subsection (b), a Reserve'' and inserting ''A Reserve''; and

(B) by striking ''functions'' and inserting ''duty''.

(c) EXPANSION OF DUTIES OF MILITARY TECHNICIANS (DUAL STATUS).—

(1) GENERAL DUTIES.—Section 10216(a)(1)(C) of such title is amended by striking ''administration and'' and inserting ''organizing, administering, instructing, or''.

(2) SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Chapter 1007 of such title is amended by inserting after section 10216 the following new section:

''§ 10216a. Military technicians (dual status): additional duties

''A military technician (dual status) who is employed under section 3101 of title 5 may perform additional duties (to the extent such duties do not interfere with the performance by the military technician of duties assigned under section 10216(a)(1)(C) of this title) as follows:

"(1) Supporting operations or missions assigned in whole or in part to the military technician's unit.

"(2) Supporting operations or missions performed or to be performed by—

"(A) a unit composed of elements from more than one component of the military technician's armed force; or

"(B) a joint forces unit that includes—

"(i) one or more units of the military technician's reserve component; or

"(ii) a member of the military technician's reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

"(3) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the armed forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.".

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title

is amended by inserting after the item relating to section 10216 the following new item:

"10216a. Military technicians (dual status): additional duties.".

(d) ORDER OF NATIONAL GUARD MEMBERS TO PERFORM NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY AND ADDITIONAL DUTIES.—

(1) DEFINITION OF "NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY".—Section 101 of title 32, United States Code, is amended by adding at the end the following:

"(20)(A) 'National Guard active Guard and Reserve duty' means full-time National Guard duty performed by a member of the National Guard pursuant to an order to full-time National Guard duty, for a period of 180 consecutive days or more for the purpose of organizing, administering, recruiting, instructing, or training the reserve components.

"(B) Such term does not include the following:

"(i) Duty performed as a member of the Reserve Forces Policy Board under section 10301 of title 10.

"(ii) Duty performed as a property and fiscal officer under section 708 of this title.

"(iii) Duty performed for the purpose of interdiction and counter-drug activities for

which funds have been provided under section 112 of this title.

"(iv) Duty performed as a general or flag officer.

"(v) Service as a State director of the Selective Service System under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)).".

(2) ORDER TO PERFORM DUTY.—Chapter 3 of such title is amended by adding at the end the following new section:

"§ 328. National Guard active Guard and Reserve duty; additional duties

"(a) AUTHORITY TO ORDER TO DUTY.—The Governor of his State or Territory or Puerto Rico, or commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform National Guard active Guard and Reserve duty.

"(b) NATURE OF DUTY.—(1) A member of the National Guard may be ordered to perform duty under subsection (a)—

"(A) without his consent, but with the pay and allowances provided by law; or

"(B) with his consent, either with or without pay and allowances.

"(2) Duty without pay shall be considered for all purposes as if it were duty with pay.

"(c) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following additional duties (to the extent such duties do not interfere with the performance by the member of National Guard active Guard and Reserve duty under that subsection) as follows:

"(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

"(2) Support of Federal training operations or Federal training missions assigned in whole or in part to the member's unit.

"(3) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the armed forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.".

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

"328. National Guard active Guard and Reserve duty; additional duties.".

(e) EXPANSION OF DUTIES OF NATIONAL GUARD TECHNICIANS.—Section 709(a) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

(B) by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) the performance of additional duties (to the extent such duties do not interfere with the performance by the technician of duties under paragraphs (1) and (2)) as follows:

''(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

''(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

"(C) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the armed forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.".

SEC. 532. EXPANSION OF ACTIVITIES AUTHORIZED FOR RESERVES UNDER WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Subsection (d) of section 12310 of title 10, United States Code, as redesignated and amended by section 531(b) of this Act, is further amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting "in the United States, Canada, or the United Mexican States" after "title)"; and

(ii) by striking "or" at the end;

(B) in subparagraph (B)—

(i) by inserting ", Canada, or the United Mexican States" after "United States"; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

''(C) the intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property; or

''(D) a natural or manmade disaster in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property.''; and

(2) by striking paragraph (3) and inserting the following new paragraph (3):

''(3)(A) A Reserve may perform duties described in subparagraph (A), (B), or (C) of paragraph (1)—

''(i) only while assigned to a reserve component civil support team; and

''(ii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(B) A Reserve may perform the duties described in paragraph (1)(D)—

"(i) only while assigned to a reserve component civil support team;

"(ii) only with the approval of the Secretary of Defense; and

"(iii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

"(C) Any duties described in paragraph (1) that are performed in Canada or the United Mexican States may occur, with consultation of the Secretary of State, at any distance beyond the borders of the United States with such country as is agreed to by appropriate authorities in such country.".

(b) DEFINITION OF "UNITED STATES".—Such subsection is further amended by adding at the end the following new paragraph:

"(7) In this subsection, the term 'United States' means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.".

(c) CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) in the heading, by inserting ", TERRORIST ATTACK, AND NATURAL OR MANMADE DISASTER" after "MASS DESTRUCTION";

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''civil support team''; and

(3) in paragraph (6)(B), by striking ''paragraph (3)(B)'' and inserting ''that paragraph''.

SEC. 533. MODIFICATION OF AUTHORITIES RELATING TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL REEMPLOYMENT.—Subsection (e) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), as amended by section 516 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3237), is further amended by adding at the end the following new paragraph:

''(3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.''.

(b) FINAL REPORT.—Subsection (f)(2) of such section 513 is amended by striking ''one year'' and inserting ''18 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The amendment made by subsection (a) shall apply to members of the Commission on the National Guard and Reserves appointed on or after that date.

SEC. 534. PILOT PROGRAM ON REINTEGRATION OF MEMBERS OF THE NATIONAL GUARD INTO CIVILIAN LIFE AFTER DEPLOYMENT.

(a) PILOT PROGRAM REQUIRED.—The Secretary of the Army shall carry out a pilot program to assess the feasibility and advisability of utilizing the mechanisms specified in this section to facilitate the reintegration of members of the National Guard into civilian life after their return from deployment overseas.

(b) LIMITATION ON LOCATION.—The pilot program required by subsection (a) may only be carried out in a State that has a National Guard brigade that is returning from deployment overseas during the period of the pilot program.

(c) PROGRAM ELEMENTS.—The mechanisms under the pilot program required by subsection (a) shall include the following:

(1) INITIAL REINTEGRATION TRAINING.—Training (to be known as ''initial reintegration training'') of members of the National Guard described in subsection (a) to facilitate the reintegration of such members with their families and communities after their return from deployment as described in that subsection. Such training shall be conducted immediately after the return of such members from such deployment. Participation in such training shall be voluntary.

(2) 30-DAY REINTEGRATION TRAINING.—Training (to be known as ''30–day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in identifying the signs and symptoms of combat stress. Such training shall be conducted approximately 30 days after provision of training under paragraph (1). Participation in such training shall be voluntary.

(3) 60-DAY REINTEGRATION TRAINING.—Training (to be known as ''60–day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in matters

relating to combat stress, including chemical dependency, anger management, and gambling abuse. Such training shall be conducted approximately 30 days after provision of training under paragraph (2). Participation in such training shall be voluntary.

(4) 90-DAY REINTEGRATION TRAINING.—Training (to be known as ''90–day reintegration training'') of members of the National Guard described in subsection (a) to ensure a thorough physical and mental health assessment of such members after deployment as described in that subsection. Such training shall be conducted approximately 30 days after provision of training under paragraph (3). Participation in such training shall be voluntary.

(5) EDUCATIONAL MATERIALS.—The development and distribution of educational materials for families of members of the National Guard described in subsection (a), and for the communities in which such members and families reside, on matters relating to the reintegration of such members into civilian life after their return from deployment overseas.

(d) REPORT.—Not later than one year after the commencement of the pilot program required by subsection (a), the Secretary shall submit to the congressional de-

fense committees a report on the pilot program. The report shall include—

(1) a description of the activities undertaken under the pilot program;

(2) an assessment of the effectiveness of such mechanisms in facilitating the reintegration of members of the National Guard into civilian life after their return from deployment overseas; and

(3) such recommendations for legislative or administrative action as the Secretary considers appropriate in light of the pilot program.

(e) FUNDING.—Of the amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard, $6,663,000 may be available for the pilot program required by subsection (a).

Subtitle C—Military Justice and Related Matters

SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE TO MEMBERS OF THE ARMED FORCES ORDERED TO ACTIVE DUTY OVERSEAS IN INACTIVE DUTY FOR TRAINING STATUS.

Not later than March 1, 2007, the Secretaries of the military departments shall prescribe regulations, or amend current regulations, in order to provide that officers and

enlisted personnel of the Armed Forces who are ordered to active duty at locations overseas in an inactive duty for training status are subject to the jurisdiction of the Uniform Code of Military Justice, pursuant to the provisions of section 802(a)(3) of title 10, United States Code (article 2(a)(3) of the Uniform Code of Military Justice), continuously from the commencement of execution of such orders to the conclusion of such orders.

Subtitle D—Education and Training Matters

SEC. 561. DETAIL OF COMMISSIONED OFFICERS AS STUDENTS AT MEDICAL SCHOOLS.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2004 the following new section:

"§ 2004a. Detail of commissioned officers as students at medical schools

''(a) DETAIL AUTHORIZED.—The Secretary of each military department may detail commissioned officers of the armed forces as students at accredited medical schools or schools of osteopathy located in the United States for a period of training leading to the degree of doctor of medicine. No more than 25 officers from each military department may commence such training in any single fiscal year.

"(b) ELIGIBILITY FOR DETAIL.—To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

"(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade 0–3 or below as of the time the training is to begin; and

"(2) sign an agreement that unless sooner separated the officer will—

"(A) complete the educational course of medical training;

"(B) accept transfer or detail as a medical officer within the military department concerned when the officer's training is completed; and

"(C) agree to serve on active duty following completion of training for a period of two years for each year or part thereof of the officer's medical training under subsection (a).

"(c) SELECTION OF OFFICERS FOR DETAIL.—Officers detailed for medical training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned.

"(d) RELATION OF SERVICE OBLIGATIONS TO OTHER SERVICE OBLIGATIONS.—Any service obligation

1 incurred by an officer under an agreement entered into
2 under subsection (b) shall be in addition to any service
3 obligation incurred by the officer under any other provi-
4 sion of law or agreement.

5 ''(e) EXPENSES.—Expenses incident to the detail of
6 officers under this section shall be paid from any funds
7 appropriated for the military department concerned.

8 ''(f) FAILURE TO COMPLETE PROGRAM.—(1) An of-
9 ficer who is dropped from a program of medical training
10 to which detailed under subsection (a) for deficiency in
11 conduct or studies, or for other reasons, may be required
12 to perform active duty in an appropriate military capacity
13 in accordance with the active duty obligation imposed on
14 the officer under regulations issued by the Secretary of
15 Defense for purposes of this section.

16 ''(2) In no case shall an officer be required to serve
17 on active duty under this subsection for any period in ex-
18 cess of one year for each year or part thereof the officer
19 participated in the program.

20 ''(g) LIMITATION ON DETAILS.—(1) No agreement
21 detailing an officer of the armed forces to an accredited
22 medical school or school of osteopathy may be entered into
23 during any period in which the President is authorized by
24 law to induct persons into the armed forces involuntarily.

"(2) Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the armed forces.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2004 the following new item:

"2004a. Detail of commissioned officers as students at medical schools.".

SEC. 562. EXPANSION OF ELIGIBILITY TO PROVIDE JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION.

(a) ELIGIBILITY OF RETIRED MEMBERS OF NATIONAL GUARD AND RESERVES.—Section 2031 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) Instead of, or in addition to, the detailing of active duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers, noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program retired officers and noncommissioned officers who qualify for retired pay for nonregular service under section 12731 of this title (other

than those who qualify for age under subsection (a)(1) of such section) whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

"(1) The Secretary shall pay to the institution an amount equal to one-half of the amount paid to the member by the institution for any period up to a maximum of one-half of the difference between the retired or retainer pay for an active duty officer or noncommissioned offer of the same grade and years of service for such period and the active duty pay and allowances which the member would have received for such period if on active duty. Amounts may be paid with respect to members under this subsection after such members reach the age of 60. Payments by the Secretary under this paragraph shall be made from funds appropriated for that purpose.

"(2) Notwithstanding any other provision of law, such a member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.".

(b) CLARIFICATION OF STATUS OF RETIRED MEMBERS CURRENTLY PROVIDING INSTRUCTION.—Subsection (d) of such section is amended in the matter preceding

paragraph (1) by striking ''and noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve'' and inserting '', noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve who are drawing retired or retained pay''.

SEC. 563. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT UNDER EDUCATION LOAN REPAYMENT FOR OFFICERS IN SPECIFIED HEALTH PROFESSIONS.

(a) INCREASE IN MAXIMUM AMOUNT.—Section 2173(e)(2) of title 10, United States Code, is amended by striking ''$22,000'' and inserting ''$60,000''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect agreements entered into under section 2173 of title 10, United States Code, on or after that date.

(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.

SEC. 564. INCREASE IN BENEFITS UNDER HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) STIPEND.—Section 2121(d) of title 10, United States Code, is amended—

(1) by striking ''the rate of $579 per month'' and inserting ''in an amount not to exceed $30,000 per year''; and

(2) by striking ''That rate'' and inserting ''The maximum amount of the stipend''.

(b) ANNUAL GRANT.—Section 2127(e) of such title is amended—

(1) by striking ''$15,000'' and inserting ''in an amount not to exceed $45,000''; and

(2) by striking ''The amount'' and inserting ''The maximum amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

(d) PROHIBITION ON ADJUSTMENTS IN 2007.—No adjustment under subsection (d) of section 2122 of title 10, United States Code, in the maximum amount of the stipend payable under such section 2122, and no adjustment under subsection (e) of section 2127 of such title in the maximum amount of the annual grant payable under such section 2127, shall be made in 2007.

SEC. 565. REPORT ON HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the health professions scholarship and financial assistance program for active service under subchapter I of chapter 105 of title 10, United States Code.

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

(1) An assessment of the success of each military department in achieving its recruiting goals under the health professions scholarship and financial assistance program for active service during each of fiscal years 2000 through 2006.

(2) If any military department failed to achieve its recruiting goals under the program during any fiscal year covered by paragraph (1), an explanation of the failure of the military department to achieve such goal during such fiscal year.

(3) An assessment of the adequacy of the stipend authorized by section 2121(d) of title 10, United States Code, in meeting the objectives of the program.

(4) Such recommendations for legislative or administrative action as the Secretary considers appro-

priate to enhance the effectiveness of the program in meeting the annual recruiting goals of the military departments for medical personnel covered by the program.

SEC. 566. EXPANSION OF INSTRUCTION AVAILABLE AT THE NAVAL POSTGRADUATE SCHOOL FOR ENLISTED MEMBERS OF THE ARMED FORCES.

(a) CERTIFICATE PROGRAMS AND COURSES.—Subparagraph (C) of subsection (a)(2) of section 7045 of title 10, United States Code, is amended by striking ''Navy or Marine Corps'' and inserting ''armed forces''.

(b) GRADUATE LEVEL INSTRUCTION.—Such subsection is further amended—

(1) by redesignating subparagraph (D) as subparagraph (E);

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D)(i) The Secretary may, pursuant to regulations prescribed by the Secretary, permit an eligible enlisted member of the armed forces to receive graduate level instruction at the Naval Postgraduate School in a program leading to a master's degree in a technical, analytical, or engineering curricula.

"(ii) To be eligible for instruction under this subparagraph, an enlisted member shall hold a baccalaureate degree granted by an institution of higher education.

"(iii) Instruction shall be provided under this subparagraph on a space-available basis.

"(iv) An enlisted member who successfully completes a course of instruction under this subparagraph may be awarded a master's degree under section 7048 of this title.

"(v) The regulations prescribed under clause (i) may include criteria for eligibility of enlisted members for instruction under this subparagraph and obligations for further service in the armed forces by enlisted members relating to receipt of such instruction."; and

(3) in subparagraph (E), as so redesignated, by striking "and (C)" and inserting "(C), and (D)".

(c) CONFORMING AMENDMENT.—Subsection (b)(2) of such section is amended by striking "(a)(2)(D)" and inserting "(a)(2)(E)".

(d) REPEAL OF CERTAIN REQUIREMENTS ON INSTRUCTION.—Section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended by striking subsections (c) and (d).

SEC. 567. MODIFICATION OF ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.

(a) CLARIFICATION OF SCOPE OF ACTIONS.—Section 527 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1468; 10 U.S.C. 4331 note) is amended—

(1) in subsection (a)—

(A) in the subsection caption, by inserting ''SEXUAL'' before ''VIOLENCE''; and

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''personnel of'' and inserting ''cadets at'';

(ii) in subparagraph (B), by striking ''personnel of'' and inserting ''midshipmen at''; and

(iii) in subparagraph (C), by striking ''personnel of'' and inserting ''cadets at'';

(2) by inserting ''sexual'' before ''violence'' each place it appears; and

(3) by striking ''academy personnel'' each place it appears and inserting ''cadets or midshipmen''.

(b) ASSESSMENTS OF ACADEMY POLICIES.—

(1) ADMINISTRATION OF ASSESSMENTS.—Subsection (b) of such section is further amended—

(A) in paragraph (1)—

(i) by striking ''to conduct'' and inserting ''to provide''; and

(ii) by inserting ''(to be administered by the Department of Defense)'' after ''an assessment''; and

(B) in paragraph (2), by striking ''shall conduct'' and inserting ''shall provide for the conduct of''.

(2) SCHEDULE FOR ASSESSMENTS.—Such subsection is further amended—

(A) in the subsection caption, by striking ''ANNUAL ASSESSMENT'' and inserting ''ASSESSMENTS REQUIRED'';

(B) in paragraph (1), by inserting ''specified in paragraph (2)'' after ''each program year''; and

(C) in paragraph (2), by striking ''2007, and 2008'' and inserting ''2008, and 2010''.

(c) REPORTS ON ACTIVITIES ON CAMPUS.—Subsection (c) of such section is further amended—

(1) in the subsection caption, by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in paragraph (1), by striking ''2007, and 2008'' and inserting ''2008, and 2010'';

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''The annual report'' and inserting ''The report''; and

(B) in subparagraph (D), by striking ''each of the subsequent academy program years'' and inserting ''each other academy program year covered by this subsection''; and

(4) in paragraphs (3) and (4), by striking ''the annual'' and inserting ''each''.

(d) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.''.

SEC. 568. DEPARTMENT OF DEFENSE POLICY ON SERVICE ACADEMY AND ROTC GRADUATES SEEKING TO PARTICIPATE IN PROFESSIONAL SPORTS BEFORE COMPLETION OF THEIR ACTIVE-DUTY SERVICE OBLIGATIONS.

(a) POLICY REQUIRED.—

(1) IN GENERAL.—Not later than July 1, 2007, the Secretary of Defense shall prescribe the policy of the Department of Defense on—

(A) whether to authorize graduates of the service academies and the Reserve Officers'

Training Corps to participate in professional sports before the completion of their obligations for service on active duty as commissioned officers; and

(B) if so, the obligations for service on active duty as commissioned officers of such graduates who participate in professional sports before the satisfaction of the obligations referred to in subparagraph (A).

(2) REVIEW OF CURRENT POLICIES.—In prescribing the policy, the Secretary shall review current policies, practices, and regulations of the military departments on the obligations for service on active duty as commissioned officers of graduates of the service academies and the Reserve Officers' Training Corps, including policies on authorized leaves of absence and policies under excess leave programs.

(3) CONSIDERATIONS.—In prescribing the policy, the Secretary shall take into account the following:

(A) The compatibility of participation in professional sports (including training for professional sports) with service on active duty in

the Armed Forces or as a member of a reserve component of the Armed Forces.

(B) The benefits for the Armed Forces of waiving obligations for service on active duty for cadets, midshipmen, and commissioned officers in order to permit such individuals to participate in professional sports.

(C) The manner in which the military departments have resolved issues relating to the participation of personnel in professional sports, including the extent of and any reasons for, differences in the resolution of such issues by such departments.

(D) The recoupment of the costs of education provided by the service academies or under the Reserve Officers' Training Corps program if graduates of the service academies or the Reserve Officers' Training Corps, as the case may be, do not complete the period of obligated service to which they have agreed by reason of participation in professional sports.

(E) Any other matters that the Secretary considers appropriate.

(b) ELEMENTS OF POLICY.—The policy prescribed under subsection (a) shall address the following matters:

(1) The eligibility of graduates of the service academies and the Reserve Officers' Training Corps for a reduction in the obligated length of service on active duty as a commissioned officer otherwise required of such graduates on the basis of their participation in professional sports.

(2) Criteria for the treatment of an individual as a participant or potential participant in professional sports.

(3) The effect on obligations for service on active duty as a commissioned officer of any unsatisfied obligations under prior enlistment contracts or other forms of advanced education assistance.

(4) Any authorized variations in the policy that are warranted by the distinctive requirements of a particular Armed Force.

(5) The eligibility of individuals for medical discharge or disability benefits as a result of injuries incurred while participating in professional sports.

(6) A prospective effective date for the policy and for the application of the policy to individuals serving on such effective date as a commissioned officer, cadet, or midshipman.

(c) APPLICATION OF POLICY TO ARMED FORCES.—Not later than December 1, 2007, the Secretary of each military department shall prescribe regulations, or modify current regulations, in order to implement the policy prescribed by the Secretary of Defense under subsection (a) with respect to the Armed Forces under the jurisdiction of such Secretary.

Subtitle E—Defense Dependents Education Matters

SEC. 571. FUNDING FOR ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) FUNDING FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b); and

(2) $10,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(b) of that Act.

(b) TREATMENT OF FUNDING FOR NOTIFICATION PURPOSES.—The funding provided under subsection (a) for fiscal year 2007 shall be treated as funding for that fiscal year for purposes of the notification of local educational agencies required by section 572(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3272).

SEC. 572. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77; 20 U.S.C. 7703a).

SEC. 573. PLAN TO ASSIST LOCAL EDUCATIONAL AGENCIES EXPERIENCING GROWTH IN ENROLLMENT DUE TO FORCE STRUCTURE CHANGES, RELOCATION OF MILITARY UNITS, OR BRAC.

(a) PLAN REQUIRED.—Not later than January 1, 2007, the Secretary of Defense shall submit to the con-

gressional defense committees a report setting forth a plan to provide assistance to local educational agencies that experience growth in the enrollment of military dependent students as a result of any of the following events:

(1) Force structure changes.

(2) The relocation of a military unit.

(3) The closure or realignment of military installations pursuant to defense base closure and realignment under the base closure laws.

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

(1) An identification, current as of the date of the report, of the total number of military dependent students who are anticipated to be arriving at or departing from military installations as a result of any event described in subsection (a), including—

(A) an identification of the military installations affected by such arrivals and departures;

(B) an estimate of the number of such students arriving at or departing from each such installation; and

(C) the anticipated schedule of such arrivals and departures.

(2) Such recommendations as the Office of Economic Adjustment of the Department of Defense

1 considers appropriate for means of assisting affected
2 local educational agencies in accommodating in-
3 creases in enrollment of military dependent students
4 as a result of any such event.

5 (3) A plan for outreach to be conducted to af-
6 fected local educational agencies, commanders of
7 military installations, and members of the Armed
8 Forces and civilian personnel of the Department of
9 Defense regarding information on the assistance to
10 be provided under the plan under subsection (a).

11 (c) UPDATE.—Not later than July 1, 2007, and every
12 six months thereafter through January 1, 2011, the Sec-
13 retary shall submit to the congressional defense commit-
14 tees an update of the report required by subsection (a).
15 Each update shall include an update of each matter re-
16 quired under subsection (b) current as of the date of such
17 update.

18 (d) DEFINITIONS.—In this section:

19 (1) The term ''base closure law'' has the mean-
20 ing given that term in section 101 of title 10, United
21 States Code.

22 (2) The term ''local educational agency'' has
23 the meaning given that term in section 8013(9) of
24 the Elementary and Secondary Education Act of
25 1965 (20 U.S.C. 7713(9)).

(3) The term ''military dependent students'' refers to—

(A) elementary and secondary school students who are dependents of members of the Armed Forces; and

(B) elementary and secondary school students who are dependents of civilian employees of the Department of Defense.

SEC. 574. PILOT PROGRAM ON PARENT EDUCATION TO PROMOTE EARLY CHILDHOOD EDUCATION FOR DEPENDENT CHILDREN AFFECTED BY MILITARY DEPLOYMENT OR RELOCATION OF MILITARY UNITS.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program on the provision of educational and support tools to the parents of preschool-age children—

(1) whose parent or parents serve as members of the Armed Forces on active duty (including members of the Selected Reserve on active duty pursuant to a call or order to active duty of 180 days or more); and

(2) who are affected by the deployment of their parent or parents or the relocation of the military unit of which their parent or parents are a member.

(b) PURPOSE.—The purpose of the pilot program is to develop models for improving the capability of military child and youth programs on or near military installations to provide assistance to military parents with young children through a program of activities focusing on the unique needs of children described in subsection (a).

(c) DURATION OF PROGRAM.—The pilot program shall commence on October 1, 2007, and shall conclude on September 30, 2010.

(d) SCOPE OF PROGRAM.—The pilot program shall utilize one or more models (demonstrated through research) of universal access of parents of children described in subsection (a) to assistance under the pilot program in order to achieve the following goals:

(1) The identification and mitigation of specific risk factors for such children related to military life.

(2) The maximization of the educational readiness of such children.

(e) LOCATIONS.—

(1) IN GENERAL.—The pilot program shall be carried out at military installations selected by the Secretary for purposes of this section from among military installations whose military personnel are experiencing significant transition or deployment or which are undergoing transition as a result of the

relocation or activation of military units or activities relating to defense base closure and realignment.

(2) SELECTION OF CERTAIN INSTALLATIONS.—At least one of the installations selected by the Secretary under paragraph (1) shall be an installation that permits the meaningful evaluation of a model under subsection (d) that provides outreach to parents in families with a parent who is a member of the National Guard or Reserve, which families live more than 40 miles from the installation so selected.

(f) GOALS OF PARTICIPATING INSTALLATIONS.—Appropriate personnel at each military installation selected for participation in the pilot program shall develop goals, and specific outcome measures with respect to such goals, for the conduct of the pilot program at such installation.

(g) EVALUATION.—

(1) EVALUATION REQUIRED.—Upon completion of the pilot program at a military installation, the personnel referred to in subsection (f) at such installation shall conduct an evaluation and assessment of the success of the pilot program at such installation in meeting the goals developed under that subsection.

(2) REPORT.—Upon completion of the evaluations under paragraph (1) for all military installa-

tions participating in the pilot program, the Secretary of Defense shall submit to the congressional defense committees a report on such evaluations. The report shall describe the results of such evaluations, and may include such recommendations for legislative or administrative action as the Secretary considers appropriate in light of such evaluations, including recommendations for the continuation of the pilot program.

(h) GUIDELINES.—The Secretary shall issue guidelines applicable to the pilot program, including guidelines on the goals to be developed under subsection (f), specific outcome measures, and guidelines on the selection of curriculum and the conduct of developmental screening under the pilot program.

(i) FUNDING.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $1,500,000 shall be available to carry out the pilot program in fiscal year 2007.

Subtitle F—Other Matters

SEC. 581. ADMINISTRATION OF OATHS.

(a) IN GENERAL.—Section 502 of title 10, United States Code, is amended by striking the flush matter at the end and inserting the following new flush matter:

"This oath may be taken before the President, the Vice President, the Secretary of Defense, any commissioned officer of any armed force, or any other person designated under regulations prescribed by the Secretary of Defense.".

(b) CONFORMING AMENDMENT.—Section 1031 of such title is amended by striking "Any commissioned officer" and all that follows through "on active duty," and inserting "The President, the Vice President, the Secretary of Defense, any commissioned officer of an armed force, or any other person designated under regulations prescribed by the Secretary of Defense".

SEC. 582. MILITARY ID CARDS FOR RETIREE DEPENDENTS WHO ARE PERMANENTLY DISABLED.

(a) IN GENERAL.—Subsection (a) of section 1060b of title 10, United States Code, is amended to read as follows:

"(a) ISSUANCE OF PERMANENT ID CARD.—(1) In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent as follows:

"(A) A retiree dependent who has attained 75 years of age.

"(B) A retiree dependent who is permanently disabled.

"(2) A permanent ID card shall be issued to a retiree dependent under paragraph (1)(A) upon the expiration, after the retiree dependent attains 75 years of age, of any earlier, renewable military card or, if earlier, upon the request of the retiree dependent after attaining age 75.".

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 1060b. Military ID cards: dependents and survivors of retirees".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of such title is amended by striking the item relating to section 1060b and inserting the following new item:

"1060b. Military ID cards: dependents and survivors of retirees.".

SEC. 583. MILITARY VOTING MATTERS.

(a) REPEAL OF PERIODIC INSPECTOR GENERAL INSTALLATION VISITS FOR ASSESSMENT OF VOTING ASSISTANCE PROGRAMS.—Section 1566 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to Congress a report containing the assessment of the Comptroller General with respect to the following:

(1) The programs and activities undertaken by the Department of Defense to facilitate voter registration, transmittal of ballots to absentee voters, and voting utilizing electronic means of communication (such as electronic mail and fax transmission) for military and civilian personnel covered by the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(2) The progress of the Department of Defense and the Election Assistance Commission in developing a secure, deployable system for Internet-based electronic voting pursuant to the amendment made by section 567 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1919).

SEC. 584. PRESENTATION OF MEDAL OF HONOR FLAG TO PRIMARY NEXT OF KIN OF MEDAL OF HONOR RECIPIENTS.

(a) ARMY RECIPIENTS.—Section 3755 of title 10, United States Code, is amended—

(1) by inserting ''(a) PRESENTATION TO MEDAL OF HONOR RECIPIENTS.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(b) NAVY AND MARINE CORPS RECIPIENTS.—Section 6257 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(c) AIR FORCE RECIPIENTS.—Section 8755 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(d) COAST GUARD RECIPIENTS.—Section 505 of title 14, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Homeland Security in regula-

tions prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

SEC. 585. MODIFICATION OF EFFECTIVE PERIOD OF AUTHORITY TO PRESENT RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Subsection (d) of section 2261 of title 10, United States Code, is amended to read as follows:

''(d) EFFECTIVE PERIOD.—The authority under this section shall be in effect during the period of any war or national emergency declared by the President or Congress.''.

SEC. 586. MILITARY SEVERELY INJURED CENTER.

(a) CENTER REQUIRED.—In support of the comprehensive policy on the provision of assistance to severely wounded or injured servicemembers required by section 563 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3269; 10 U.S.C. 113 note), the Secretary of Defense shall establish within the Department of Defense a center to augment and support the programs and activities of the military departments for the provision of such assistance, including the programs of the military departments referred to in subsection (c).

(b) DESIGNATION.—The center established under subsection (a) shall be known as the ''Military Severely Injured Center'' (in this section referred to as the ''Center'').

(c) PROGRAMS OF THE MILITARY DEPARTMENTS.—The programs of the military departments referred to in this subsection are as follows:

(1) The Army Wounded Warrior Support Program.

(2) The Navy Safe Harbor Program.

(3) The Palace HART Program of the Air Force.

(4) The Marine for Life Injured Support Program of the Marine Corps.

(d) ACTIVITIES OF CENTER.—

(1) IN GENERAL.—The Center shall carry out such programs and activities to augment and support the programs and activities of the military departments for the provision of assistance through individual case management to severely wounded or injured servicemembers and their families as the Secretary of Defense, in consultation with the Secretaries of the military departments and the heads of other appropriate departments and agencies of the Federal Government (including the Department of

Labor and the Department of Veterans Affairs), shall assign the Center.

(2) DATABASE.—The activities of the Center under this subsection shall include the establishment and maintenance of a central database of information for purposes of tracking severely wounded or injured servicemembers.

(e) RESOURCES.—The Secretary of Defense shall allocate to the Center such personnel and other resources as the Secretary of Defense, in consultation with the Secretaries of the military departments, considers appropriate in order to permit the Center to carry out effectively the programs and activities assigned to the Center under subsection (d).

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) JANUARY 1, 2007, INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.2 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

MONTHLY BASIC PAY

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10 [2] ..	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O–7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O–6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O–5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O–4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O–3 [3]	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O–2 [3]	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O–1 [3]	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 [2] ..	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O–7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O–6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O–5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O–4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O–3 [3]	4,833.30	4,982.70	5,228.40	5,355.90	5,355.90
O–2 [3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1 [3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10 [2] ..	$0.00	$13,659.00	$13,725.90	$14,011.20	$14,508.60
O–9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O–8	10,900.80	11,319.00	11598.30	11,598.30	11,598.30
O–7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O–6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O–5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3 [3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2 [3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1 [3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O–10 [2] ..	$14,508.60	$15,234.00	$15,234.00	$15,995.70	$15,995.70
O–9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O–8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O–7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O–6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O–5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3 [3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2 [3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1 [3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O–10 [2] ..	$16,795.50	$16,795.50			
O–9	14,819.10	14,819.10			
O–8	12,185.70	12,185.70			
O–7	10,493.70	10,493.70			
O–6	9,216.30	9,216.30			
O–5	7,373.10	7,373.10			
O–4	6,252.30	6,252.30			
O–3 [3]	5,355.90	5,355.90			
O–2 [3]	3,936.60	3,936.60			
O–1 [3]	3,106.50	3,106.50			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades O–7 through O–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is calculated to be $17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E ..	$0.00	$0.00	$0.00	$4,392.00	$4,602.00
O–2E ..	0.00	0.00	0.00	3,857.40	3,936.60
O–1E ..	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E ..	$4,833.00	$4,982.70	$5,228.40	$5,435.40	$5,554.20
O–2E ..	4,062.00	4,273.50	4,437.00	4,558.80	4,558.80
O–1E ..	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 28	Over 30	Over 32	Over 34	Over 36
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
O–3E ..	$5,715.90	$5,715.90			
O–2E ..	4,558.80	4,558.80			
O–1E ..	3,857.40	3,857.40			

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40
W–3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W–2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W–1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W–3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W–2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W–1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,049.50	$6,356.40	$6,585.00	$6,838.20
W–4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W–3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W–2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W–1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W–5	$6,838.20	$7,180.20	$7,180.20	$7,539.30	$7,539.30
W–4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W–3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W–2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W–1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W–5	$7,916.40	$7,916.40			
W–4	6,337.80	6,337.80			
W–3	5,450.10	5,450.10			
W–2	4,589.50	4,589.40			
W–1	4,170.00	4,170.00			

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E–6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E–5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E–4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E–3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	[3]1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$4,110.60	$4,203.90	$4,321.20	$4,459.50
E–8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E–7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E–6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$4,598.40	$4,821.60	$5,010.30	$5,209.20	$5,512.80
E–8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E–7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E–9 [2]	$5,512.80	$5,788.50	$5,788.50	$6,078.00	$6,078.00
E–8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E–7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E–9 [2]	$6,381.90	$6,381.90			
E–8	4,799.10	4,799.10			
E–7	4,204.20	4,204.20			
E–6	3,133.50	3,133.50			
E–5	2,630.10	2,630.10			
E–4	2,062.80	2,062.80			
E–3	1,729.20	1,729.20			
E–2	1,458.90	1,458.90			
E–1	1,301.40	1,301.40			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, basic pay for this grade is $6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $1,203.90.

SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR GENERAL AND FLAG OFFICER GRADES.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007, and shall apply with respect to months beginning on or after that date.

SEC. 603. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in this subsection (including the prohibition as it relates to a member of the National Guard while not in Federal service) shall apply to—

''(A) any work or study performed on or after September 7, 1962; and

''(B) any claim based on such work or study arising after that date.''.

SEC. 604. ONE-YEAR EXTENSION OF PROHIBITION AGAINST REQUIRING CERTAIN INJURED MEMBERS TO PAY FOR MEALS PROVIDED BY MILITARY TREATMENT FACILITIES.

(a) EXTENSION.—Section 402(h)(3) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPORT ON ADMINISTRATION OF PROHIBITION.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the administration of section 402(h)(3) of title 37, United States Code (as amended by subsection (a)). The report shall include—

(1) a description and assessment of the mechanisms used by the military departments to implement the prohibition contained in such section; and

(2) such recommendations as the Secretary considers appropriate regarding making such prohibition permanent.

SEC. 605. ADDITIONAL HOUSING ALLOWANCE FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2)(A) Under regulations prescribed by the Secretary of Defense and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, the Secretary concerned may authorize payment of a housing allowance to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing under subsection (b) or the overseas basic allowance for housing under subsection (c), whichever applies to that location, for members of the regular components at that location in the same grade without dependents.

''(B) A member may concurrently receive a basic allowance for housing under paragraph (1) and a housing allowance under this paragraph, but may not receive the portion of the allowance, if any, authorized under section 404 of this title for lodging expenses if a housing allowance is authorized to be paid under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and

shall apply with respect to months beginning on or after that date.

SEC. 606. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) A member of the uniformed services who is the spouse of a deceased member described in paragraph (2) may be paid a basic allowance for housing as provided for in that paragraph. An allowance paid under this paragraph is in addition to any other pay and allowances to which the member of the uniformed services is entitled under any other provision of law.''; and

(3) in paragraph (4), as so redesignated, by striking ''(2)'' and inserting ''(2) or (3)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall

apply with respect to deaths occurring on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(f)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Sec-

tion 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended

by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY UNITS.—Section 323(i) of such title is amended by strik-

ing ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) INCENTIVE BONUS FOR TRANSFER BETWEEN THE ARMED FORCES.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2009''.

SEC. 615. INCREASE IN SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

INCREASE IN SPECIAL PAY.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to written agreements entered into under sec-

tion 302g of title 37, United States Code, on or after that date.

SEC. 616. EXPANSION AND ENHANCEMENT OF ACCESSION BONUS AUTHORITIES FOR CERTAIN OFFICERS IN HEALTH CARE SPECIALITIES.

(a) INCREASE IN ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(2) of title 37, United States Code, is amended by striking ''$30,000'' and inserting ''$200,000''.

(b) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302j the following new section:

''§ 302k. Special pay: accession bonus for medical officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited school of medicine or osteopathy in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an ac-

cession bonus in the amount determined by the Secretary concerned.

"(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

"(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

"(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in medicine or osteopathy; or

"(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a doctor or osteopath in a specialty described in subsection (c).

"(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

"(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Medical Corps of the Army or the Navy or as an offi-

cer of the Air Force designated as a medical officer in a specialty described in subsection (c).

"(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a doctor or osteopath, as the case may be, or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

"(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.".

(c) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, as amended by subsection (b), is further amended by inserting after section 302k the following new section:

"§ 302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties

"(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited dental school in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on

active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

"(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

"(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

"(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in dentistry; or

"(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a dentist in a specialty described in subsection (c).

"(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

"(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Dental Corps of the Army or the Navy or as an officer

of the Air Force designated as a dental officer in a specialty described in subsection (c).

"(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a dentist or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

"(f) COORDINATION WITH OTHER ACCESSION BONUS AUTHORITY.—A person eligible to execute an agreement under both subsection (a) and section 302h of this title shall elect which authority to execute the agreement under. A person may not execute an agreement under both subsection (a) and such section 302h.

"(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.".

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by inserting after the item relating to section 302j the following new item:

"302k. Special pay: accession bonus for medical officers in critically short wartime specialties.
"302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 617. INCREASE IN NUCLEAR CAREER ACCESSION BONUS FOR NUCLEAR-QUALIFIED OFFICERS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to agreements under section 312b of title 37, United States Code, entered into on or after that date.

SEC. 618. MODIFICATION OF CERTAIN AUTHORITIES APPLICABLE TO THE TARGETED SHAPING OF THE ARMED FORCES.

(a) VOLUNTARY SEPARATION PAY AND BENEFITS.

(1) INCREASE IN MAXIMUM AMOUNT OF PAY.—Subsection (f) of section 1175a of title 10, United States Code, is amended by striking ''two times'' and inserting ''four times''.

(2) EXTENSION OF AUTHORITY.—Subsection (k)(1) of such section is amended by striking ''December 31, 2008'' and inserting ''December 31, 2012''.

(3) REPEAL OF LIMITATION ON APPLICABILITY.—Subsection (b) of section 643 of the National Defense Authorization Act for Fiscal Year

2006 (Public Law 109–163; 119 Stat. 3310; 10 U.S.C. 1175a note) is repealed.

(b) INCREASE IN AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

SEC. 619. EXTENSION OF PILOT PROGRAM ON CONTRIBUTIONS TO THRIFT SAVINGS PLAN FOR INITIAL ENLISTEES IN THE ARMY.

(a) EXTENSION.—Subsection (a) of section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking ''During fiscal year 2006'' and inserting ''During the period beginning on January 6, 2006, and ending on December 31, 2008''.

(b) REPORT DATE.—Subsection (d)(1) of such section is amended by striking ''February 1, 2007'' and inserting ''February 1, 2008''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXPANSION OF PAYMENT OF REPLACEMENT VALUE OF PERSONAL PROPERTY DAMAGED DURING TRANSPORT AT GOVERNMENT EXPENSE.

(a) COVERAGE OF PROPERTY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.—Subsection (a) of section 2636a of title 10, United States Code, is amended by inserting ''or civilian employees of the Department of Defense'' after ''members of the armed forces''.

(b) REQUIREMENT FOR PAYMENT.—Effective March 1, 2008, such subsection is further amended by striking ''may include'' and inserting ''shall include''.

(c) REQUIREMENT FOR DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—Subsection (b) of such section is amended by striking ''may be deducted'' and inserting ''shall be deducted''.

(d) CERTIFICATION ON FAMILIES FIRST PROGRAM.—The Secretary of Defense shall submit to the congressional defense committees a report containing the certifications of the Secretary on the following matters with respect to the program of the Department of Defense known as ''Families First'':

(1) Whether there is an alternative to the system under the program that would provide equal or greater capability at less cost.

(2) Whether the estimates on costs, and the anticipated schedule and performance parameters, for the program and system are reasonable.

(3) Whether the management structure for the program is adequate to manage and control program costs.

(e) COMPTROLLER GENERAL REPORTS ON FAMILIES FIRST PROGRAM.—

(1) REVIEW.—The Comptroller General of the United States shall conduct a review and assessment of the progress of the Department of Defense in implementing the Families First program.

(2) ELEMENTS.—In conducting the review and assessment required by paragraph (1), the Comptroller General shall—

(A) assess the progress of the Department in achieving the goals of the Families First program, including progress in the development and deployment of the Defense Personal Property System;

(B) assess the organization, staffing, resources, and capabilities of the Defense Per-

sonal Property System Project Management Office established on April 7, 2006;

(C) evaluate the growth in cost of the program since the previous assessment of the program by the Comptroller General, and estimate the current annual cost of the Defense Personal Property System and each component of that system; and

(D) assess the feasibility of implementing processes and procedures, pending the satisfactory development of the Defense Personal Property System, which would achieve the goals of the program of providing improved personal property management services to members of the Armed Forces.

(3) REPORTS.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives reports as follows:

(A) An interim report on the review and assessment required by paragraph (1) not later than December 1, 2006.

(B) A final report on the review and assessment by not later than June 1, 2007.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MODIFICATION OF DEPARTMENT OF DEFENSE CONTRIBUTIONS TO MILITARY RETIREMENT FUND AND GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.—

(1) DETERMINATION OF CONTRIBUTIONS.—Section 1465 of title 10, United States Code, is amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A)(ii)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', except that amounts expected to be paid to members who would be excluded from counting for active-duty end strength purposes by section 115(i) of

this title for duty covered by such section shall be excluded''; and

(ii) in subparagraph (B)(ii)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting ''other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section,'' after ''full-time National Guard duty,''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(2) PAYMENTS.—Section 1466(a) of such title is amended—

(A) in paragraph (1)(B)—

(i) by striking ''(other than active duty for training)'';

(ii) by striking ''(other than full-time National Guard duty for training only)''; and

(iii) by inserting before the period at the end the following: '', except that amounts accrued for that month by members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(B) in paragraph (2)(B)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(b) DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.—

(1) EXCLUSION OF CADETS AND MIDSHIPMEN FROM TREATMENT ON ACTIVE DUTY.—Section 1111(b) of such title is amended by adding at the end the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the United States Coast Guard Academy, or a midshipman at the United States Naval Academy.''.

(2) DETERMINATION OF CONTRIBUTIONS.—Section 1115 of such title is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: ", other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section"; and

(ii) in paragraph (2)(B)—

(I) by striking "Ready Reserve" and inserting "Selected Reserve"; and

(II) by striking "other than members on full-time National Guard duty other than for training)"; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking "(other than active duty for training)";

(II) by striking "(other than full-time National Guard duty for training only)"; and

(III) by inserting before the semicolon the following: ", other than members who would be excluded from counting for active-duty end strength

purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''(other than members on full-time National Guard duty other than for training)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 642. REPEAL OF REQUIREMENT OF REDUCTION OF SBP SURVIVOR ANNUITIES BY DEPENDENCY AND INDEMNITY COMPENSATION.

(a) REPEAL.—Subchapter II of chapter 73 of title 10, United States Code is amended—

(1) in section 1450(c)(1), by inserting after ''to whom section 1448 of this title applies'' the following: ''(except in the case of a death as described in subsection (d) or (f) of such section)''; and

(2) in section 1451(c)—

(A) by striking paragraph (2); and

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

(b) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person for any period before

the effective date provided under subsection (e) by reason of the amendments made by subsection (a).

(c) RETURN OF SBP PREMIUMS PREVIOUSLY REFUNDED TO SBP RECIPIENTS.—

(1) RETURN OF CERTAIN REFUNDED AMOUNTS REQUIRED.—Under regulations prescribed by the Secretary of Defense, a surviving spouse who is or has been in receipt of an annuity under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, that is in effect before the effective date provided under subsection (e) and that is adjusted by reason of the amendments made by subsection (a) and who has received a refund of retired pay under section 1450(e) of title 10, United States Code, shall be required to repay such refund to the United States.

(2) TERMS AND CONDITIONS.—A surviving spouse repaying a refund to the United States under this subsection shall not be required to pay the United States any interest that would otherwise accrue or have accrued on any balance of such refund while such balance remains unpaid to the United States under this subsection. The amount repayable to the United States shall be repayable in a lump sum or over a period of years (not to exceed 10

years) agreed to by the surviving spouse or specified by the Secretary of Defense, in the absence of such an agreement.

(3) WAIVER OF REPAYMENT.—The Secretary of Defense may waive the repayment of a refund under this subsection if the Secretary determines that—

(A) hardship or other circumstances make repayment of such refund unwarranted;

(B) repayment of such refund would otherwise not be in the best interests of the United States.

(d) RECONSIDERATION OF OPTIONAL ANNUITY.—Section 1448(d)(2)B) of title 10, United States Code, is amended by adding at the end the following new sentences: ''The surviving spouse, however, may elect to terminate an annuity under this subparagraph in accordance with regulations prescribed by the Secretary concerned. Upon such an election, payment of an annuity to dependent children under this subparagraph shall terminate effective on the first day of the first month that begins after the date on which the Secretary concerned receives notice of the election, and, beginning on that day, an annuity shall be paid to the surviving spouse under paragraph (1) instead.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted.

SEC. 643. EFFECTIVE DATE OF PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452(j) of title 10, United States Code, is amended by striking ''October 1, 2008'' and inserting ''October 1, 2006''.

SEC. 644. EXPANSION OF CONDITIONS FOR DIRECT PAYMENT OF DIVISIBLE RETIRED PAY.

(a) REPEAL OF CERTAIN CONDITION.—Section 1408(d) of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act.

(2) PROHIBITION ON RETROACTIVE PAYMENTS.—No payment may be made under section

1408(d) of title 10, United States Code, to or for the benefit of any person covered by paragraph (2) of such section (as in effect on the day before the effective date specified in paragraph (1)) for any period before such effective date.

SEC. 645. AUTHORITY FOR COST OF LIVING ADJUSTMENTS OF RETIRED PAY TREATED AS DIVISIBLE PROPERTY.

(a) IN GENERAL.—Section 1408 of title 10, United States Code, is amended—

(1) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively; and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) COST OF LIVING ADJUSTMENTS OF DIVISIBLE PROPERTY.—A court order under subsection (a)(2)(C) may provide for the adjustment of the amount, if expressed in dollars, payable from the disposable retired pay of a member at the same time and in the same manner as retired pay is adjusted to reflect changes in the Consumer Price Index under section 1401a of this title.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to court

orders that become effective after the end of the 90-day period beginning on the date of enactment of this Act.

SEC. 646. NOTICE AND COPY TO MEMBERS OF COURT ORDERS ON PAYMENT OF RETIRED PAY.

(a) WAIVER OF NOTICE.—Subsection (g) of section 1408 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''A person''; and

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

''(2) A member may waive receipt of notice on a court order otherwise required by paragraph (1). The waiver shall take such form and include such requirements as the Secretary concerned may prescribe.''.

(b) COPY OF COURT ORDER UPON REQUEST.—Such subsection is further amended—

(1) in paragraph (1), as designated by subsection (a)(1) of this section, by striking ''(together with a copy of such order)''; and

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

''(3) Upon the request of a member, written notice of a court order under paragraph (1) shall include a copy of the court order.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days

after the date of the enactment of this Act, and shall apply with respect to court orders received on or after such date.

SEC. 647. RETENTION OF ASSISTIVE TECHNOLOGY AND DEVICES BY CERTAIN MEMBERS OF THE ARMED FORCES AFTER SEPARATION FROM SERVICE.

(a) RETENTION AUTHORIZED.—Chapter 58 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1154. Retention of assistive technology and devices provided before separation

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of Defense, a member of the armed forces who is provided an assistive technology or assistive technology device while a member of the armed forces for a severe or debilitating illness or injury incurred or aggravated by such member on active duty may retain such assistive technology or assistive technology device after separation from the armed forces.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology' and 'assistive technology device' have the meaning given such terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 58 of such title is amended by adding at the end the following new item:

"1154. Retention of assistive technology and devices provided before separation.".

Subtitle E—Other Matters

SEC. 661. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE ARMY EVACUATED FROM A COMBAT ZONE FOR INPATIENT CARE.

(a) AUDIT REQUIRED.—

(1) IN GENERAL.—The Secretary of the Army shall conduct a complete audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the audit conducted under paragraph (1).

(3) REPORT ELEMENTS.—The report under paragraph (2) shall include the following:

(A) A list of each member of the Army described in paragraph (1) identified (in a manner that protects the privacy of members so listed) by—

(i) date of wound or injury on which inclusion of such member on the list is based; and

(ii) grade and unit designation as of such date.

(B) For each member so listed, a statement of any underpayment of each of any pay, allowance, or other monetary benefit to which such member was entitled during the period beginning on the date of such wound or injury and ending on April 30, 2006, including basic pay, hazardous duty pay, imminent danger pay, basic allowance for housing, basic allowance for subsistence, any family separation allowance, any tax exclusion for combat duty, and any other pay, allowance, or monetary benefit to which such member was entitled during such period.

(C) For each member so listed, a statement of any disbursements made to correct underpayments made to such member as identified under subparagraph (B).

(D) For each member so listed, a statement of any debts to the United States collected or pending collection from such member.

(E) For each member so listed, a statement of any reimbursements or debt relief granted to such member for a debt identified under subparagraph (D).

(F) For each member so listed who has applied to the United States for a relief of debt—

(i) a description of the nature of the debt for which relief was applied; and

(ii) a description of the disposition of the application, including, if granted, the date of disbursement for relief granted, and, if denied, the reasons for the denial.

(G) For each member so listed, a report of any referral of such member to a collection or credit agency.

(4) FORM.—The report under paragraph (2) shall be in unclassified form, but may include a classified annex.

(b) ASSISTANCE WITH PAY OR ACCOUNT DIFFICULTIES.—

(1) CALL ASSISTANCE CENTER.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall establish within the Department of Defense an assistance center, accessible by toll-free telephone call, through which a cov-

ered member of the Armed Forces, or the primary next of kin of such a member in the case of such a member who dies, may secure assistance in resolving difficulties relating to the military pay or accounts of such member.

(2) REQUESTS FOR ASSISTANCE.—A request for assistance under paragraph (1) may be made—

(A) by a covered member of the Armed Forces; or

(B) by the primary next of kin on behalf of, or with respect to, a covered member of the Armed Forces.

(3) RESPONSE TO REQUESTS FOR ASSISTANCE.—The Secretary shall ensure that, in providing assistance under paragraph (1) to a covered member of the Armed Forces or next of kin of such a member, personnel of the assistance center established under that paragraph—

(A) provide an initial response to the request for assistance under paragraph (2) not later than 10 days after receipt of such request; and

(B) provide a final response to the request for assistance under that paragraph not later than 30 days after receipt of such request.

(4) COVERED MEMBER OF THE ARMED FORCES DEFINED.—In this subsection, the term ''covered member of the Armed Forces'' means a member of the Armed Forces wounded or injured in a combat zone who is evacuated from a theater of operations for inpatient care.

TITLE VII—HEALTH CARE

Subtitle A—Benefits Matters

SEC. 701. IMPROVED PROCEDURES FOR CANCER SCREENING FOR WOMEN.

(a) PRIMARY AND PREVENTIVE HEALTH CARE SERVICES AUTHORITY.—Section 1074d of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''The services described in paragraphs (1) and (2) of subsection (b) shall be provided under such procedures and at such intervals as the Secretary of Defense shall prescribe.''; and

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following new paragraphs:

''(1) Cervical cancer screening.

''(2) Breast cancer screening.''.

(b) TRICARE PROGRAM.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of cervical cancer screenings and breast cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms'' and inserting ''cervical and breast cancer screenings''.

SEC. 702. NATIONAL MAIL-ORDER PHARMACY PROGRAM.

(a) AVAILABILITY OF REFILLS OF MAINTENANCE-TYPE MEDICATIONS SOLELY THROUGH PROGRAM.—

(1) IN GENERAL.—Subsection (a)(2) of section 1074g of title 10, United States Code, is amended—

(A) in subparagraph (E), by striking ''Pharmaceutical agents'' and inserting ''Except as provided in subparagraph (F), pharmaceutical agents''; and

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

''(F)(i) Effective April 1, 2007, refills of maintenance medications shall, except as provided under clause (ii), be available to eligible covered beneficiaries solely through the

national mail-order pharmacy program referred to in subparagraph (E)(iii).

''(ii) Under such regulations as the Secretary may prescribe under this subparagraph, refills of a maintenance medication may be available to covered eligible beneficiaries through means other than the national mail-order pharmacy program if clinical requirements make it advisable that such medication be available to such beneficiaries through such other means.

''(iii) The Secretary shall specify the pharmaceutical agents constituting maintenance medications for purposes of this subparagraph.''.

(2) CONFORMING AMENDMENT.—Subsection (f)(1) of such section is amended by striking ''subsection (a)(2)(E)'' and inserting ''subparagraphs (E) and (F) of subsection (a)(2)''.

(b) PROHIBITION ON COPAYMENTS FOR CERTAIN PHARMACEUTICALS AVAILABLE THROUGH PROGRAM.—Subsection (a)(6) of such section is amended by adding at the end the following new subparagraph:

''(C) In establishing the cost-sharing requirements, the Secretary may not impose any copayment or cost-sharing requirement with respect to the following:

''(i) Refills of generic medications.

"(ii) Brand name medications determined by a physician to be medically necessary.".

SEC. 703. AVAILABILITY UNDER TRICARE OF ANESTHESIA FOR CHILDREN IN CONNECTION WITH DENTAL PROCEDURES FOR WHICH DENTAL ANESTHESIA IS INAPPROPRIATE.

Section 1079(a)(1) of title 10, United States Code, is amended by inserting before the period at the end the following: ", except that, pursuant to such regulations as the Secretary of Defense may prescribe, hospitalization and professional services may be provided in connection with the anesthesia of a child under the age of six years for a dental procedure which, as determined by a qualified dental specialist, is necessary".

SEC. 704. TRICARE COVERAGE FOR FORENSIC EXAMINATIONS FOLLOWING SEXUAL ASSAULTS AND DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(17) Forensic examinations following a sexual assault or domestic violence may be provided.".

SEC. 705. PROHIBITION ON INCREASE IN FISCAL YEAR 2007 IN ENROLLMENT FEES FOR COVERAGE UNDER TRICARE PRIME.

(a) PROHIBITION.—Fees charged for enrollment in TRICARE Prime may not be increased during fiscal year 2007.

(b) TRICARE PRIME DEFINED.—In this section, the term ''TRICARE Prime'' means the managed care option of the TRICARE program.

SEC. 706. LIMITATION ON FISCAL YEAR 2007 INCREASE IN PREMIUMS FOR COVERAGE UNDER TRICARE OF MEMBERS OF RESERVE COMPONENTS WHO COMMIT TO CONTINUED SERVICE IN SELECTED RESERVE AFTER RELEASE FROM ACTIVE DUTY.

Any premium charged under subsection (d) of section 1076d of title 10, United States Code, for coverage under TRICARE of members of reserve components who commit to continued service in the Selected Reserve after release from active duty, as authorized by subsection (a) of such section, may not be increased during fiscal year 2007 by an amount which exceeds 2.2 percent of such premium as of September 30, 2006.

Subtitle B—Planning, Programming, and Management

SEC. 721. TREATMENT OF TRICARE RETAIL PHARMACY NETWORK UNDER FEDERAL PROCUREMENT OF PHARMACEUTICALS.

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

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

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

''(f) TRICARE RETAIL PHARMACY NETWORK.—The TRICARE Retail Pharmacy Network under the TRICARE program shall be treated as an element of the Department of Defense for purposes of the procurement of drugs by Federal agencies under section 8126 of title 38 in connection with the provision by pharmacies in the Network of pharmaceutical services to eligible covered beneficiaries under this section.''.

SEC. 722. RELATIONSHIP BETWEEN THE TRICARE PROGRAM AND EMPLOYER-SPONSORED GROUP HEALTH CARE PLANS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097b the following new section:

"§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

"(a) IN GENERAL.—(1) The TRICARE program is the secondary payer for any health care services provided by an employer to a TRICARE eligible employee of such employer, and the spouse of such employee, through any group health plan offered by such employer.

"(2) An employer shall provide that a TRICARE eligible employee of such employer, and the spouse of such employee, is entitled to benefits and services under the group health plan offered by such employer in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

"(3) An employer of a TRICARE eligible employee may not establish any condition applicable to the participation of the employee in a group health plan offered by such employer in connection with the entitlement of the employee for health care services under the TRICARE program, including any condition on—

"(A) the eligibility of the employee for participation in the plan; or

"(B) benefits or services available to the employee under the plan.

"(b) PROHIBITION ON INCENTIVES FOR TRICARE ELIGIBLE EMPLOYEES NOT TO ENROLL OR TO

1 DISENROLL IN GROUP HEALTH PLANS.—(1) An employer
2 may not offer a TRICARE eligible employee any financial
3 or other benefit (including health services coverage that
4 is supplemental to health services coverage under the
5 TRICARE program) not to enroll, or to disenroll, in the
6 group health plan offered by the employer in order to en-
7 sure that the TRICARE program, rather than the plan,
8 is the primary payer for health care services received by
9 the employee.

10 ''(2)(A) An employer who violates the prohibition in
11 paragraph (1) shall be liable to the United States for a
12 civil penalty in an amount not to exceed $5,000 for each
13 violation.

14 ''(B) Any amounts collected under this paragraph
15 shall be credited to the appropriation available for the
16 TRICARE program for the fiscal year in which such
17 amounts are collected.

18 ''(3)(A) Except as provided in subparagraph (B), the
19 provisions of section 1128A of the Social Security Act (42
20 U.S.C. 1320a–7a), other than subsections (a) and (b) of
21 such section 1128A, which provisions relate to procedures
22 for the imposition of civil money penalties for certain viola-
23 tions of the Social Security Act, shall apply to the imposi-
24 tion of penalties under paragraph (2).

1 "(B) The Secretary of Defense may provide in the
2 regulations prescribed under this section for the applica-
3 tion to the imposition of penalties under paragraph (2)
4 of procedural requirements specified in such regulations
5 rather than the procedural requirements referred to in
6 subparagraph (A). Any procedural requirements under
7 such regulations shall be comparable to the procedural re-
8 quirements referred to in subparagraph (A).

9 "(c) ELECTION OF TRICARE ELIGIBLE EMPLOYEES
10 TO PARTICIPATE IN GROUP HEALTH PLAN.—A
11 TRICARE eligible employee shall have the opportunity to
12 elect to participate in the group health plan offered by
13 the employer of the employee and receive primary coverage
14 for health care services under the plan in the same manner
15 and to the same extent as similarly situated employees of
16 such employer who are not TRICARE eligible employees.

17 "(d) INAPPLICABILITY TO CERTAIN EMPLOYERS.—
18 The provisions of this section do not apply to any employer
19 who has fewer than 20 employees.

20 "(e) RETENTION OF ELIGIBILITY FOR COVERAGE
21 UNDER TRICARE.—Nothing in this section, including an
22 election made by a TRICARE eligible employee under sub-
23 section (c), shall be construed to effect, modify, or termi-
24 nate the eligibility of a TRICARE eligible employee or
25 spouse of such employee for health care or dental services

1 under this chapter in accordance with the other provisions
2 of this chapter.

3 ''(f) COLLECTION OF INFORMATION.—(1) To improve
4 the administration of this section, the Secretary of De-
5 fense may utilize the authorities on collection of informa-
6 tion set forth in paragraphs (1) and (2) of section 1095(k)
7 of this title, including the authority in the second sentence
8 of paragraph (2) of such section.

9 ''(2) Information obtained pursuant to the use of the
10 authorities in paragraph (1) may not be disclosed for any
11 purpose of than to carry out the purpose of this section.

12 ''(g) OUTREACH.—The Secretary of Defense shall, in
13 coordination with the other administering Secretaries,
14 conduct outreach to inform covered beneficiaries who are
15 entitled to health care benefits under the TRICARE pro-
16 gram of the rights and responsibilities of such bene-
17 ficiaries and employers under this section.

18 ''(h) REGULATIONS.—The Secretary of Defense shall
19 prescribe regulations relating to the administration and
20 enforcement of this section. The regulations shall be pre-
21 scribed in consultation with the other administering Secre-
22 taries and the Attorney General, as appropriate.

23 ''(i) DEFINITIONS.—In this section:

24 ''(1) The term 'employer' includes a State or
25 unit of local government.

"(2) The term 'group health plan' means a group health plan (as that term is defined in section 5000(b)(1) of the Internal Revenue Code of 1986 without regard to section 5000(d) of the Internal Revenue Code of 1986).

"(3) The term 'primary payer' means a group health plan that provides a benefit that would be primary under section 1079(j)(1) or 1086(g) of this title.

"(4) The term 'secondary payer' means a plan or program whose medical benefits are payable only after a primary payer has provided medical benefits in accordance with applicable law and the plan of the primary payer.

"(5) The term 'TRICARE eligible employee' means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

"(j) EFFECTIVE DATE.—This section shall take effect on January 1, 2008.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097b the following new item:

"1097c. TRICARE program: relationship with employer-sponsored group health plans.".

SEC. 723. ENROLLMENT IN THE TRICARE PROGRAM.

(a) SYSTEM OF ENROLLMENT REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097c, as added by section 722(a) of this Act, the following new section:

"§ 1097d. TRICARE program: system of enrollment

''(a) ESTABLISHMENT OF SYSTEM.—Not later than October 1, 2007, the Secretary of Defense shall establish a universal system for enrollment of all beneficiaries who obtain health care services from military medical treatment facilities or civilian health care providers under the TRICARE program (in this section referred to as 'participating beneficiaries').

''(b) PURPOSES OF SYSTEM.—The purposes of the system required by subsection (a) shall be as follows:

''(1) To ensure the efficient administration of benefits under the TRICARE program, including the Standard option of TRICARE.

''(2) To ensure that the geographic distribution of healthcare providers under the TRICARE program meets the needs of participating beneficiaries for ready access to health care services under the program.

''(3) To promote the implementation of disease management and chronic care management programs authorized by the National Defense Author-

1 ization Act for Fiscal Year 2007 and other provi-
2 sions of law.
3 "(c) ELEMENTS.—The system required by subsection
4 (a) shall be subject to the following:
5 "(1) Enrollment is required for all benefits op-
6 tions under the TRICARE program.
7 "(2) A one-time enrollment fee (in the amount
8 of $25, in the case of an individual enrolling in self
9 only coverage, or $40, in the case of an individual
10 enrolling in self and family coverage) may be col-
11 lected for all participating beneficiaries who utilize
12 the Standard option of TRICARE, except that such
13 enrollment fee may not be collected from the fol-
14 lowing:
15 "(A) Dependents of members of the armed
16 forces on active duty.
17 "(B) Dependents of Reserves on extended
18 active duty pursuant to a call or order to active
19 duty of 30 days or more.
20 "(C) Participating beneficiaries who are
21 also eligible for benefits under the Medicare
22 program under title XVIII of the Social Secu-
23 rity Act (42 U.S.C. 1395 et seq.).

1 "(D) Participating beneficiaries enrolled in
2 TRICARE Reserve Select under section 1076d
3 of this title.
4 "(3) Enrollment in the system may occur at
5 any time.
6 "(4) Enrollment in the system shall be by a va-
7 riety of means utilizing a standard format.
8 "(d) ADMINISTRATION.—The Secretary shall provide
9 for the administration of the system in each region of the
10 TRICARE program by the TRICARE Regional Director
11 for such region.
12 "(e) HEALTH RISK ASSESSMENT.—(1) The Sec-
13 retary of Defense shall provide to each participating bene-
14 ficiary who enrolls in the system required by subsection
15 (a) a health risk assessment not later than 120 days after
16 the date of the enrollment of such participating beneficiary
17 in the system.
18 "(2) The Secretary shall provide health risk assess-
19 ments under paragraph (1) by any means that the Sec-
20 retary considers appropriate for purposes of this section.
21 "(f) CONSEQUENCES OF LACK OF PAYMENT OF EN-
22 ROLLMENT FEE.—(1) In the case of any participating
23 beneficiary who is subject to the payment of an enrollment
24 fee under the authority in subsection (c)(2), payment of
25 the enrollment fee shall, except as provided in paragraph

1 (2), be a condition for receipt of benefits under the
2 TRICARE program.

3 "(2) The Secretary of Defense may waive the applica-
4 bility of paragraph (1) to any participating beneficiary or
5 class of participating beneficiaries if the Secretary deter-
6 mines that the waiver is in the best interests of the United
7 States.

8 "(g) COMMUNICATIONS AND OUTREACH WITH EN-
9 ROLLEES.—(1) The Secretary of Defense shall, on a peri-
10 odic basis but not less often than annually, provide to par-
11 ticipating beneficiaries who are enrolled in the system re-
12 quired by subsection (a) information on current matters
13 relating to the TRICARE program, including information
14 on benefits available under the TRICARE program and
15 information on preventive health care services and other
16 practices intended to promote health and wellness among
17 such participating beneficiaries.

18 "(2) The Secretary shall, on a periodic basis, conduct
19 surveys or otherwise collect information on participating
20 beneficiaries enrolled in the system with respect to the fol-
21 lowing:

22 "(A) The satisfaction of such beneficiaries who
23 are participants in the option of the TRICARE pro-
24 gram known as TRICARE Standard with the nature

and scope of, and access to, health care services under that option.

"(B) Other health care insurance, if any, that is available to such beneficiaries.

"(C) Any other matters that the Secretary considers appropriate to improve health care benefits and access to health care services under the TRICARE program.

"(h) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the other administering Secretaries.".

(b) COMPTROLLER GENERAL REPORT ON SYSTEM.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the system of enrollment required by section 1097d of title 10, United States Code (as added by subsection (a)). The report shall include the following:

(1) An assessment of the progress made toward implementation of the system.

(2) A description and assessment of the integration of the system with the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the system by October 1, 2007.

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 1099 of title 10, United States Code, is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of such title is amended—

(1) by inserting after the item relating to section 1097c, as added by section 722(b) of this Act, the following new item:

"1097d. TRICARE program: system of enrollment.";

and

(2) by striking the item relating to section 1099.

SEC. 724. INCENTIVE PAYMENTS FOR THE PROVISION OF SERVICES UNDER THE TRICARE PROGRAM IN MEDICALLY UNDERSERVED AREAS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097d, as added by section 723(a) of this Act, the following new section:

"§ 1097e. TRICARE program: incentive payments for provision of services in medically underserved areas

"(a) INCENTIVE PAYMENTS AUTHORIZED.—(1) Commencing with the calendar quarter beginning on Jan-

1 uary 1, 2008, the Secretary of Defense, after consultation
2 with the other administering Secretaries, shall make in-
3 centive payments under this section to physicians partici-
4 pating in the TRICARE program in a medically under-
5 served area.

6 ''(2) Incentive payments payable under this section
7 shall be paid with respect to physician professional serv-
8 ices furnished in medically underserved areas.

9 ''(3) The incentive payment payable under this sec-
10 tion with respect to a physician professional service is in
11 addition to any other amounts payable for such service
12 under the TRICARE program.

13 ''(b) MEDICALLY UNDERSERVED AREA.—For pur-
14 poses of this section, a medically underserved area is ei-
15 ther of the following:

16 ''(1) A primary care scarcity county (with re-
17 spect to a primary care physician) or specialist care
18 scarcity county (with respect to any other physician)
19 identified by the Secretary of Health and Human
20 Services under section 1833(u)(4) of the Social Se-
21 curity Act (42 U.S.C. 1395l(u)(4)).

22 ''(2) A health professional shortage area identi-
23 fied by the Secretary of Health and Human Services
24 under section 1833(m)(1) of the Social Security Act
25 (42 U.S.C. 1395l(m)(1)).

"(c) AMOUNT OF INCENTIVE PAYMENT.—The amount of the incentive payment payable under subsection (a) with respect to a physician professional service is as follows:

"(1) In the case of a service furnished by a primary care physician in a primary care scarcity county or a service furnished by any other physician in a specialist care scarcity county covered by subsection (b)(1), an amount equal to 5 percent of the amount payable for the service under the TRICARE program.

"(2) In the case of a service furnished in an area covered by subsection (b)(2), an amount equal to 10 percent of the amount payable for the service under the TRICARE program.

"(3) In the case of a service provided in a location that is covered by both paragraphs (1) and (2) of subsection (b), an amount equal to 15 percent of the amount payable for the service under the TRICARE program.

"(d) LOCATION OF PROVISION OF SERVICE.—(1) For purposes of identifying the location in which a physician professional service is furnished for purposes of this section, the Secretary of Defense shall use the 5–digit postal ZIP code system.

"(2) If the 5–digit postal ZIP code for an area covers more than one county, the dominant county (as determined by the United States Postal Service or otherwise) shall be used to determine whether the postal ZIP code is in a scarcity county covered by subsection (b)(1).

"(e) FREQUENCY OF PAYMENT.—Incentive payments payable under this section shall be paid on a quarterly basis for incentive payments accrued during the previous calendar quarter.

"(f) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title, as amended by section 723(d)(1) of this Act, is further amended by inserting after the item relating to section 1097d the following new item:

"1097e. TRICARE program: incentive payments for provision of services in medically underserved areas.".

SEC. 725. STANDARDIZATION OF CLAIMS PROCESSING UNDER TRICARE PROGRAM AND MEDICARE PROGRAM.

(a) IN GENERAL.—Effective October 1, 2007, the claims processing requirements under the TRICARE program on the matters described in subsection (b) shall be

identical to the claims processing requirements under the Medicare program on such matters.

(b) COVERED MATTERS.—The matters described in this subsection are as follows:

(1) The utilization of single or multiple provider identification numbers for purposes of the payment of health care claims by Department of Defense contractors.

(2) The documentation required to substantiate medical necessity for items and services that are covered under both the TRICARE program and the Medicare program.

(c) IMMEDIATE COLLECTION FROM THIRD-PARTY PAYERS.—

(1) POLICY REQUIRED.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe in regulations a policy for the collection of amounts from third-party payers as authorized by section 1095 of title 10, United States Code, immediately upon the presentation of claims for health care services to the Department of Defense.

(2) OVERPAYMENT.—The policy required by subsection (a) shall include mechanisms for the

recoupment by third-party payers of amounts overpaid to the United States under the policy.

(d) ANNUAL REPORTS ON CLAIMS PROCESSING STANDARDIZATION.—

(1) IN GENERAL.—Not later than October 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each claims processing requirement listed in such report, a business case that justifies maintaining such requirement under the TRICARE program as a different claims processing requirement than that required under the Medicare program.

(e) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

(2) The term ''Medicare program'' means the program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(3) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 726. REQUIREMENTS FOR SUPPORT OF MILITARY TREATMENT FACILITIES BY CIVILIAN CONTRACTORS UNDER TRICARE.

(a) ANNUAL INTEGRATED REGIONAL REQUIREMENTS ON SUPPORT.—The Regional Director of each region under the TRICARE program shall develop each year integrated, comprehensive requirements for the support of military treatment facilities in such region that is provided by contract civilian health care and administrative personnel under the TRICARE program.

(b) PURPOSES.—The purposes of the requirements established under subsection (a) shall be as follows:

(1) To ensure consistent standards of quality in the support of military treatment facilities by contract civilian health care personnel under the TRICARE program.

(2) To identify targeted, actionable opportunities throughout each region of the TRICARE program for the most efficient delivery of health care and support of military treatment facilities.

(3) To ensure the most effective use of various available contracting methods in securing support of

military treatment facilities by civilian personnel under the TRICARE program, including resource-sharing and clinical support agreements, direct contracting, and venture capital investments.

(4) To achieve savings targets for each region under the TRICARE program.

(c) FACILITATION AND ENHANCEMENT OF CONTRACTOR SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to facilitate and enhance the support of military treatment facilities under the TRICARE program in order to assure maximum quality and productivity.

(2) ACTIONS.—In taking actions under paragraph (1), the Secretary shall—

(A) ensure approval by a Regional Director of all proposals for the support of military treatment facilities in the region concerned in accordance with the most current requirements established by such Regional Director under subsection (a);

(B) ensure the availability of adequate and sustainable funding support for projects which produce a return on investment to the military treatment facilities;

(C) ensure that a portion of any return on investment is returned to the military treatment facility to which such savings are attributable;

(D) require consistent standards of quality for contract civilian health care personnel providing support of military treatment facilities under the TRICARE program, including—

(i) consistent credentialing requirements among military treatment facilities; and

(ii) accreditation of health care staffing firms by the Joint Commission on the Accreditation of Health Care Organization Health Care Staffing Standards;

(E) remove financial disincentives for military treatment facilities and civilian contractors to initiate and sustain agreements for the support of military treatment facilities by such contractors under the TRICARE program;

(F) provide for a consistent process across all regions of the TRICARE program for developing cost benefit analyses of agreements for the support of military treatment facilities by civilian contractors under the TRICARE program based on actual cost and utilization data

within each region of the TRICARE program; and

(G) provide for a system for tracking the performance of each project for support of military treatment facilities by a civilian contractor under the TRICARE program.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1 each year, the Secretary shall submit to the congressional defense committees a report on the support of military treatment facilities by civilian contractors under the TRICARE program during the preceding fiscal year.

(2) ELEMENTS.—Each report shall set forth, for the fiscal year covered by such report, the following:

(A) The status of the support of military health treatment facilities that is provided by contract civilian health care personnel under the TRICARE program in each region of the TRICARE program.

(B) An assessment of the compliance of such support with regional requirements under subsection (a).

(C) The number and type of agreements for the support of military treatment facilities by contract civilian health care personnel.

(D) The standards of quality in effect under the requirements under subsection (a).

(E) The savings anticipated, and any savings achieved, as a result of the implementation of the requirements under subsection (a).

SEC. 727. UNIFORM STANDARDS FOR ACCESS TO HEALTH CARE SERVICES FOR WOUNDED OR INJURED SERVICEMEMBERS.

(a) UNIFORM STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations uniform standards for the access of wounded or injured members of the Armed Forces to health care services through the military health care system.

(b) MATTERS COVERED BY STANDARDS.—The standards required by subsection (a) shall establish uniform policy with respect to the following:

(1) The access of wounded or injured members of the Armed Forces to emergency care.

(2) The access of such members to surgical services.

(3) Waiting times for referrals and consultations of such members by medical personnel, dental

personnel, mental health specialists, and rehabilitative service specialists, including personnel and specialists with expertise in prosthetics and the in treatment of head, vision, and spinal cord injuries.

(4) Waiting times of such members for acute care and for routine follow-up care.

(c) REFERRAL TO PROVIDERS OUTSIDE MILITARY HEALTH CARE SYSTEM.—To the extent practicable, the Secretary shall require in the standards under subsection (a) that the standards be met through whatever means or mechanisms possible, including through the referral of members described in that subsection to health care providers outside the military health care system.

(d) TRACKING OF PERFORMANCE.—The standards required by subsection (a) shall require each Secretary concerned to establish mechanisms for tracking the performance of the military health care system under the jurisdiction of such Secretary in meeting the requirements for access of wounded or injured members of the Armed Forces to health care services set forth in such standards.

(e) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' has the meaning given that term in section 101(a) of title 10, United States Code.

SEC. 728. DISEASE AND CHRONIC CARE MANAGEMENT.

(a) PROGRAM REQUIRED.—Not later than October 1, 2007, the Secretary of Defense shall establish and implement throughout the military health care system a fully-integrated program on disease and chronic care management that provides, to the extent practicable, uniform policies and practices, and regional execution of such policies and practices, on disease management and chronic care management throughout that system, including both military hospitals and clinics and civilian healthcare providers.

(b) PURPOSES OF PROGRAM.—The purposes of the program required by subsection (a) are as follows:

(1) To facilitate the improvement of the health status of individuals under care in the military health care system.

(2) To ensure the availability of effective health care services in that system for individuals with diseases and other chronic conditions.

(3) To ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions.

(c) ELEMENTS.—The program required by subsection (a) shall meet the following requirements:

(1) Based on uniform policies prescribed by the Secretary under subsection (a), the program shall, at

a minimum, address the following chronic diseases and conditions:

(A) Diabetes.

(B) Cancer.

(C) Heart disease.

(D) Asthma.

(E) Chronic obstructive pulmonary disorder.

(F) Depression and anxiety disorders.

(2) The program shall meet nationally-recognized accreditation standards for disease and chronic care management.

(3) The program shall include specific outcome measures and objectives on disease and chronic care management.

(4) The program shall include strategies for disease and chronic care management for all beneficiaries, including beneficiaries eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), for whom the TRICARE program is not the primary payer for health care benefits.

(5) Activities under the program shall conform to applicable laws and regulations relating to the confidentiality of health care information.

(d) DESIGN OF CERTAIN PORTIONS OF PROGRAM.—As part of the program required under subsection (a), the Secretary may contract for the design of a disease and chronic care management program for the military health care system.

(e) ACTIONS TO FACILITATE PROGRAM.—In order to facilitate the carrying out of the program required by subsection (a), the Secretary shall—

(1) require a comprehensive analysis of the disease and chronic care management opportunities within each region of the TRICARE program, including within military treatment facilities and through contractors under the TRICARE program;

(2) ensure continuous, adequate funding of disease and chronic care management activities throughout the military health care system in order to achieve maximum health outcomes and cost avoidance;

(3) eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors of the Department of Defense in the disease and chronic care management activities of the Department;

(4) ensure that appropriate clinical and claims data, including pharmacy utilization data, is available for use in implementing the program;

(5) ensure outreach to eligible beneficiaries, who, on the basis of their clinical conditions, are candidates for the program utilizing print and electronic media, telephone, and personal interaction; and

(6) provide a system for monitoring improvements in health status and clinical outcomes under the program and savings associated with the program.

(f) COMPTROLLER GENERAL REPORT.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the program required by subsection (a). The report shall include the following:

(1) An assessment of the progress made toward implementation of the program.

(2) A description and assessment of the integration of disease and chronic care management strategies in the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the program by October 1, 2007.

(g) SECRETARY OF DEFENSE REPORTS.—

(1) IN GENERAL.—Not later than January 1, 2008, and every year thereafter, the Secretary shall submit to the congressional defense committees a report on the program required by subsection (a).

(2) REPORT ELEMENTS.—Each report required by this subsection shall include the following:

(A) An assessment of the program during the one-year period ending on the date of such report.

(B) A description and assessment of improvements in health status and clinical outcomes.

(C) A description of the savings and return on investment associated with the program.

(D) A description of an investment strategy to assure the sustainment of the disease and chronic care management programs of the Department of Defense.

SEC. 729. POST-DEPLOYMENT HEALTH ASSESSMENTS FOR MEMBERS OF THE ARMED FORCES RETURNING FROM DEPLOYMENT IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe in regulations requirements applicable to the conduct of post-deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation.

(b) GENERAL REQUIREMENTS.—The regulations prescribed under subsection (a) shall require the following:

(1) That a health assessment be conducted on each member of the Armed Forces returning from deployment in support of a contingency operation within such time after the return of such member from deployment as the Secretary shall specify in the regulations.

(2) That each health assessment be conducted by a healthcare provider having such qualifications as the Secretary shall specify in the regulations.

(3) That each health assessment assess such health-related matters as the Secretary shall specify in the regulations, including an assessment of mental health for referral of a member for further eval-

uation relating to mental health (including evaluation of the effects of combat or operational stress).

(4) That the results of each health assessment be stored in a centralized data base maintained by the Secretary under this section.

(c) ASSESSMENTS OF MENTAL HEALTH.—

(1) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—The regulations prescribed under subsection (a) shall include—

(A) criteria to be utilized by healthcare providers in determining whether to refer a member of the Armed Forces for further evaluation relating to mental health;

(B) mechanisms to ensure that healthcare providers are trained in the application of such criteria in making such determinations; and

(C) mechanisms for oversight to ensure that healthcare providers apply such criteria consistently.

(2) AVAILABILITY OF REFERRAL.—Under the regulations, a copy of a referral of a member for further evaluation relating to mental health shall be—

(A) provided to the member;

(B) placed in the healthcare record of the member that is maintained by the Department of Defense; and

(C) provided to the healthcare manager of the member.

(3) TRACKING MECHANISMS.—The regulations shall include mechanisms to ensure that a member who receives a referral for further evaluation relating to mental health receives such evaluation and obtains such care and services as are warranted.

(4) QUALITY ASSURANCE.—The regulations shall include a requirement that the Department address, as part of the deployment health assessment quality assurance program of the Department, the following:

(A) The types of healthcare providers conducting post-deployment health assessments.

(B) The training received by such providers applicable to the conduct of such assessments, including training on assessments and referrals relating to mental health.

(C) The guidance available to such providers on how to apply the criteria prescribed under paragraph (1)(A) in determining whether to make a referral for further evaluation of a

member of the Armed Forces relating to mental health.

(D) The effectiveness of the tracking mechanisms required under paragraph (3) in ensuring that members who receive referrals for further evaluations relating to mental health receive such evaluations and obtain such care and services as are warranted.

(d) COMPTROLLER GENERAL REPORTS ON IMPLEMENTATION OF REQUIREMENTS.—

(1) STUDY ON IMPLEMENTATION.—The Comptroller General of the United States shall carry out a study of the implementation of the requirements prescribed under this section.

(2) PERIODIC EVALUATION OF MENTAL HEALTH ASSESSMENT PROCESSES.—The Comptroller General shall, on a periodic basis, evaluate the following:

(A) The compliance of the Department of Defense and healthcare providers with the requirements under this section applicable to the assessment and referral of members of the Armed Forces relating to mental health.

(B) The effectiveness of the processes under such requirements in addressing the

mental health care needs of members returning from deployments overseas.

(3) REPORTS.—(A) Not later than March 1, 2007, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study carried out under paragraph (1).

(B) Upon completion of an evaluation under paragraph (2), the Comptroller General shall submit to the committees of Congress referred to in subparagraph (A) a report on such evaluation.

(e) CONTINGENCY OPERATION DEFINED.—In this section, the term ''contingency operation'' has the meaning given that term in section 101(a)(13) of title 10, United States Code.

Subtitle C—Studies and Reports

SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND TREATMENT OF POST TRAUMATIC STRESS DISORDER AND OTHER MENTAL HEALTH CONDITIONS.

(a) PILOT PROJECTS REQUIRED.—The Secretary of Defense shall carry out not less than three pilot projects to evaluate the efficacy of various approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post

1 Traumatic Stress Disorder (PTSD) and other mental
2 health conditions.

3 (b) DURATION.—The requirement to carry out pilot
4 projects under this section shall commence on October 1,
5 2007. Any pilot projects carried out under this section
6 shall cease on September 30, 2008.

7 (c) PILOT PROJECT REQUIREMENTS.—

8 (1) MOBILIZATION-DEMOBILIZATION FACIL-
9 ITY.—

10 (A) IN GENERAL.—One of the pilot
11 projects under this section shall be carried out
12 at a military medical facility at a large military
13 installation at which the mobilization or demo-
14 bilization of members of the Armed Forces oc-
15 curs.

16 (B) ELEMENTS.—The pilot project under
17 this paragraph shall be designed to evaluate
18 and produce effective diagnostic and treatment
19 approaches for use by primary care providers in
20 the military health care system in order to im-
21 prove the capability of such providers to diag-
22 nose and treat Post Traumatic Stress Disorder
23 in a manner that avoids the referral of patients
24 to specialty care by a psychiatrist or other men-
25 tal health professional.

(2) NATIONAL GUARD OR RESERVE FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at the location of a National Guard or Reserve unit or units that are located more than 40 miles from a military medical facility and whose personnel are served primarily by civilian community health resources.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed—

(i) to evaluate approaches for providing evidence-based clinical information on Post Traumatic Stress Disorder to civilian primary care providers; and

(ii) to develop educational materials and other tools for use by members of the National Guard or Reserve who come into contact with other members of the National Guard or Reserve who may suffer from Post Traumatic Stress Disorder in order to encourage and facilitate early reporting and referral for treatment.

(3) INTERNET-BASED DIAGNOSIS AND TREATMENT.—One of the pilot projects under this section shall be designed to evaluate—

(A) Internet-based automated tools available to military and civilian health care providers for the early diagnosis and treatment of Post Traumatic Stress Disorder, and for tracking patients who suffer from Post Traumatic Stress Disorder; and

(B) Internet-based tools available to family members of members of the Armed Forces in order to assist such family members in the identification of the emergence of Post Traumatic Stress Disorder.

(d) EVALUATION OF PILOT PROJECTS.—The Secretary shall evaluate each pilot project carried out under this section in order to assess the effectiveness of the approaches taken under such pilot project—

(1) to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the regular components of the Armed Forces, and among members of the National Guard and Reserves, who have returned from deployment; and

(2) to provide outreach to the family members of the members of the Armed Forces described in

paragraph (1) on Post Traumatic Stress Disorder and other mental health conditions among such members of the Armed Forces.

(e) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—Not later than December 31, 2008, the Secretary shall submit to the congressional defense committees a report on the pilot projects carried out under this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of each pilot project carried out under this section.

(B) An assessment of the effectiveness of the approaches taken under each pilot project to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces.

(C) Any recommendations for legislative or administrative action that the Secretary considers appropriate in light of the pilot projects, including recommendations on—

(i) the training of health care providers in the military and civilian health

care systems on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions; and

(ii) the provision of outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserves who have returned from deployment.

(D) A plan, in light of the pilot projects, for the improvement of the health care services provided to members of the Armed Forces in order to better assure the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces, including a specific plan for outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserve who have returned from deployment in order to facilitate and enhance the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among such members of the National Guard and Reserves.

(f) FUNDING.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 303(a) for the Defense Health Program, $10,000,000 shall be available for pilot projects under this section.

(2) AVAILABILITY.—The amount available under paragraph (1) shall remain available until expended.

SEC. 742. ANNUAL REPORTS ON CERTAIN MEDICAL MALPRACTICE CASES.

(a) ANNUAL REPORTS TO SECRETARY OF DEFENSE.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1, 2007, and annually thereafter, each Secretary of a military department shall submit to the Secretary of Defense a report on the following:

(A) Each case (other than a case involving the treatment of a member of the Armed Forces on active duty) during the preceding calendar year in which—

(i) a complaint or claim was made of medical malpractice committed in a medical treatment facility of such military department or by a health care provider of or employed by such military department; and

(ii) either—

(I) a judgment was entered against the United States in the amount of $1,000,000 or more; or

(II) an award, compromise, or settlement was entered into by the United States requiring payment by the United States in the amount of $1,000,000 or more.

(B) Each case during the preceding calendar year in which the death of, or serious personal injury to, a member of the Armed Forces on active duty occurred as a result of medical malpractice while the member was a patient in a medical treatment facility of such military department or under the care of a health care provider of or employed by such military department.

(2) REQUIRED INFORMATION.—The information required in a report under paragraph (1) on a case covered by such paragraph shall include the following:

(A) A description of the medical malpractice involved.

(B) A description of the actions, if any, taken with respect to the continued practice in the military health care system of the health care professionals involved.

(b) TRANSMITTAL OF REPORTS TO CONGRESS.—

(1) TRANSMITTAL REQUIRED.—Not later than April 1, 2007, and annually thereafter, the Secretary of Defense shall transmit to the congressional defense committees the reports submitted to the Secretary by the Secretaries of the military departments in such year.

(2) TRANSMITTAL MATTERS.—In transmitting reports for a year under paragraph (1), the Secretary may include with such reports the following:

(A) Any information or recommendations with respect to the matters covered by such reports that the Secretary considers appropriate.

(B) A summary of the actions taken during the year to address medical malpractice in the military health care system.

(c) DISCLOSURE OF INFORMATION.—In submitting or transmitting reports under this section, the Secretaries of the military departments and the Secretary of Defense shall ensure that the information contained in such re-

ports is suitable for disclosure to the public, taking into account the provisions of law as follows:

(1) Section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act'').

(2) Laws relating to the protection and confidentiality of medical quality assurance records, including the provisions of section 1102 of title 10, United States Code.

(3) Any other laws relating to the protection and confidentiality of medical records.

SEC. 743. COMPTROLLER GENERAL STUDY ON DEPARTMENT OF DEFENSE PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the Department of Defense pharmacy benefits program required by section 1074g of title 10, United States Code.

(b) ELEMENTS.—The study required by subsection (a) shall include an examination of the following:

(1) The cost of the Department of Defense pharmacy benefits program since the inception of the program.

(2) The relative costs of various options under the program.

(3) The copayment structure under the program.

(4) The effectiveness of the rebate system under the program as a way of passing on discounts received by the Federal Government in the purchase of pharmaceutical agents.

(5) The uniform formulary under the program, including the success of the formulary in achieving savings anticipated through use of the formulary.

(6) Various alternative means of purchasing pharmaceutical agents more efficiently for availability under the program.

(7) The composition and decision-making processes of the Pharmacy and Therapeutics Committee.

(8) The composition of the Beneficiary Advisory Panel and its history as an advisory panel under the program (including the frequency of the acceptance of its recommendations by the Secretary of Defense).

(9) Quality assurance mechanisms under the program.

(10) The role of the program in support of the disease and chronic care management programs of the Department of Defense.

(11) Mechanisms for customer service and customer feedback under the program.

(12) Beneficiary satisfaction with the program.

(c) RESPONSE TO CERTAIN FINDINGS.—

(1) PHARMACY AND THERAPEUTICS COMMITTEE.—The Pharmacy and Therapeutics Committee shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(7); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and decision-making processes of the Committee as the Committee considers appropriate in light of such results in order to improve the efficiency of such processes.

(2) BENEFICIARY ADVISORY PANEL.—The Beneficiary Advisory Panel shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(8); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and advisory functions of the Panel

as the Panel considers appropriate in light of such results in order to—

(i) ensure the independence and consumer focus of the Panel;

(ii) ensure the participation of the Panel as an advisory board throughout implementation of the Department of Defense pharmacy benefits program; and

(iii) achieve more effective communication between the Secretary and the Panel.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the study required by subsection (a). The report shall include such recommendations as the Comptroller General considers appropriate for legislative or administrative action to improve the Department of Defense pharmacy benefits program in light of the study.

SEC. 744. COMPTROLLER GENERAL AUDITS OF DEPARTMENT OF DEFENSE HEALTH CARE COSTS AND COST-SAVING MEASURES.

(a) GENERAL AUDIT REQUIRED.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the

1 health care costs and cost-saving measures of the
2 Department of Defense in accordance with this sub-
3 section. The Comptroller General shall conduct the
4 audit in conjunction with the Department of Defense
5 initiative to manage future medical benefits available
6 through the Department known as ''Sustain the
7 Benefit''.

8 (2) ELEMENTS.—The audit required by para-
9 graph (1) shall examine the following:

10 (A) The basis for the calculation by the
11 Department of Defense of the portion of the
12 costs of health care benefits provided by the
13 Department to beneficiaries that were paid by
14 such beneficiaries in each of 1995 and 2005, in-
15 cluding—

16 (i) a comparison of the cost to the De-
17 partment of providing such benefits in
18 each of 1995 and 2005;

19 (ii) the explanation for any increases
20 in the costs of the Department of pro-
21 viding such benefits between 1995 and
22 2005; and

23 (iii) a comparison of the amounts
24 paid, by category of beneficiaries, for
25 health care benefits in 1995 with the

1 amounts paid, by category of beneficiaries,
2 for such benefits in 2005.
3 (B) The calculations and assumptions uti-
4 lized by the Department in estimating the sav-
5 ings anticipated through the implementation of
6 proposed increases in cost-sharing for health
7 care benefits beginning in 2007.
8 (C) The average annual rate of increase,
9 based on inflation, of medical costs for the De-
10 partment under the Defense Health Program.
11 (D) The annual rate of growth in the cost
12 of the Defense Health Program that is attrib-
13 utable to inflation in the cost of medical serv-
14 ices over the last five years and how such rate
15 of growth compares with annual rates of in-
16 creases in health care premiums under the Fed-
17 eral Employee Health Benefit Program and
18 other health care programs as well as rates of
19 growth of other health care cost indices over
20 that time.
21 (E) The assumptions utilized by the De-
22 partment in estimating savings associated with
23 adjustments in copayments for pharmaceuticals.

(F) The costs of the administration of the Defense Health Program and the TRICARE program for all categories of beneficiaries.

(c) AUDIT OF TRICARE RESERVE SELECT PROGRAM.—

(1) IN GENERAL.—In addition to the audit required by subsection (a), the Comptroller General shall conduct an audit of the costs of the Department of Defense in implementing the TRICARE Reserve Select Program.

(2) ELEMENTS.—The audit required by paragraph (1) shall include an examination of the following:

(A) A comparison of the annual premium amounts established by the Department of Defense for the TRICARE Reserve Select Program with the actual costs of the Department in providing benefits under that program in fiscal years 2004 and 2005.

(B) The rate of inflation of health care costs of the Department during fiscal years 2004 and 2005, and a comparison of that rate of inflation with the annual increase in premiums under the TRICARE Reserve Select Program in January 2006.

(C) A comparison of the financial and health-care utilization assumptions utilized by the Department in establishing premiums under the TRICARE Reserve Select Program with actual experiences under that program in the first year of the implementation of that program.

(3) TRICARE RESERVE SELECT PROGRAM DEFINED.—In this section, the term ''TRICARE Reserve Select Program'' means the program carried out under section 1074d of title 10, United States Code.

(d) USE OF INDEPENDENT EXPERTS.—Notwithstanding any other provision of law, in conducting the audits required by this section, the Comptroller General may engage the services of appropriate independent experts, including actuaries.

(e) REPORT.—Not later than April 1, 2007, the Comptroller General shall submit to the congressional defense committees a report on the audits conducted under this section. The report shall include—

(1) the findings of the Comptroller General as a result of the audits; and

(2) such recommendations as the Comptroller General considers appropriate in light of such findings to ensure maximum efficiency in the adminis-

tration of the health care benefits programs of the Department of Defense.

SEC. 745. REVIEW OF DEPARTMENT OF DEFENSE MEDICAL QUALITY IMPROVEMENT PROGRAM.

(a) REVIEW REQUIRED.—The Secretary of Defense shall enter into a contract with the Institute of Medicine of the National Academy of Sciences, or another similarly qualified independent academic medical organization, for the purpose of conducting an independent review of the Department of Defense medical quality improvement program.

(b) ELEMENTS.—The review required pursuant to subsection (a) shall include the following:

(1) An assessment of the methods used by the Department of Defense to monitor medical quality in services provided in military hospitals and clinics and in services provided in civilian hospitals and providers under the military health care system.

(2) An assessment of the transparency and public reporting mechanisms of the Department on medical quality.

(3) An assessment of how the Department incorporates medical quality into performance measures for military and civilian health care providers within the military health care system.

(4) An assessment of the patient safety programs of the Department.

(5) A description of the extent to which the Department seeks to address particular medical errors, and an assessment of the adequacy of such efforts.

(6) An assessment of accountability within the military health care system for preventable negative outcomes involving negligence.

(7) An assessment of the performance of the health care safety and quality measures of the Department.

(8) An assessment of the collaboration of the Department with national initiatives to develop evidence-based quality measures and intervention strategies, especially the initiatives of the Agency for Health Care Research and Quality within the Department of Health and Human Services.

(9) A comparison of the methods, mechanisms, and programs and activities referred to in paragraphs (1) through (8) with similar methods, mechanisms, programs, and activities used in other public and private health care systems and organizations.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Sec-

retary shall submit to the congressional defense committees a report on the review required pursuant to subsection (a).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the review required pursuant to subsection (a).

(B) A discussion of recent highlights in the accomplishments of the Department of Defense medical quality assurance program.

(C) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of the program.

Subtitle D—Other Matters

SEC. 761. EXTENSION OF LIMITATION ON CONVERSION OF MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

Section 744(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3360; 10 U.S.C. 129c note) is amended—

(1) by inserting ''in a fiscal year'' before ''until'';

(2) by inserting ''with respect to that fiscal year'' after ''House of Representatives''; and

(3) by striking the last sentence and inserting the following new sentences: ''The certification with respect to fiscal year 2007 may not be submitted before June 30, 2006. The certification with respect to any fiscal year after fiscal year 2007 shall be submitted at the same time the budget of the President for such fiscal year is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.''.

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

Subtitle A—Acquisition Policy and Management

SEC. 801. ADDITIONAL CERTIFICATION REQUIREMENTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ADDITIONAL CERTIFICATION REQUIREMENTS.—Subsection (a) of section 2366a of title 10, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) redesignating paragraph (7) as paragraph (10); and

(3) by inserting after paragraph (6) the following new paragraphs:

''(7) the program is needed to meet validated requirements consistent with the national military strategy;

''(8) reasonable estimates have been developed to execute the product development and production plan under the program;

''(9) funding is available to execute the product development and production plan under the program consistent with the estimates described in paragraph (8) for the program; and''.

(b) WAIVER FOR NATIONAL SECURITY.—Subsection (c) of such section is amended by striking ''(5), or (6)'' and inserting ''(5), (6), (7), (8), or (9)''.

SEC. 802. EXTENSION AND ENHANCEMENT OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) PRIORITY FOR PROPOSALS FROM CERTAIN BUSINESSES.—Paragraph (5) of subsection (b) of section 2359b of title 10, United States Code, is amended to read as follows:

''(5) The Under Secretary—

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

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

(b) EXTENSION.—Subsection (j) of such section is amended by striking "September 30, 2007" and inserting "September 30, 2012".

SEC. 803. BASELINE DESCRIPTION AND UNIT COST REPORTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) SPECIFICATION OF ORIGINAL BASELINE ESTIMATE.—Section 2435(d)(1) of title 10, United States Code, is amended by inserting after "with respect to the program under subsection (a)" the following: "in preparation for entry into system development and demonstration, or at program initiation, whichever occurs later".

(b) REPORTS TO CONGRESS ON CERTAIN COST INCREASES.—Section 2433(e)(1) of such title is amended by adding at the end the following new subparagraph:

"(C) If the Secretary concerned determines that the program acquisition unit cost or procurement unit cost of a major defense acquisition program has increased by a percentage equal to or greater than the significant cost growth threshold for the program and a Selected Acquisition Report has been submitted to Congress under subparagraph (A) or (B), each subsequent quarterly or comprehensive annual Selected Acquisition Report shall include the information required by subsection (g). No further report on increases in the program acquisition unit cost or procurement unit cost shall be required under subsection (c) or (d) unless the program manager has reasonable cause to believe that the program acquisition unit cost or procurement unit cost has increased by a percentage equal to or greater than the critical cost growth threshold.".

SEC. 804. MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.

(a) REPORTS AND INFORMATION ON PROGRAM COST AND PERFORMANCE.—

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144 the following new chapter:

"CHAPTER 144A—MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS

"Sec.
"2445a. Major automated information system program defined.
"2445b. Cost, schedule, and performance information.
"2445c. Reports: quarterly reports; reports on program changes.
"2445d. Construction with other reporting requirements.

"§ 2445a. Major automated information system program defined

"(a) IN GENERAL.—In this chapter, the term 'major automated information system program' means a Department of Defense program for the acquisition of an automated information system (either as a product or a service) if—

"(1) the program is designated by the Secretary of Defense, or a designee of the Secretary, as a major automated information system program; or

"(2) the dollar value of the program is estimated to exceed—

"(A) $32,000,000 in fiscal year 2000 constant dollars for all program costs in a single fiscal year;

"(B) $126,000,000 in fiscal year 2000 constant dollars for all program acquisition costs for the entire program; or

"(C) $378,000,000 in fiscal year 2000 constant dollars for the total life-cycle costs of the

program (including operation and maintenance costs).

"(b) ADJUSTMENT.—The Secretary of Defense may adjust the amounts (and base fiscal year) set forth in subsection (a) on the basis of Department of Defense escalation rates. An adjustment under this subsection shall be effective after the Secretary transmits a written notification of the adjustment to the congressional defense committees.

"§ 2445b. Cost, schedule, and performance information

"(a) SUBMITTAL OF COST, SCHEDULE, AND PERFORMANCE INFORMATION.—The Secretary of Defense shall submit to Congress each calendar year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, budget justification documents regarding cost, schedule, and performance for each major automated information system program for which funds are requested by the President in the budget.

"(b) ELEMENTS.—The documents submitted under subsection (a) with respect to a major automated information system program shall include detailed and summarized information with respect to the automated informa-

tion system to be acquired under the program, and shall specifically include each of the following:

"(1) The development schedule, including major milestones.

"(2) The implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability

"(3) Estimates of development costs and full life-cycle costs.

"(4) A summary of key performance parameters.

"§ 2445c. Reports: quarterly reports; reports on program changes

"(a) QUARTERLY REPORTS BY PROGRAM MANAGERS.—The program manager of a major automated information system program shall, on a quarterly basis, submit to the senior Department of Defense official responsible for the program a written report identifying any variance in the projected development schedule, implementation schedule, life-cycle costs, or key performance parameters for the major automated information system to be acquired under the program from such information as originally submitted to Congress under section 2445b of this title.

"(b) SENIOR OFFICIALS RESPONSIBLE FOR PROGRAMS.—For purposes of this section, the senior Department of Defense official responsible for a major automated information system program is—

"(1) in the case of an automated information system to be acquired for a military department, the senior acquisition executive for the military department; or

"(2) in the case of any other automated information system to be acquired for the Department of Defense or any component of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(c) REPORT ON SIGNIFICANT CHANGES IN PROGRAM.—

"(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 45 days after receiving such report, notify the congressional defense committees in writing of such determination.

"(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

"(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

"(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than 25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

"(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

"(d) REPORT ON CRITICAL CHANGES IN PROGRAM.—

"(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

"(A) carry out an evaluation of the program under subsection (e); and

"(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

"(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

"(A) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

"(B) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

"(C) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally submitted to Congress under section 2445b(b) of this title.

"(e) PROGRAM EVALUATION.—The evaluation of a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(A) shall include an assessment of—

"(1) the projected cost and schedule for completing the program if current requirements are not modified;

"(2) the projected cost and schedule for completing the program based on reasonable modification of such requirements; and

"(3) the rough order of magnitude of the cost and schedule for any reasonable alternative system or capability.

"(f) REPORT ON CRITICAL PROGRAM CHANGES.—A report on a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(B) shall include a written certification (with supporting explanation) stating that—

"(1) the automated information system to be acquired under the program is essential to the national security or to the efficient management of the Department of Defense;

"(2) there is no alternative to the system which will provide equal or greater capability at less cost;

"(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

"(4) the management structure for the program is adequate to manage and control program costs.

"§ 2445d. Construction with other reporting requirements

"In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no re-

ports on the program are required under such chapter if the requirements of this chapter with respect to the program are met.''.

(2) CLERICAL AMENDMENTS.—The tables of chapters the beginning of subtitle A of such title, and of part IV of subtitle A of such title, are each amended by inserting after the item relating to chapter 144 the following new item:

''144A. Major Automated Information System Programs ...2445a''.

(b) REPORT ON REPORTING REQUIREMENTS APPLICABLE TO MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the reporting requirements applicable to major automated information system programs as of the date of the report, including a specification of such reporting requirements considered by the Secretary to be duplicative or redundant.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on January 1, 2008, and shall apply with respect to any major automated information system program for which amounts are requested in the budget of the President (as submitted to Congress under section 1105 of title 31,

United States Code) for a fiscal year after fiscal year 2008, regardless of whether the acquisition of the automated information system to be acquired under the program was initiated before, on, or after January 1, 2008.

(2) REPORT REQUIREMENT.—Subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 805. ADJUSTMENT OF ORIGINAL BASELINE ESTIMATE FOR MAJOR DEFENSE ACQUISITION PROGRAMS EXPERIENCING COST GROWTH RESULTING FROM DAMAGE CAUSED BY HURRICANES KATRINA, RITA, AND WILMA.

(a) ADJUSTMENT AUTHORIZED.—Notwithstanding any limitations under section 2435(d) of title 10, United States Code, the Secretary of Defense may adjust the original Baseline Estimate for a major defense acquisition program that is carried out primarily in the Hurricane Katrina disaster area, Hurricane Rita disaster area, or Hurricane Wilma disaster area for the sole purpose of addressing cost growth in such program that, as determined by the Secretary, is directly attributable to damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma.

(b) NOTICE TO CONGRESS.—The Secretary shall identify any adjustment to the original Baseline Estimate of a major defense acquisition program under subsection (a), and provide an explanation of the basis for such adjustment, in the first Selected Acquisition Report that is submitted under section 2432 of title 10, United States Code, after such adjustment is made.

(c) SUNSET.—The authority to adjust an original Baseline Estimate for a major defense acquisition program under subsection (a) shall expire on the date that is one year after the date of the enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) The term ''major defense acquisition program'' has the meaning given that term in section 2430 of title 10, United States Code.

(2) The term ''original Baseline Estimate'', in the case of a major defense acquisition program, means the first baseline description for the program established under section 2435(a) of title 10, United States Code.

(3) The terms ''Hurricane Katrina disaster area'', ''Hurricane Rita disaster area'', and ''Hurricane Wilma disaster area'' have the meaning given such terms in section 1400M of the Internal Revenue Code of 1986.

SEC. 806. INTERNAL CONTROLS FOR PROCUREMENTS ON BEHALF OF THE DEPARTMENT OF DEFENSE BY CERTAIN NON-DEFENSE AGENCIES.

(a) INSPECTOR GENERAL REVIEWS AND DETERMINATIONS.—

(1) IN GENERAL.—For each covered non-defense agency, the Inspector General of the Department of Defense and the Inspector General of such non-defense agency shall, not later than March 15, 2007, jointly—

(A) review—

(i) the procurement policies, procedures, and internal controls of such non-defense agency that are applicable to the procurement of property and services on behalf of the Department by such non-defense agency; and

(ii) the administration of those policies, procedures, and internal controls; and

(B) determine in writing whether—

(i) such non-defense agency is compliant with defense procurement requirements;

(ii) such non-defense agency is not compliant with defense procurement requirements, but has a program or initiative

to significantly improve compliance with defense procurement requirements;

(iii) neither of the conclusions stated in clauses (i) and (ii) is correct in the case of such non-defense agency; or

(iv) such non-defense agency is not compliant with defense procurement requirements to such an extent that the interests of the Department of Defense are at risk in procurements conducted by such non-defense agency.

(2) ACTIONS FOLLOWING CERTAIN DETERMINATIONS.—If the Inspectors General determine under paragraph (1) that the conclusion stated in clause (ii), (iii), or (iv) of subparagraph (B) of that paragraph is correct in the case of a covered non-defense agency, such Inspectors General shall, not later than June 15, 2008, jointly—

(A) conduct a second review, as described in subparagraph (A) of that paragraph, regarding such non-defense agency's procurement of property or services on behalf of the Department of Defense in fiscal year 2007; and

(B) determine in writing whether such non-defense agency is or is not compliant with defense procurement requirements.

(b) COMPLIANCE WITH DEFENSE PROCUREMENT REQUIREMENTS.—For the purposes of this section, a covered non-defense agency is compliant with defense procurement requirements if such non-defense agency's procurement policies, procedures, and internal controls applicable to the procurement of products and services on behalf of the Department of Defense, and the manner in which they are administered, are adequate to ensure such non-defense agency's compliance with the requirements of laws and regulations that apply to procurements of property and services made directly by the Department of Defense.

(c) MEMORANDA OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of each covered non-defense agency shall enter into a memorandum of understanding with each other to carry out the reviews and make the determinations required by this section.

(2) SCOPE OF MEMORANDA.—The Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency may by mutual agreement conduct separate reviews of the procurement of property and services on behalf of the Department of Defense that are conducted by separate business units, or under separate governmentwide acquisition contracts, of such non-defense agency. In any case where such separate reviews are conducted, the Inspectors General shall make separate determinations under paragraph (1) or (2) of subsection (a), as applicable, with respect to each such separate review.

(d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF DEPARTMENT OF DEFENSE.—

(1) LIMITATION DURING REVIEW PERIOD.—After March 15, 2007, and before June 16, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency for which a determination described in clause (iii) or (iv) of paragraph (1)(B) of subsection (a) has been made under subsection (a).

(2) LIMITATION AFTER REVIEW PERIOD.—After June 15, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency that, having been subject to review under this section, has not been determined under this section as being compliant with defense procurement requirements.

(3) LIMITATION FOLLOWING FAILURE TO REACH MOU.—Commencing on the date that is 60 days after the date of the enactment of this Act, if a memorandum of understanding between the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency cannot be attained causing the review required by this section to not be performed, no official of the Department of Defense, except as provided in subsection (e) or (f), may order, purchase or otherwise procure property or services in an amount in excess of $100,000 through such non-defense agency.

(e) EXCEPTION FROM APPLICABILITY OF LIMITATIONS.—

(1) EXCEPTION.—No limitation applies under subsection (d) with respect to the procurement of

property and services on behalf of the Department of Defense by a covered non-defense agency during any period that there is in effect a determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, made in writing, that it is necessary in the interest of the Department of Defense to continue to procure property and services through such non-defense agency.

(2) APPLICABILITY OF DETERMINATION.—A written determination with respect to a covered non-defense agency under paragraph (1) is in effect for the period, not in excess of one year, that the Under Secretary shall specify in the written determination. The Under Secretary may extend from time to time, for up to one year at a time, the period for which the written determination remains in effect.

(f) TERMINATION OF APPLICABILITY OF LIMITATIONS.—Subsection (d) shall cease to apply to a covered non-defense agency on the date on which the Inspector General of the Department of Defense and the Inspector General of such non-defense agency jointly—

(1) determine that such non-defense agency is compliant with defense procurement requirements; and

(2) notify the Secretary of Defense of that determination.

(g) IDENTIFICATION OF PROCUREMENTS MADE DURING A PARTICULAR FISCAL YEAR.—For the purposes of subsection (a), a procurement shall be treated as being made during a particular fiscal year to the extent that funds are obligated by the Department of Defense for that procurement in that fiscal year.

(h) RESOLUTION OF DISAGREEMENTS.—If the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency are unable to agree on a joint determination under subsection (a) or subsection (f), a determination by the Inspector General of the Department of Defense under such subsection shall be conclusive for the purposes of this section.

(i) DEFINITIONS.—In this section:

(1) The term ''covered non-defense agency'' means each of the following:

(A) The Department of Veterans Affairs.

(B) The National Institutes of Health.

(2) The term ''governmentwide acquisition contract'', with respect to a covered non-defense agency, means a task or delivery order contract that—

(A) is entered into by the non-defense agency; and

(B) may be used as the contract under which property or services are procured for one or more other departments or agencies of the Federal Government.

SEC. 807. REGULATIONS ON USE OF FIXED PRICE CONTRACTS IN DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of Defense on the use of fixed-price type contracts in development programs.

(b) ELEMENTS.—As modified under subsection (a), the regulations described in that subsection shall—

(1) establish a preference for the use of fixed-price type contracts in development programs to the maximum extent practicable in light of the level of program risk; and

(2) require the use of fixed-price type contracts in each contract for system development and demonstration, or operational system development, unless the use of a different contract type is specifically authorized pursuant to subsection (c).

(c) AUTHORIZATION OF USE OF DIFFERENT CONTRACT TYPE.—

(1) IN GENERAL.—As modified under subsection (a), the regulations described in that subsection shall provide that the Secretary of Defense may authorize the use of a difference contract type under subsection (b)(2) with respect to a program upon a written determination by the Secretary that—

(A) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and

(B) the complexity and technical challenge of the program is not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

(2) SUBMITTAL TO CONGRESSIONAL DEFENSE COMMITTEES.—The regulations shall provide that a copy of any determination on a program under paragraph (1), together with an explanation of the basis for such determination, shall be submitted to the congressional defense committees with the first Selected Acquisition Report submitted under section

2432 of title 10, United States Code, after such determination is made.

(3) DELEGATION OF AUTHORITY.—The regulations shall provide that the authority to make a determination under paragraph (1) may not be delegated below the level of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(c) REPEAL OF SUPERSEDED REQUIREMENTS.—Section 807 of the National Defense Authorization Act for Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

(d) EFFECTIVE DATE OF REGULATIONS.—

(1) IN GENERAL.—The modified regulations required under this section shall apply to any contract entered into after the date that is 120 days after the date of the enactment of this Act.

(2) SYSTEM DEVELOPMENT AND DEMONSTRATION OR OPERATIONAL SYSTEM DEVELOPMENT.—The modification required by subsection (b)(2) in the regulations shall apply with respect to programs that enter into system development and demonstration, or operational system development, after the date that is 120 days after the date of the enactment of this Act.

SEC. 808. AVAILABILITY OF FUNDS FOR PERFORMANCE-BASED LOGISTICS CONTRACTS FOR WEAPON SYSTEMS LOGISTICS SUPPORT.

(a) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—

(1) IN GENERAL.—Amounts available to the Department of Defense for operation and maintenance—

(A) are available for performance-based logistics contracts for weapon systems; and

(B) subject to paragraph (2), may be used in accordance with the terms of such contracts to implement engineering changes that result in a reduction of the operation and maintenance costs to the Government of such systems.

(2) LIMITATION.—Funds may not be used for a performance-based logistics contract to implement engineering changes the total cost of which is expected to exceed $20,000,000.

(b) NOTICE TO CONGRESS ON ENTRY INTO CONTRACTS.—

(1) IN GENERAL.—Not later than 30 days before entering into a performance-based logistics contract under this section, the Secretary of a military department shall submit to Congress a notice of intent to enter into such contract.

(2) ELEMENTS.—The notice on a performance-based logistics contract under paragraph (1) shall include the following:

(A) A statement that the military department concerned—

(i) has performed a business case analysis for such contract;

(ii) has determined, based on such analysis, that there is a reasonable expectation that such contract will result in an overall reduction of operation and maintenance costs with respect to a weapon system; and

(iii) has specific plans in place to—

(I) update such analysis at appropriate decision points when sufficient cost and performance data have been collected to validate the assumptions used in developing such analysis; and

(II) periodically review and validate the propriety and integrity of program performance measures, and verify the reliability of contractor cost

and performance data, with respect to such contract.

(B) An estimate of the projected cost and savings from such contract, together with an explanation of the basis for such estimates.

(c) PERFORMANCE-BASED LOGISTICS CONTRACT DEFINED.—In this section, the term ''performance-based logistics contract'' means a contract for the acquisition of logistics support (whether at the system, subsystem, or major assembly level) for a weapon system that combines logistics support in an integrated, affordable, performance package designed to optimize system readiness and meet performance goals for the weapon system through long-term support arrangements with clear lines of authority and responsibility for the provision of such support.

(d) REPORT.—

(1) IN GENERAL.—Not later than March 1, 2012, the Secretary of Defense shall submit to the congressional defense committees a report on the status of all performance-bases logistics contracts entered into pursuant to this section.

(2) ELEMENTS.—The report under paragraph (1) shall include, for each contract covered by such report, a comparison of the projected cost and savings of such contract (as estimated in the notice to

Congress under subsection (b)(2)(B)) with the actual cost and savings of such contract (as determined in accordance with the plan for such contract under subsection (b)(2)(A)(iii)).

(e) SUNSET.—

(1) IN GENERAL.—The authority to enter contracts under this section shall terminate on September 30, 2012.

(2) EFFECT ON EXISTING CONTRACTS.—The termination under paragraph (1) of the authority to enter contracts under this section shall not affect the use of funds for purposes authorized by subsection (a) under contracts entered on or before the date specified in that paragraph.

SEC. 809. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

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

(1) Ship critical safety items.

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

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

(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of such items.

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

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

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

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

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

(2) in subsection (g)—

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

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

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

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

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

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

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

SEC. 810. THREE-YEAR EXTENSION OF REQUIREMENT FOR REPORTS ON COMMERCIAL PRICE TREND ANALYSES OF THE DEPARTMENT OF DEFENSE.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10

U.S.C. 2306a note) is amended by striking ''2006'' and inserting ''2009''.

SEC. 811. PILOT PROGRAM ON TIME-CERTAIN DEVELOPMENT IN ACQUISITION OF MAJOR WEAPON SYSTEMS.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

(b) PURPOSE OF PILOT PROGRAM.—The purpose of the pilot program authorized by subsection (a) is to assess the feasibility and advisability of utilizing time-certain development in the acquisition of major weapon systems in order to deliver new capabilities to the warfighter more rapidly through disciplined decision-making, emphasis on technological maturity, and appropriate trade-offs between system performance and schedule.

(c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

(1) IN GENERAL.—The decision whether to include a major weapon system in the pilot program shall be made by the Milestone Decision Authority for the acquisition program for the system.

(2) CRITERIA.—A major weapon system may be included in the pilot program only if the Milestone Decision Authority determines, in consultation with

the service acquisition executive for the military department carrying out the acquisition program for the system and one or more combatant commanders responsible for fielding the system, that—

(A) the certification requirements of section 2366a of title 10, United States Code, have been met, and no waivers have been granted from such requirements;

(B) a preliminary design has been completed after appropriate requirements analysis using systems engineering, and the system, as so designed, will meet battlefield needs identified by the relevant combatant commanders;

(C) all critical technologies needed to meet system requirements have been demonstrated in an operational environment;

(D) an independent cost estimate has been conducted and used as the basis for funding requirements for the acquisition program for the system;

(E) the budget of the military department responsible for carrying out the acquisition program for the system provides the funding necessary to execute the product development and

production plan consistent with the requirements identified pursuant to subparagraph (D);

(F) an appropriately-qualified program manager has entered into a performance agreement with the Milestone Decision Authority that establishes expected parameters for the cost, schedule, and performance of the acquisition program for the system, consistent with a business case for such acquisition program;

(G) the service acquisition executive and the program manager have agreed that the program manager will continue in such position until the delivery of the initial operational capability under the acquisition program for the system;

(H) the service acquisition executive, the relevant combatant commanders, and the program manager have agreed that no additional requirements will be added during the development phase of the acquisition program for the system; and

(I) a planned initial operational capability will be delivered to the relevant combatant commanders no more than 6 years after the date of the milestone B approval for the system.

(3) TIMING OF DECISION.—The decision whether to include a major weapon system in the pilot program shall be made at the time of milestone approval for the acquisition program for the system.

(d) LIMITATION ON NUMBER OF SYSTEM IN PILOT PROGRAM.—The number of major weapon systems included in the pilot program at any time may not exceed 12 major weapon systems.

(e) SPECIAL FUNDING AUTHORITY.—

(1) AUTHORITY FOR RESERVE ACCOUNT.—Notwithstanding any other provision of law, the Secretary of Defense may establish a special reserve account utilizing funds made available for the major weapon systems included in the pilot program.

(2) ELEMENTS.—The special reserve account may include—

(A) funds made available for any major weapon system included in the pilot program to cover termination liability;

(B) funds made available for any major weapon system included in the pilot program for award fees that may be earned by contractors; and

(C) funds appropriated to the special reserve account.

(3) AVAILABILITY OF FUNDS.—Funds in the special reserve account may be used, in accordance with guidance issued by the Secretary for purposes of this section, for the following purposes:

(A) To cover termination liability for any major weapon system included in the pilot program.

(B) To pay award fees that are earned by any contractor for a major weapon system included in the pilot program.

(C) To address unforseen contingencies that could prevent a major weapon system included in the pilot program from meeting critical schedule or performance requirements.

(4) REPORTS ON USE OF FUNDS.—Not later than 30 days after the use of funds in the special reserve account for the purpose specified in paragraph (3)(C), the Secretary shall submit to the congressional defense committees a report on report the use of funds in the account for such purpose. The report shall set forth the purposes for which the funds were used and the reasons for the use of the funds for such purposes.

(f) ADMINISTRATION OF PILOT PROGRAM.—The Secretary of Defense shall prescribe policies and procedures

on the administration of the pilot program. Such policies and procedures shall—

(1) provide for the use of program status reports based on earned value data to track progress on a major weapon system under the pilot program against baseline estimates applicable to such system at each systems engineering technical review point; and

(2) grant authority to the program manager for the acquisition program for a major weapon system to make key program decisions and trade-offs, subject to management reviews only if cost or schedule deviations exceed 10 percent baselines for such acquisition program.

(g) EXPIRATION OF AUTHORITY TO INCLUDE ADDITIONAL SYSTEMS IN PILOT PROGRAM.—

(1) EXPIRATION.—A major weapon system may not be included in the pilot program after September 30, 2012.

(2) RETENTION OF SYSTEMS.—A major weapon system included in the pilot program before the date specified in paragraph (1) in accordance with the requirements of this section may remain in the pilot program after that date.

(h) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than one year after including the first major weapon system in the pilot program, and annually thereafter, the Secretary shall submit to the congressional defense committees a report on the pilot program, and the major weapon systems included in the pilot program, during the one-year period ending on the date of such report.

(2) ELEMENTS.—Each report under this subsection shall include—

(A) a description of progress under the pilot program, and on each major weapon system included in the pilot program, during the period covered by such report; and

(B) such other matters as the Secretary considers appropriate.

(i) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term ''major weapon system'' means a weapon system that is treatable as a major system under section 2302(5) of title 10, United States Code.

Subtitle B—Defense Industrial Base Matters

SEC. 821. REMOVAL OF HAND AND MEASURING TOOLS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Subsection (b) of section 2533a of title 10, United States Code, is amended by striking paragraph (3).

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking ''(b)(1)(A), (b)(2), or (b)(3)'' each place it appears and inserting ''(b)(1)(A) or (b)(2)''.

SEC. 822. SUBSTITUTION OF SPECIALTY METALS WITH TITANIUM AND NICKEL UNDER CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Subsection (b) of section 2533a of title 10, United States Code, as amended by section 821(a) of this Act, is further amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) Titanium.

''(3) Nickel.''.

(b) CONFORMING AMENDMENTS.—Such section 2533a is further amended—

(1) in subsection (c), by striking ''or specialty metals (including stainless steel flatware)'' and inserting '', titanium, or nickel''; and

(2) in subsection (e)—

(A) in the subsection caption, by striking ''SPECIALTY METALS'' and inserting ''TITANIUM, NICKEL,''; and

(B) in the matter preceding paragraph (1), by striking ''specialty metals'' and inserting ''titanium, nickel,''.

SEC. 823. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2539c. Waiver of domestic source or content requirements

''(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

''(1) in a foreign country that has a Declaration of Principles with the United States;

''(2) in a foreign country that has a Declaration of Principles with the United States substantially from components and materials grown, reprocessed,

reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States; or

"(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States.

"(b) COVERED REQUIREMENTS.—For purposes of this section:

"(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

"(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

"(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

"(1) application of the requirement would impede the reciprocal procurement of defense items under a Declaration of Principles with the United States; and

"(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

"(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

"(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

"(1) The Small Business Act (15 U.S.C. 631 et seq.).

"(2) The Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

"(3) Sections 7309 and 7310 of this title.

"(4) Section 2533a of this title.

"(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

"(h) CLARIFICATION OF RELATIONSHIP WITH BUY AMERICAN ACT.—Nothing in this section shall be construed to alter in any way the applicability of the Buy American Act (41 U.S.C. 10a), or the authority of the Secretary of Defense to waive the requirements of such Act, with respect to the procurement of any item to which such Act would apply without regard to this section.

"(i) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or do-

mestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.

"(j) DECLARATION OF PRINCIPLES.—(1) In this section, the term 'Declaration of Principles' means a written understanding (including any Statement of Principles) between the Department of Defense and its counterpart in a foreign country signifying a cooperative relationship between the Department and its counterpart to standardize or make interoperable defense equipment used by the armed forces and the armed forces of the foreign country across a broad spectrum of defense activities, including—

"(A) harmonization of military requirements and acquisition processes;

"(B) security of supply;

"(C) export procedures;

"(D) security of information;

"(E) ownership and corporate governance;

"(F) research and development;

"(G) flow of technical information; and

"(H) defense trade.

"(2) A Declaration of Principles is underpinned by a memorandum of understanding or other agreement providing for the reciprocal procurement of defense items between the United States and the foreign country con-

cerned without unfair discrimination in accordance with section 2531 of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

''2539c. Waiver of domestic source or content requirements.''.

SEC. 824. REPEAL OF REQUIREMENT FOR IDENTIFICATION OF ESSENTIAL MILITARY ITEMS AND MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.

Section 813 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1543) is repealed.

SEC. 825. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER TRADE AGREEMENTS.

No provision of this Act or any amendment made by this Act shall apply to a procurement by or for the Department of Defense to the extent that the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under a trade agreement.

Subtitle C—Defense Contractor Matters

SEC. 841. REQUIREMENTS FOR DEFENSE CONTRACTORS RELATING TO CERTAIN FORMER DEPARTMENT OF DEFENSE OFFICIALS.

(a) REQUIREMENTS.—

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

"§ 2410p. Defense contractors: requirements concerning former Department of Defense officials

"(a) IN GENERAL.—Each contract for the procurement of goods or services in excess of $10,000,000, other than a contract for the procurement of commercial items, that is entered into by the Department of Defense shall include a provision under which the contractor agrees to submit to the Secretary of Defense, not later than April 1 of each year such contract is in effect, a written report setting forth the information required by subsection (b).

"(b) REPORT INFORMATION.—Except as provided in subsection (c), a report by a contractor under subsection (a) shall—

"(1) list the name of each person who—

"(A) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces who served—

"(i) in an Executive Schedule position under subchapter II of chapter 53 of title 5;

"(ii) in a position in the Senior Executive Service under subchapter VIII of chapter 53 of title 5;

"(iii) in a general or flag officer position compensated at a rate of pay for grade 0–7 or above under section 201 of title 37; or

"(iv) as a program manager, deputy program manager, procuring contracting officer, administrative contracting officer, source selection authority, member of the source selection evaluation board, or chief of a financial or technical evaluation team for a contract with a value in excess of $10,000,000; and

"(B) during the preceding calendar year was provided compensation by the contractor, if such compensation was first provided by the contractor not more than two years after such

officer, employee, or member left service in the Department of Defense; and

"(2) in the case of each person listed under paragraph (1)—

"(A) identify the agency in which such person was employed or served on active duty during the last two years of such person's service with the Department of Defense;

"(B) state such person's job title and identify each major defense system, if any, on which such person performed any work with the Department of Defense during the last two years of such person's service with the Department; and

"(C) state such person's current job title with the contractor and identify each major defense system on which such person has performed any work on behalf of the contractor.

"(c) DUPLICATE INFORMATION NOT REQUIRED.—An annual report submitted by a contractor pursuant to subsection (b) need not provide information with respect to any former officer or employee of the Department of Defense or former or retired member of the armed forces if such information has already been provided in a pre-

vious annual report filed by such contractor under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by adding at the end the following new item:

''2410p. Defense contractors: requirements concerning former Department of Defense officials.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

SEC. 842. LEAD SYSTEMS INTEGRATORS.

(a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD SYSTEMS INTEGRATORS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, as amended by section 841(a)(1) of this Act, is further amended by adding at the end the following new section:

''§ 2410q. Contracts: limitations on lead systems integrators

''(a) IN GENERAL.—Except as provided in subsection (b), no contractor performing any inherently governmental functions, or functions closely associated with inherently governmental functions, relating to the acquisition, engineering, structuring, planning, integration, management,

or control of a system of systems, regardless of whether or not such contractor is expressly designated as a so-called 'lead systems integrator', may have any financial interest in the development or construction of any individual system or element of such system of systems.

"(b) EXCEPTION.—A contractor described in subsection (a) may have a financial interest in the development or construction of an individual system or element of a system of systems if the Secretary of Defense certifies to the congressional defense committees that—

"(1) the contractor is the preferred best of industry supplier of the system or element concerned; and

"(2) the contractor was selected to develop or construct the system or element concerned only after a formal competition for such system or element conducted by the Department of Defense in which the contractor participated only as a respondent to the request for proposal (RFP) under the competition.

"(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude a contractor described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

"(d) DEFINITIONS.—In this section:

"(1) The term 'best of industry', with respect to the development or construction of a system or element by a contractor, means that the contractor provides the Government any of the following in the development or construction of the system or element for the Government:

"(A) Best overall value.

"(B) Best technology.

"(C) Best capability.

"(D) Best availability.

"(2) The term 'functions closely associated with inherently governmental functions' has the meaning given such term in section 2383(b)(3) of this title.

"(3) The term 'inherently governmental functions' has the meaning given such term in section 2383(b)(2) of this title.

"(4) The term 'system of systems' means a set of interdependent systems, including one or more major weapon systems, that are related to provide a given capability and in which the loss of any one would significantly degrade the performance or capabilities of the set of systems as a whole.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title,

as amended by section 841(a)(2) of this Act, is further amended by adding at the end the following new item:

"2410q. Contracts: limitations on lead systems integrators.".

(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

(b) UPDATE OF REGULATIONS ON LEAD SYSTEMS INTEGRATORS.—Not later than December 31, 2006, the Secretary of Defense shall update the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead systems integrators set forth in section 805(b) of the National Defense Authorization for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3372).

(c) DEFINITION OF LEAD SYSTEMS INTEGRATOR.—

(1) DEFINITION REQUIRED.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a precise and comprehensive definition of the term "lead systems integrator", as that term is utilized in such section.

(2) MATTERS TO BE ADDRESSED.—In defining the term "lead systems integrator" under paragraph

(1), the Secretary shall take into account the following:

(A) The importance of lead systems integrators in the production, fielding, and sustainment of complex systems, including their role in addressing increases in cost, the evolution of interoperability requirements, and the maintenance and sustainment of critical capabilities.

(B) The unique engineering and integration skills of lead systems integrators.

(C) The management and organizational skills and capabilities of lead systems integrators, including the capacity of lead systems integrators to facilitate the participation of small and disadvantaged businesses in the production, fielding, and sustainment of complex systems.

(d) CONTRACT TYPES AND FEE STRUCTURES.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a specification of various types of contracts and fee structures, including award and incentive fees, that are appropriate for use by lead systems integrators in the production, fielding, and sustainment of complex systems.

SEC. 843. LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.

(a) GUIDANCE ON LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance, with detailed implementation instructions (including definitions), for the Department of Defense on the appropriate use of award and incentive fees in Department of Defense acquisition programs.

(b) ELEMENTS.—The guidance under subsection (a) shall—

(1) ensure that all new contracts using award fees link such fees to acquisition outcomes (which shall be defined in terms of program cost, schedule, and performance);

(2) provide guidance on the circumstances in which contractor performance may be judged to be ''excellent'' or ''superior'' and the percentage of the available award fee which contractors should be paid for such performance;

(3) establish standards for determining the percentage of the available award fee, if any, which contractors should be paid for performance that is judged to be ''acceptable'', ''average'', ''expected'', ''good'', or ''satisfactory'';

(4) ensure that no award fee may be paid for contractor performance that is judged to be poor;

(5) provide specific direction on the circumstances, if any, in which it may be appropriate to roll over award fees that are not earned in one award fee period to a subsequent award fee period or periods;

(6) ensure that the Department of Defense—

(A) collects relevant data on award and incentive fees paid to contractors; and

(B) has mechanisms in place to evaluate such data on a regular basis;

(7) include performance measures to evaluate the effectiveness of award and incentive fees as a tool for improving contractor performance and achieving desired program outcomes; and

(8) provide mechanisms for sharing proven incentive strategies for the acquisition of different types of products and services among contracting and program management officials.

(c) ASSESSMENT OF INDEPENDENT EVALUATION MECHANISMS.—

(1) IN GENERAL.—The Secretary of Defense shall select a federally-funded research and development center to assess various mechanisms that could

be used to ensure an independent evaluation of contractor performance for the purpose of making determinations applicable to the judging and payment of award fees.

(2) CONSIDERATIONS.—The assessment conducted pursuant to paragraph (1) shall include consideration of the advantages and disadvantages of a system in which award fees are—

(A) held in a separate fund or funds of the Department of Defense; and

(B) allocated to a specific program only upon a determination by an independent board, charged with comparing contractor performance across programs, that such fees have been earned by the contractor for such program.

(3) REPORT.—The Secretary shall submit to the congressional defense committees a report on the assessment conducted pursuant to paragraph (1) not later than one year after the date of the enactment of this Act.

SEC. 844. PROHIBITION ON EXCESSIVE PASS-THROUGH CHARGES.

(a) REGULATIONS REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations prohibiting

excessive pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense that are in excess of the simplified acquisition threshold, as specified in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

(b) SCOPE OF REGULATIONS.—The regulations prescribed under this section shall not apply to any firm, fixed-price contract or subcontract (or task or delivery order) that is—

(1) awarded on the basis of adequate price competition; or

(2) for the acquisition of a commercial item, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(c) DEFINITIONS.—In this section:

(1) The term ''excessive pass-through charge'' means a charge by a covered contractor or subcontractor for overhead or profit on work performed by a covered lower-tier contractor (other than charges for the direct costs of managing lower-tier contracts and overhead and profit based on such direct costs).

(2) The term ''covered contractor'' means the following:

(A) A contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) to subcontractors.

(B) In the case of a contract providing for the development or production of more than one weapon system, a contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) for any particular weapon system under such contract to subcontractors.

(3) The term ''covered lower-tier contractor'' means the following:

(A) With respect to a covered contractor described by paragraph (2)(A) in a contract, any lower-tier subcontractor under such contract.

(B) With respect to a covered contractor described by paragraph (2)(B) in a contract, any lower-tier subcontractor on a weapon system under such contract for which such covered contractor has assigned work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit).

(d) EFFECTIVE DATE.—The regulations prescribed under this section shall apply to contracts awarded for or on behalf of the Department of Defense on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 845. REPORT ON DEPARTMENT OF DEFENSE CONTRACTING WITH CONTRACTORS OR SUBCONTRACTORS EMPLOYING MEMBERS OF THE SELECTIVE RESERVE.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on contracting with the Department of Defense by actual and potential contractors and subcontractors of the Department who employ members of the Selected Reserve of the reserve components of the Armed Forces.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The extent to which actual and potential contractors and subcontractors of the Department, including small businesses, employ members of the Selective Reserve.

(2) The extent to which actual and potential contractors and subcontractors of the Department have been or are likely to be disadvantaged in the performance of contracts with the Department, or in

competition for new contracts with the Department, when employees who are such members are mobilized as part of a United States military operation overseas.

(3) Any actions that, in the view of the Secretary, should be taken to address any such disadvantage, including—

(A) the extension of additional time for the performance of contracts to contractors and subcontractors of Department who employ members of the Selected Reserve who are mobilized as part of a United States military operation overseas; and

(B) the provision of assistance in forming contracting relationships with other entities to ameliorate the temporary loss of qualified personnel.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study required by this section. The report shall set forth the findings and recommendations of the Secretary as a result of the study.

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 819 of the National Defense Authorization Act for Fiscal

Year 2006 (Public Law 109–163; 119 Stat. 3385; 10 U.S.C. 2305 note) is repealed.

Subtitle D—Program Manager Matters

SEC. 861. PROGRAM MANAGER EMPOWERMENT AND ACCOUNTABILITY.

(a) STRATEGY.—The Secretary of Defense shall develop a comprehensive strategy for enhancing the role of Department of Defense program managers in developing and carrying out defense acquisition programs.

(b) MATTERS TO BE ADDRESSED.—The strategy required by this section shall address, at a minimum—

(1) enhanced training and educational opportunities for program managers;

(2) increased emphasis on the mentoring of current and future program managers by experienced senior executives and program managers within the Department;

(3) improved career paths and career opportunities for program managers;

(4) additional incentives for the recruitment and retention of highly qualified individuals to serve as program managers;

(5) improved resources and support (including systems engineering expertise, cost estimating exper-

tise, and software development expertise) for program managers;

(6) improved means of collecting and disseminating best practices and lessons learned to enhance program management across the Department;

(7) common templates and tools to support improved data gathering and analysis for program management and oversight purposes;

(8) increased accountability of program managers for the results of defense acquisition programs; and

(9) enhanced monetary and nonmonetary awards for successful accomplishment of program objectives by program managers.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the strategy developed pursuant to this section.

SEC. 862. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM DEVELOPMENT PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the

tenure and accountability of program managers for the program development period of defense acquisition programs.

(b) PROGRAM DEVELOPMENT PERIOD.—For the purpose of this section, the term ''program development period'' refers to the period before a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall provide that the program manager for the program development period of a defense acquisition program is responsible for—

(1) bringing to maturity the technologies and manufacturing processes that will be needed to carry out such program;

(2) ensuring continuing focus during program development on meeting stated mission requirements and other requirements of the Department of Defense;

(3) making trade-offs between program cost, schedule and performance for the life-cycle of such program;

(4) developing a business case for such program; and

(5) ensuring that appropriate information is available to the milestone decision authority to make a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program), including information necessary to make the certification required by section 2366a of title 10, United States Code.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program development period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program until such time as such program is ready for a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

SEC. 863. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM EXECUTION PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program execution period of defense acquisition programs.

(b) PROGRAM EXECUTION PERIOD.—For the purpose of this section, the term ''program execution period'' refers to the period after Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall—

(1) require the program manager for the program execution period of a defense acquisition program to enter into a performance agreement with the milestone decision authority for such program within six months of assignment, that—

(A) establishes expected parameters for the cost, schedule, and performance of such program consistent with the business case for such program;

(B) provides the commitment of the milestone decision authority to provide the level funding and resources required to meet such parameters; and

(C) provides the assurance of the program manager that such parameters are achievable and that such program manager will be accountable for meeting such parameters; and

(2) provide the program manager with the authority to—

(A) veto the addition of new program requirements that would be inconsistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(B) make trade-offs between cost, schedule and performance, provided that such trade-offs are consistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(C) redirect funding within such program, to the extent necessary to achieve the parameters established in the performance agreement entered pursuant to paragraph (1);

(D) develop such interim goals and milestones as may be required to achieve the pa-

rameters established in the performance agreement entered pursuant to paragraph (1); and

(E) use program funds to recruit and hire such technical experts as may be required to carry out such program, if necessary expertise is not otherwise provided by the Department of Defense.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program execution period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program at the time of Milestone B approval (or Key Decision Point B approval in the case of a space program) and continues in such position until the delivery of the first production units of such program.

(e) LIMITED WAIVER AUTHORITY.—The Secretary may waive the requirement in subsection (d)(3) that a program manager for the program execution period of a defense acquisition program serve in that position until the delivery of the first production units of such program upon submitting to the congressional defense committees a written determination that—

(1) such program is so complex, and the delivery of the first production units will take so long, that it would not be feasible for a single individual to serve as program manager for the entire period covered by such subsection; and

(2) the complexity of such program, and length of time that will be required to deliver the first production units, are not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

SEC. 864. INTERAGENCY PLAN FOR CONTINGENCY PROGRAM MANAGEMENT.

(a) REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Department of State and the heads of other appropriate agencies, shall develop an interagency plan for contingency program management during combat operations and post-conflict operations.

(b) MATTERS TO BE COVERED.—The interagency plan for contingency program management required by subsection (a) shall, at a minimum, provide for—

(1) the designation of a senior executive service official on the Joint Staff with the responsibility for administering the plan;

(2) the assignment of a senior commissioned officer of the Armed Forces with appropriate program management experience and qualifications to act as head of contingency program management during combat operations, post-conflict operations, and contingency operations, who shall report directly to the commander of the combatant command in whose area of responsibility the operations occur;

(3) a preplanned organizational structure for contingency program management that is designed to ensure that the United States Government is prepared to conduct contingency program management during combat operations and post-conflict operations, including advance planning for—

(A) unified, agile program management processes and procedures for an interagency and coalition environment;

(B) standardized joint contract mechanisms with clearly defined metrics;

(C) continuity of program and project management;

(D) identification of a deployable cadre of experts, trained in processes required under paragraph (4);

(E) required information technology resources and reliable, interoperable connections and communications; and

(F) coordination of program management operations with the activities of commanders in the field;

(4) a requirement for the development of a training program for contingency program management, including—

(A) comprehension of program management that focuses on cost, scope, schedule, success metrices, project oversight, and resource balancing;

(B) contracting options and rules;

(C) government procedures on funding, accountability and component and partner responsibilities; and

(D) effective communications and rules for coordination with commanders in the field; and

(5) a requirement for identification of hiring and appointment authorities for rapid deployment of personnel under this section to ensure the availability of key personnel for sufficient lengths of time to provide for continuing of program and project management.

SEC. 865. COMPTROLLER GENERAL REPORT.

Not later than February 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the actions taken by the Secretary of Defense to comply with the requirements of this subtitle. The report shall include a description of such actions and an assessment by the Comptroller General of the effectiveness of such actions in meeting such requirements.

Subtitle E—Other Matters

SEC. 871. CLARIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) in paragraph (2)(A), by inserting ''or, for a defense agency, the director of the defense agency'' after ''(41 U.S.C. 414(c))''; and

(2) in paragraph (3), by striking ''or director of a defense agency'' after ''executive''.

SEC. 872. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804(d) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 873. ONE-YEAR EXTENSION OF INAPPLICABILITY OF CERTAIN LAWS TO CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

Subsections (a)(2)(A) and (b)(2)(A) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2021), as amended by section 848(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3395), are each further amended by striking ''2006'' and inserting ''2007''.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. UNITED STATES MILITARY CANCER INSTITUTE.

(a) ESTABLISHMENT.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2117. United States Military Cancer Institute

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish in the University the United States Military Cancer Institute. The Institute shall be established pursuant to regulations prescribed by the Secretary.

''(b) PURPOSES.—The purposes of the Institute are as follows:

''(1) To establish and maintain a clearinghouse of data on the incidence and prevalence of cancer among members and former members of the armed forces.

''(2) To conduct research that contributes to the detection or treatment of cancer among the members and former members of the armed forces.

1 ''(c) HEAD OF INSTITUTE.—The Director of the
2 United States Military Cancer Institute is the head of the
3 Institute. The Director shall report to the President of the
4 University regarding matters relating to the Institute.

5 ''(d) ELEMENTS.—(1) The Institute is composed of
6 clinical and basic scientists in the Department of Defense
7 who have an expertise in research, patient care, and edu-
8 cation relating to oncology and who meet applicable cri-
9 teria for affiliation with the Institute.

10 ''(2) The components of the Institute include military
11 treatment and research facilities that meet applicable cri-
12 teria and are designated as affiliates of the Institute.

13 ''(e) RESEARCH.—(1) The Director of the United
14 States Military Cancer Institute shall carry out research
15 studies on the following:

16 ''(A) The epidemiological features of cancer, in-
17 cluding assessments of the carcinogenic effect of ge-
18 netic and environmental factors, and of disparities in
19 health, inherent or common among populations of
20 various ethnic origins within the members of the
21 armed forces.

22 ''(B) The prevention and early detection of can-
23 cer among members and former members of the
24 armed forces.

"(C) Basic, translational, and clinical investigation matters relating to the matters described in subparagraphs (A) and (B).

"(2) The research studies under paragraph (1) shall include complementary research on oncologic nursing.

"(f) COLLABORATIVE RESEARCH.—The Director of the United States Military Cancer Institute shall carry out the research studies under subsection (e) in collaboration with other cancer research organizations and entities selected by the Institute for purposes of the research studies.

"(g) ANNUAL REPORT.—(1) Not later than November 1 each year, the Director of the United States Military Cancer Institute shall submit to the President of the University a report on the current status of the research studies being carried out by the Institute under subsection (e).

"(2) Not later than 60 days after receiving a report under paragraph (1), the President of the University shall transmit such report to the Secretary of Defense and to Congress.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following new item:

"2117. United States Military Cancer Institute.".

SEC. 902. SENIOR ACQUISITION EXECUTIVE FOR SPECIAL OPERATIONS WITHIN STAFF OF THE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT.

(a) INCLUSION WITHIN STAFF.—The staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under section 138(b)(4) of title 10, United States Code, shall include a senior acquisition executive for special operations.

(b) DUTIES.—The senior acquisition executive within the staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under subsection (a) shall conduct policy and management oversight of the acquisition activities of the Special Operations Command under section 167 of title 10, United States Code, and shall have such other duties as the Assistant Secretary shall designate.

Subtitle B—Space Activities

SEC. 911. ESTABLISHMENT OF OPERATIONALLY RESPONSIVE SPACE CAPABILITIES.

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

(1) Access to and use of space is critical for preserving peace and protecting the national security, commercial, and civil interests of the United States.

(2) Key priorities for the national security space activities of the United States include improving the capacity to support military operations worldwide and responding to strategic military threats.

(3) To the maximum extent possible, space capabilities should be integrated into the strategy, doctrine, operations, and contingency plans of the Armed Forces of the United States.

(4) The commanders of the combatant commands should have access to responsive space capabilities that provide prompt, focused support in their theater of operations, which capabilities should compliment other national and Department of Defense space assets while providing direct and flexible support to the warfighter on the battlefield.

(5) The United States Space Transportation Policy of January 6, 2005, calls for the demonstration, before 2010, of an initial capability for operationally responsive access to and use of space to support the national security requirements of the United States.

(b) POLICY.—It is the policy of the United States—

(1) to demonstrate, acquire, and deploy an effective capability for operationally responsive space to support the warfighter from space; and

(2) that the capability described in paragraph (1) shall consist of—

(A) responsive satellite payloads;

(B) inexpensive space launch vehicles and range procedures that facilitate the timely launch of satellites;

(C) common technical standards for satellite busses; and

(D) a configuration of operations and command and control capabilities that permit the warfighter to exploit responsive space assets for combat operations.

(c) OPERATIONALLY RESPONSIVE SPACE HYBRID PROGRAM OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Hybrid Program Office (in this subsection referred to as the ''Office'').

(2) ELEMENTS.—The Office shall consist of elements of the Department of Defense selected by the Secretary from among the science and technology,

acquisition, and operations elements of the Department having the capacity to contribute to the development of capabilities for operationally responsive space. Such elements shall be selected so as to achieve a balanced representation of the military departments in the Office in order to ensure proper acknowledgment of joint considerations in the activities of the Office.

(3) ORGANIZATION OF ELEMENTS.—The elements of the Office under paragraph (2) shall be organized by the Secretary into divisions as follows:

(A) A science and technology division that shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on payloads, bus, and launch equipment.

(B) An acquisition division that shall undertake the acquisition of systems necessary to procure, integrate, sustain, and launch assets for operationally responsive space.

(C) An operations division that shall—

(i) sustain and maintain assets for operationally responsive space prior to launch;

(ii) integrate and launch such assets; and

(iii) operate such assets in orbit.

(D) A combatant command support division that shall serve as the primary intermediary between the military departments and the combatant commands on operationally responsive space, including the integration of assets for operationally responsive space into—

(i) the operations plans of the combatant commands;

(ii) the training and tactics procedures of the military departments; and

(iii) military exercises, demonstrations, and war games.

(3) ACCOUNTABILITY.—The head of the Office shall report to the Executive Agent for Space of the Department of Defense regarding the activities of Office under this subsection.

(4) ACQUISITION AUTHORITY.—The acquisition activities of the Office shall be subject to the following:

(A) The Executive Agent for Space of the Department of Defense shall be the senior acquisition executive of the Office.

(B) The Joint Capabilities Integration and Development System process shall not apply to acquisitions by the Office.

(C) The commander of the United States Strategic Command, or a designate of the commander, shall—

(i) validate all system requirements for systems to be acquired by the Office; and

(ii) participate in the approval of any acquisition program initiated by the Office.

(D) The unit procurement cost of a launch vehicle procured by the Office may not exceed $20,000,000.

(E) The unit procurement cost of an integrated satellite procured by the Office may not exceed $40,000,000.

(5) ADJUSTMENT OF UNIT PROCUREMENT COST LIMITS.—The Executive Agent for Space shall adjust the amounts specified in subparagraphs (D) and (E) of paragraph (4) to take into account the effects of inflation. Such adjustment shall take place once every five years.

(d) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(B) An identification of the capabilities required by the Department to fulfill such mission.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Hybrid Program Office under subsection (c).

(D) The security classification level required for the Office in order to ensure that the

Office carries out its responsibilities under subsection (c) in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to the Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A schedule for the implementation of the plan.

(G) The funding and personnel required to implement the plan over the course of the current future-years defense program under section 221 of title 10, United States Code.

(e) DEFINITIONS.—In this section:

(1) The term ''operationally responsive space'' means the development and launch of space assets upon demand in a low-cost manner.

(2) The term ''procurement unit cost'' has the meaning given that term in section 2432(a) of title 10, United States Code.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM ON PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section'' and inserting ''may be conducted through September 30, 2009''.

Subtitle C—Other Matters

SEC. 921. DEPARTMENT OF DEFENSE POLICY ON UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall, in consultation with the Chairman of the Joint Chiefs of Staff, develop a policy applicable throughout the Department of Defense on research, development, test, and evaluation, procurement, and operation of unmanned systems.

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

(1) Mission requirements (including mission requirements for the military departments and joint mission requirements) for unmanned systems to replace manned systems in the performance of routine or dangerous missions.

(2) A strategy and schedules for the replacement of manned systems with unmanned systems in the performance of such missions.

(3) Preference for joint unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.

(4) Joint development and procurement of unmanned systems and components.

(5) A strategy for the divestment of the military department unmanned systems unique to a particular department with a preference for joint unmanned systems.

(6) Programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems.

(7) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as ex-

ecutive agent for the Department on unmanned systems.

(8) Requirements for the integration of unmanned and manned missions.

(9) Requirements in order to satisfy the goals for unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the policy required by subsection (a).

SEC. 922. EXECUTIVE SCHEDULE LEVEL IV FOR DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS.

(a) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Deputy Under Secretary of Defense for Personnel and Readiness the following new item:

"Deputy Under Secretary of Defense for Logistics and Materiel Readiness.".

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Under Secretary of Defense for Logistics and Materiel Readiness.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to individuals appointed as Deputy Under Secretary of Defense for Logistics and Materiel Readiness on or after that date.

SEC. 923. THREE-YEAR EXTENSION OF JOINT INCENTIVES PROGRAM ON SHARING OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

Section 8111(d)(4) of title 38, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year

2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) AGGREGATE LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $4,000,000,000.

(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 shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to an Act appropriating emergency supplemental appropriations for fiscal year 2006.

SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE TO SAVINGS RELATING TO LOWER INFLATION.

(a) REDUCTION.—The aggregate amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of all the amounts authorized to be appropriated by such titles reduced by $951,469,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from

savings resulting from lower-than-expected inflation as a result of a review of the inflation assumptions used in the preparation of the budget of the President for fiscal year 2007, as submitted to Congress pursuant to section 1005 of title 31, United States Code.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in titles I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to such accounts.

SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$3,750,000,000''.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum

amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic

Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. MODIFICATION OF DATE OF SUBMITTAL OF OMB/CBO REPORT ON SCORING OF OUTLAYS.

Section 226(a) of title 10, United States Code, is amended by striking ''January 15 of each year'' and inserting ''April 1 of each year''.

SEC. 1007. PROHIBITION ON PARKING OF FUNDS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773a the following new section:

"§ 2773b. Parking of funds: prohibition; penalties

''(a) PROHIBITION.—An officer or employee of the Department of Defense may not direct the designation of funds for a particular purpose in the budget of the President, as submitted to Congress pursuant to section 1105 of title 31, or the supporting documents of the Department of Defense component of such budget, with the knowledge or intent that such funds, if made available to the Department, will not be used for the purpose for which they are designated.

''(b) PENALTIES.—The direction of the designation of funds in violation of the prohibition in subsection (a) shall be treated for purposes of chapter 13 of title 31 as a violation of section 1341(a)(1)(A) of title 31.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2773a the following new item:

''2773b. Parking of funds: prohibition; penalties.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 31 days after the date of the enactment of this Act.

(2) MODIFICATION OF CERTAIN POLICIES AND REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of

Defense shall modify the policies and regulations of the Department of Defense regarding the preparation and submittal to Congress of budget materials for the Department of Defense to take into account the provisions of section 2773b of title 10, United States Code (as added by subsection (a)).

Subtitle B—Naval Vessels

SEC. 1011. REPEAL OF REQUIREMENT FOR 12 OPERATIONAL AIRCRAFT CARRIERS WITHIN THE NAVY.

Section 5062 of title 10, United States Code, is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 1012. APPROVAL OF TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BY VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended by inserting ''or vessel of that class'' after ''that vessel''.

Subtitle C—Counterdrug Matters

SEC. 1021. EXTENSION OF AVAILABILITY OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''2005 and 2006'' and inserting ''2005 through 2008''; and

(2) in subsection (c), by striking ''2005 and 2006'' and inserting ''2005 through 2008''.

SEC. 1022. EXTENSION OF AUTHORITY OF DEPARTMENT OF DEFENSE TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

Section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 1023. EXTENSION AND EXPANSION OF CERTAIN AUTHORITIES TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES.

(a) CONCURRENCE OF SECRETARY OF STATE IN PROVISION OF SUPPORT.—Paragraph (1) of subsection

(a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), as amended by section 1021 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136: 117 Stat. 1593), is further amended by striking ''shall consult with'' and inserting ''shall seek the concurrence of''.

(b) EXTENSION OF AUTHORITY.—Paragraph (2) of such subsection is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

(c) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section 1033, as so amended, is further amended by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.

''(11) The Government of Kazakhstan.

''(12) The Government of Kyrgyzstan.

''(13) The Government of Armenia.

''(14) The Government of Niger.

''(15) The Government of Mauritania.

''(16) The Government of Mali.

''(17) The Government of Chad.

''(18) The Government of Indonesia.

''(19) The Government of Philippines.

''(20) The Government of Thailand.

"(21) The Government of Malaysia.

"(22) The Government of Guatemala.

"(23) The Government of Belize.

"(24) The Government of Panama.".

(d) TYPES OF SUPPORT.—Subsection (c)(2) of such section 1033, as so amended, is further amended by inserting ", vehicles, and aircraft, and detection, interception, monitoring, and testing equipment" after "patrol boats".

(e) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section 1033, as so amended, is further amended—

(1) by striking "or $40,000,000" and inserting "$40,000,000"; and

(2) by inserting before the period at the end the following: ", or $80,000,000 during any of the fiscal years 2007 through 2008".

(f) ANNUAL REPORT ON SUPPORT PROVIDED TO ADDITIONAL GOVERNMENTS.—Such section 1033 is further amended by adding at the end the following new subsection:

"(i) ANNUAL REPORT ON SUPPORT PROVIDED TO CERTAIN GOVERNMENTS.—Not later than November 30 each year through 2008, the Secretary of Defense shall submit to the congressional defense committees a com-

prehensive report on the support provided under this section during the preceding fiscal year to each government referred to in paragraphs (10) through (24) of subsection (b).''.

Subtitle D—Defense Intelligence and Related Matters

SEC. 1031. TWO-YEAR EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2008''.

SEC. 1032. ANNUAL REPORT ON INTELLIGENCE OVERSIGHT ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees and the congressional intelligence committees a report on the intelligence oversight activities of the Department of Defense during the previous calendar year.

(b) ELEMENTS.—Each report under subsection (a) shall include, for the calendar year covered by such report, the following:

(1) A description of any questionable intelligence activity that came to the attention of any General Counsel or Inspector General within the Department of Defense, or the Under Secretary of Defense for Intelligence, and a description of the actions taken by such official with respect to such activity.

(2) A description of the results of intelligence oversight inspections undertaken by each of the following:

(A) The Office of the Secretary of Defense.

(B) Each military department.

(C) Each combat support agency.

(D) Each field operating agency.

(3) A description of any changes made in—

(A) any program for the intelligence oversight activities of the Department of Defense, including any training program; or

(B) any published directive or policy memoranda on the intelligence or intelligence-related activities of—

(i) any military department;

(ii) any combat support agency; or

(iii) any field operating agency.

(c) DEFINITIONS.—In this section:

(1) The term ''combat support agency'' has the meaning given that term in section 193(f) of title 10, United States Code.

(2) The term ''congressional intelligence committees'' has the meaning given that term in section 3(7) of the National Security Act of 1947 (50 U.S.C. 401a(7)).

(3) The term ''field operating agency'' means a specialized subdivision of the Department of Defense that carries out activities under the operational control of the Department.

(4) The term ''intelligence oversight activities of the Department of Defense'' refers to any activity undertaken by an agency, element, or component of the Department of Defense to ensure compliance with regard to requirements or instructions on the intelligence and intelligence-related activities of the Department under law or any Executive order or Presidential directive (including Executive Order No. 12333).

(5) The term ''questionable intelligence activity'' means an intelligence or intelligence-related activity of the Department of Defense that may violate the law or any Executive order or Presidential directive (including Executive Order No. 12333).

SEC. 1033. ADMINISTRATION OF PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) TRANSFER OF ADMINISTRATION TO SECRETARY OF DEFENSE.—

(1) IN GENERAL.—Administration of the pilot project on the establishment of a Civilian Linguist Reserve Corps required by section 613 of the Intelligence Authorization Act for Fiscal Year 2005 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C. 403–1b note) is hereby transferred from the Director of National Intelligence to the Secretary of Defense.

(2) CONFORMING AMENDMENTS.—Section 613 of the Intelligence Authorization Act for Fiscal Year 2005 is amended—

(A) by striking ''Director of National Intelligence'' each place it appears and inserting ''Secretary of Defense''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) DISCHARGE OF PROJECT.—Subsection (a) of such section is further amended by adding at the end the following new sentence: ''The Secretary shall carry out the pilot project through the National Security Education Program.''.

(c) REPEAL OF SPECIFICATION OF DURATION OF PROJECT.—Such section is further amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(d) MODIFICATION OF REPORT REQUIREMENTS.—Subsection (d) of such section, as redesignated by subsection (b) of this section, is further amended—

(1) in paragraph (1), by striking ''an initial and a final report'' and inserting ''a report'';

(2) in paragraph (2), by striking ''Each report'' and inserting ''The report''; and

(3) in paragraph (3), by striking ''final report'' and inserting ''report required under paragraph (1)''.

(e) REPEAL OF SUPERSEDED AUTHORIZATION.—Such section is further amended by striking subsection (f).

SEC. 1034. IMPROVEMENT OF AUTHORITIES ON THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) EXPANSION OF EMPLOYMENT CREDITABLE UNDER SERVICE AGREEMENTS.—Paragraph (2) of subsection (b) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended to read as follows:

"(2)(A) will (in accordance with regulations prescribed by the Secretary of Defense in coordination with the heads of the other Federal departments and agencies concerned) begin work not later than three years after the recipient's completion of degree study during which scholarship assistance was provided under the program—

"(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

"(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

"(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); or

"(B) will (in accordance with such regulations) begin work not later than two years after the recipient's completion or termination of study for which fellowship assistance was provided under the program—

"(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

"(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under sub-

section (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

"(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); and".

(b) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—Such section is further amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—

"(1) IN GENERAL.—The Secretary of Defense may—

"(A) appoint or retain a person provided scholarship or fellowship assistance under the program in a position in the Department of De-

fense on an interim basis during the period of the person's pursuit of a degree under the program and for a period not to exceed two years after completion of the degree, but only if, in the case of the period after completion of the degree—

"(i) there is no appropriate permanent position for the person under subsection (b)(2)(A); and

"(ii) there is an active and ongoing effort to identify and assign the person to an appropriate permanent position as soon as possible; and

"(B) if there is no appropriate permanent position available for the person after the end of the periods described in subparagraph (A), separate the person from employment with the Department without regard to any other provision of law, in which event the service agreement of the person under subsection (b) shall terminate.

"(2) TREATMENT OF CERTAIN SERVICE.—The period of service of a person covered by paragraph (1) in a position on an interim basis under that paragraph shall, after completion of the degree, be

treated as a period of service for purposes of satisfying the obligated service requirements of the person under the service agreement of the person under subsection (b).''.

(c) PLAN FOR IMPROVING PROGRAM.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for improving the recruitment, placement, and retention within the Department of Defense of individuals who receive scholarships or fellowships under the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) in order to facilitate the purposes of that Act in meeting the requirements of the Department in acquiring individuals with critical foreign language skills and individuals who are regional experts.

Subtitle E—Defense Against Terrorism and Related Security Matters

SEC. 1041. ENHANCEMENT OF AUTHORITY TO PAY MONETARY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

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

(1) in paragraph (1)(B), by inserting '', or to a subcommander of a combatant command des-

ignated by the commander of the combatant command and approved by an Under Secretary of Defense to whom such authority is delegated under subparagraph (A),'' after ''combatant command''; and

(2) in paragraph (2), by striking ''$2,500'' and inserting ''$10,000''.

SEC. 1042. USE OF THE ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.

(a) USE OF THE ARMED FORCES AUTHORIZED.—

(1) IN GENERAL.—Section 333 of title 10, United States Code, is amended to read as follows:

''§ 333. Major public emergencies; interference with State and Federal law

''(a) USE OF ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.—(1) The President may employ the armed forces, including the National Guard in Federal service, to—

''(A) restore public order and enforce the laws of the United States when, as a result of a natural disaster, epidemic, or other serious public health emergency, terrorist attack or incident, or other condition in any State or possession of the United States, the President determines that—

"(i) domestic violence has occurred to such an extent that the constituted authorities of the State or possession are incapable of maintaining public order; and

"(ii) such violence results in a condition described in paragraph (2); or

"(B) suppress, in a State, any insurrection, domestic violence, unlawful combination, or conspiracy if such insurrection, violation, combination, or conspiracy results in a condition described in paragraph (2).

"(2) A condition described in this paragraph is a condition that—

"(A) so hinders the execution of the laws of a State or possession, as applicable, and of the United States within that State or possession, that any part or class of its people is deprived of a right, privilege, immunity, or protection named in the Constitution and secured by law, and the constituted authorities of that State or possession are unable, fail, or refuse to protect that right, privilege, or immunity, or to give that protection; or

"(B) opposes or obstructs the execution of the laws of the United States or impedes the course of justice under those laws.

"(3) In any situation covered by paragraph (1)(B), the State shall be considered to have denied the equal protection of the laws secured by the Constitution.

"(b) NOTICE TO CONGRESS.—The President shall notify Congress of the determination to exercise the authority in subsection (a)(1)(A) as soon as practicable after the determination and every 14 days thereafter during the duration of the exercise of the authority.".

(2) PROCLAMATION TO DISPERSE.—Section 334 of such title is amended by inserting "or those obstructing the enforcement of the laws" after "insurgents".

(3) HEADING AMENDMENT.—The heading of such 15 of such title is amended to read as follows:

"CHAPTER 15—ENFORCEMENT OF THE LAWS TO RESTORE PUBLIC ORDER".

(4) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 15 and inserting the following new item:

"15. Enforcement of the Laws to Restore Public Order ..... 331".

(B) The table of sections at the beginning of chapter 15 of such title is amended by striking the

item relating to sections 333 and inserting the following new item:

"333. Major public emergencies; interference with State and Federal law.".

(b) PROVISION OF SUPPLIES, SERVICES, AND EQUIPMENT.—

(1) IN GENERAL.—Chapter 152 of such title is amended by adding at the end the following new section:

"§ 2567. Provision of supplies, services, and equipment in major public emergencies

"(a) PROVISION AUTHORIZED.—In any situation in which the President determines to exercise the authority in section 333(a)(1)(A) of this title, the President may direct the Secretary of Defense to provide supplies, services, and equipment to persons affected by the situation.

"(c) COVERED SUPPLIES, SERVICES, AND EQUIPMENT.—The supplies, services, and equipment provided under this section may include food, water, utilities, bedding, transportation, tentage, search and rescue, medical care, minor repairs, the removal of debris, and other assistance necessary for the immediate preservation of life and property.

"(c) LIMITATIONS.—(1) Supplies, services, and equipment may be provided under this section—

"(A) only to the extent that the constituted authorities of the State or possession concerned are

unable to provide such supplies, services, and equipment, as the case may be; and

"(B) only until such authorities, or other departments or agencies of the United States charged with the provision of such supplies, services, and equipment, are able to provide such supplies, services, and equipment.

"(2) The Secretary may provide supplies, services, and equipment under this section only to the extent that the Secretary determines that doing so will not interfere with military preparedness or ongoing military operations or functions.

"(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—The provision of supplies, services, or equipment under this section shall not be subject to the provisions of section 403(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).".

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

"2567. Provision of supplies, services, and equipment in major public emergencies.".

(c) CONFORMING AMENDMENTS.—Section 12304(c) of such title is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 1043. TREATMENT UNDER FREEDOM OF INFORMATION ACT OF CERTAIN CONFIDENTIAL INFORMATION SHARED WITH STATE AND LOCAL PERSONNEL.

Confidential business information and other sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared, pursuant to section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482), with State and local personnel involved in the prevention, interdiction, or disruption of, or response to, terrorist activity shall not be subject to disclosure under section 552 of title 5, United States Code (commonly referred to as the ''Freedom of Information Act''), by virtue of the sharing of such information with such personnel.

Subtitle F—Miscellaneous Authorities on Availability and Use of Funds

SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSEMENT FROM NON-FEDERAL SOURCES TO DEFRAY DEPARTMENT OF DEFENSE COSTS OF CONFERENCES.

(a) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2262. Department of Defense conferences: collection of fees to cover Department of Defense costs

"(a) IN GENERAL.—(1) The Secretary of Defense may, whether directly or by contract, collect fees from any individual or commercial participant in a conference, seminar, exhibition, symposium, or similar meeting (in this section referred to collectively as a 'conference') conducted by the Department of Defense.

"(2) Fees may be collected with respect to a conference under this subsection in advance of the conference.

"(3) The total amount of fees collected under this subsection with respect to a conference may not exceed the costs of the Department of Defense with respect to the conference.

1 "(b) TREATMENT OF COLLECTIONS.—(1) Amounts
2 collected under subsection (a) with respect to a conference
3 shall be credited to the appropriation or account from
4 which the costs of the conference are paid.

5 "(2) In the event the total amount of fees collected
6 with respect to a conference exceeds the costs of the De-
7 partment with respect to the conference, the amount of
8 such excess shall be deposited into the Treasury as mis-
9 cellaneous receipts.

10 "(3) Amounts credited to an appropriation or account
11 under paragraph (1) with respect to a conference shall be
12 available to pay the costs of the Department with respect
13 to the conference or to reimburse the Department for costs
14 incurred with respect to the conference.

15 "(c) ANNUAL REPORTS.—(1) Each year, not later
16 than 45 days after the President submits to Congress the
17 budget for a fiscal year under section 1105 of title 31,
18 the Secretary shall submit to the congressional defense
19 committees budget justification documents summarizing
20 the use of the authority under this section.

21 "(2) Each report under this subsection shall include
22 the following:

23 "(A) A list of conferences during the last two
24 calendar years for which fees were collected under
25 subsection (a).

"(B) For each conference listed under subparagraph (A)—

"(i) The estimated costs of the Department for such conference.

"(ii) The actual costs of the Department for such conference, including a separate statement of the amount of any conference coordinator fees associated with such conference.

"(iii) The amount for collected under subsection (a) for such conference.

"(C) An estimate of the number of conferences to be conducted in the calendar year of such report for which the Department will collect fees under subsection (a).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following new item:

"2262. Department of Defense conferences: collection of fees to cover Department of Defense costs.".

SEC. 1052. MINIMUM ANNUAL PURCHASE AMOUNTS FOR AIRLIFT FROM CARRIERS PARTICIPATING IN THE CIVIL RESERVE AIR FLEET.

(a) IN GENERAL.—Chapter 931 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet

''(a) IN GENERAL.—The Secretary of Defense may award to air carriers participating in the Civil Reserve Air Fleet on a fiscal year basis a one-year contract for airlift services with a minimum purchase amount determined in accordance with this section.

''(b) MINIMUM PURCHASE AMOUNT.—(1) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year shall be based on forecast needs, but may not exceed the amount equal to 80 percent of the annual average expenditure of the Department of Defense for airlift during the five-fiscal year period ending in the fiscal year before the fiscal year for which such contracts are awarded.

''(2) In calculating the annual average expenditure of the Department of Defense for airlift for purposes of paragraph (1), the Secretary of Defense may omit from the calculation any fiscal year exhibiting unusually high demand for airlift if the Secretary determines that the omission of such fiscal year from the calculation will result in a more accurate forecast of anticipated airlift for purposes of that paragraph.

''(3) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for

a fiscal year, as determined under paragraph (1), shall be allocated among all carriers awarded contracts under that subsection for such fiscal year in proportion to the commitments of such carriers to the Civil Reserve Air Fleet for such fiscal year.

"(c) ADJUSTMENT TO MINIMUM PURCHASE AMOUNT FOR PERIODS OF UNAVAILABILITY OF AIRLIFT.—In determining the minimum purchase amount payable under a contract under subsection (a) for airlift provided by a carrier during the fiscal year covered by such contract, the Secretary of Defense may adjust the amount allocated to the carrier under subsection (b)(3) to take into account periods during such fiscal year when services of the carrier are unavailable for usage by the Department of Defense, including during periods of refused business or suspended operations or when the carrier is placed in nonuse status pursuant to section 2640 of this title for safety issues.

"(d) DISTRIBUTION OF AMOUNTS.—If any amount available under this section for the minimum purchase of airlift from a carrier for a fiscal year under a contract under subsection (a) is not utilized to purchase airlift from the carrier in such fiscal year, such amount shall be provided to the carrier prior to the first day of the following fiscal year.

"(e) TRANSFER OF FUNDS.—At the beginning of each fiscal year, the Secretary of each military department shall transfer to the transportation working capital fund a percentage of the total amount anticipated to be required in such fiscal year for payment of minimum purchase amounts under all contracts awarded under subsection (a) for such fiscal year equivalent to the percentage of the anticipated use of airlift by such military department during such fiscal year from all carriers under contracts awarded under subsection (a) for such fiscal year.

"(f) AVAILABILITY OF AIRLIFT.—(1) From the total amount of airlift available for a fiscal year under all contracts awarded under subsection (a) for such fiscal year, a military department shall be entitled to obtain a percentage of such airlift equivalent to the percentage of the contribution of the military department to the transportation working capital fund for such fiscal year under subsection (e).

"(2) A military department may transfer any entitlement to airlift under paragraph (1) to any other military department or to any other agency, element, or component of the Department of Defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 931 of such title is amended by adding at the end the following new item:

"9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet.".

SEC. 1053. INCREASED FLEXIBILITY IN USE OF FUNDS FOR JOINT STAFF EXERCISES.

(a) IN GENERAL.—Amounts available to the Chairman of the Joint Chiefs of Staff for joint staff exercises may be available for any expenses as follows:

(1) Expenses of the Armed Forces in connection with such exercises, including expense relating to self-deploying watercraft under the jurisdiction of a military department.

(2) Expenses relating to the costs of port support activities in connection with such exercises, including transportation and port handling.

(3) Expenses relating to the breakout and operation of prepositioned watercraft and lighterage for joint logistics and over the shore exercises in connection with such exercises.

(b) SUPPLEMENT NOT SUPPLANT.—Any amounts made available by the Chairman of the Joint Chiefs of Staff under subsection (a) for expenses covered by that subsection are in addition to any other amounts available under law for such expenses.

Subtitle G—Report Matters

SEC. 1061. REPORT ON CLARIFICATION OF PROHIBITION ON CRUEL, INHUMAN, OR DEGRADING TREATMENT OR PUNISHMENT.

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

(1) It is critical that members of the Armed Forces have clear guidelines about the legality of interrogation techniques as they seek critical intelligence in the War on Terrorism.

(2) To avoid confusion, any determination made about the legality of various interrogation techniques must be consistent across the United States Government.

(3) Confusion continues about the permissibility of various interrogation techniques, even after the enactment of the Detainee Treatment Act of 2005 (title X of division A of Public Law 109–148).

(4) In testimony before the Senate and in written response to queries from the Senate, senior military commanders, Judge Advocates General of the Armed Forces, and various civilian officials of the Executive Branch have given incomplete or varying answers to questions on what constitutes cruel, inhuman, or degrading treatment.

(5) It is critical to clarify these matters in order to ensure that members of the Armed Forces do not receive unclear or misleading guidance on such matters.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the congressional defense committees a report setting forth the coordinated and definitive legal opinion of the United States Government on whether each of the following interrogation techniques constitutes cruel, inhuman, or degrading treatment or punishment (as defined in section 1002(d) of the Detainee Treatment Act of 2006 (as defined in the Detainee Treatment Act of 2005 (119 Stat. 2740; 42 U.S.C. 2000dd(d)):

(1) Waterboarding, or any other technique using water, bags, or other devices or substances to induce a sensation of drowning or asphyxiation.

(2) Sleep deprivation, including, at a minimum, depriving a prisoner of sleep for 24 hours or more or permitting five or less hours of sleep per day over a period of three or more days.

(3) Stress positions, including the use of any technique in which a prisoner is placed or shackled in a painful or awkward position (including prolonged standing or crouching, shackling arms above

the head for prolonged periods, or the use of shackles or handcuffs in a manner which causes pain due to the swelling of tissue over a prolonged period of time).

(4) The use of extreme temperatures as an aid to interrogation.

(5) The use of beatings, slapping, or violent shaking.

(6) The use of dogs as an aid to interrogation.

(7) The use of nakedness or other forms of sexual humiliation as an aid to interrogation.

(c) ELEMENTS.—The report under subsection (b) shall state, for each interrogation technique listed in that subsection, the following

(1) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen within the United States.

(2) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen outside the United States.

(3) Whether the technique would be legal if used to interrogate a member of the Armed Forces

of the United States by a state party to the Geneva Conventions.

(4) Whether the technique would be legal if used to interrogate a United States citizen by a state party to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

(d) CERTIFICATION ON NATURE OF OPINIONS.—The report under subsection (b) shall include a certification that the legal opinions set forth in the report are the coordinated and definitive opinion of the United States Government binding on all departments and agencies of the United States Government, any personnel of such departments and agencies, and any contractors of such departments and agencies.

(e) DISSEMINATION OF OPINIONS.—

(1) IN GENERAL.—The President shall ensure the dissemination of the legal opinions set forth in the report to all departments and agencies of the United States Government, together with the instruction that such opinions be further disseminated to all personnel of such departments and agencies and all contractors of such departments and agencies.

(2) CERTIFICATION ON DISSEMINATION.—The report shall include a certification regarding compliance with the requirement in paragraph (1).

(f) DEFINITIONS.—In this section:

(1) The term ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment'' means the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York, December 10, 1984, and entering into force June 26, 1987 (T. Doc. 100–20).

(2) The term ''Geneva Conventions'' means—

(A) the Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, done at Geneva August 12, 1949 (6 UST 3114);

(B) the Convention for the Amelioration of the Condition of the Wounded, Sick, and Shipwrecked Members of Armed Forces at Sea, done at Geneva August 12, 1949 (6 UST 3217);

(C) the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316); and

(D) the Convention Relative to the Protection of Civilian Persons in Time of War, done at Geneva August 12, 1949 (6 UST 3516).

SEC. 1062. REPORTS ON MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE SERVING IN THE LEGISLATIVE BRANCH.

(a) MONTHLY REPORTS ON DETAILS AND FELLOWSHIPS OF LONG DURATION.—Not later than 120 days after the date of the enactment of this Act, and monthly thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the members of the Armed Forces and civilian employees of the Department of Defense who, as of the date of such report, have served continuously in the Legislative Branch for more than 12 consecutive months in one or a combination of covered legislative details or fellowships.

(b) REPORTS ON CERTAIN MILITARY DETAILS AND FELLOWSHIPS.—If a member of the Armed Forces is assigned to a covered legislative detail or fellowship as the last tour of duty of such member before retirement or separation from the Armed Forces in contravention of the regulations of the Department of Defense, the Secretary shall submit to the congressional defense committees a report on the assignment of such member to such covered

legislative detail or fellowship. The report shall include a rationale for the waiver of the regulations of the Department in order to permit the detail or fellowship.

(c) REPORT ELEMENTS.—Each report under subsection (a) or (b) shall set forth, for each member of the Armed Forces or civilian employee covered of the Department of Defense covered by such report, the following:

(1) The name of such member or employee.

(2) In the case of a member, the Armed Force of such member.

(3) The committee or member of Congress to which such member or employee is detailed or assigned.

(4) A general description of the projects or tasks undertaken or to be undertaken, as applicable, by such member or employee as a detailee, fellow, or both.

(5) The anticipated termination date of the current detail or fellowship of such member or employee.

(d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP DEFINED.—In this section, the term ''covered legislative detail or fellowship'' means the following:

(1) A detail under the provisions of Department of Defense Directive 1000.17.

(2) A legislative fellowship (including a legislative fellowship under the provisions of Department of Defense Directive 1322.6).

SEC. 1063. ADDITIONAL ELEMENT IN ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL WARFARE DEFENSE.

Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

''(10) A description of the coordination and integration of the program of the Defense Advanced Research Projects Agency (DARPA) on basic and applied research and advanced technology development on chemical and biological warfare defense technologies and systems under section 1701(c)(2) with the overall program of the Department of Defense on chemical and biological warfare defense, including—

''(A) the degree to which the program of the Defense Advanced Research Projects Agency supports the objectives and requirements of the program of the Department of Defense; and

''(B) the means of determining the level of coordination and support provided by the pro-

gram of the Defense Advanced Research Projects Agency for the program of the Department of Defense.''.

SEC. 1064. REPORT ON LOCAL BOARDS OF TRUSTEES OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Washington under section 1516 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 416).

(2) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Gulfport under section 1516 of such Act.

SEC. 1065. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) ANNUAL REPORT ON AVIATION CAREER INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended by striking subsection (f).

(b) ANNUAL REPORT ON EFFECTS OF CERTAIN INITIATIVES ON RECRUITMENT AND RETENTION.—

(1) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by striking the item relating to section 1015.

(c) SECRETARY OF DEFENSE RECOMMENDATION ON NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section 1041 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1217) is repealed.

(d) REPORT ON PILOT PROGRAM TO ENHANCE MILITARY RECRUITING BY IMPROVING MILITARY AWARENESS OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–134); 10 U.S.C. 503 note) is amended by striking subsection (c).

(e) ANNUAL REPORT ON MEDICAL INFORMATICS.—Section 723(d) of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 1071 note) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(f) REPORT ON IMPOSITION OF ADDITIONAL CHARGES OR FEES FOR ATTENDANCE AT CERTAIN ACADEMIES.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the second sentence.

Subtitle H—Technical and Conforming Amendments

SEC. 1071. UNIFORM DEFINITION OF NATIONAL SECURITY SYSTEM FOR CERTAIN DEPARTMENT OF DEFENSE PURPOSES.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''section 2315 of this title'' and inserting ''section 3542(b)(2) of title 44''.

(b) INFORMATION TECHNOLOGY.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For the purposes of subtitle III of title 40, the term 'national security system' has the meaning given that term in section 3542(b)(2) of title 44.''.

SEC. 1072. CONFORMING AMENDMENT RELATING TO RE-DESIGNATION OF DEFENSE COMMUNICATIONS AGENCY AS DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

"(1) The Defense Information Systems Agency.".

SEC. 1073. TECHNICAL AMENDMENT.

Effective as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) and as if included in the enactment thereof, section 341(e) of such Act (119 Stat. 3199) is amended by striking "(a)(1)(E)" and inserting "(a)(1)(F)".

Subtitle I—Other Matters

SEC. 1081. NATIONAL FOREIGN LANGUAGE COORDINATION COUNCIL.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Effective on October 1, 2006, there is established the National Foreign Language Coordination Council (in this section referred to as the "Council").

(2) INDEPENDENT ESTABLISHMENT.—The National Foreign Language Coordination Council shall

be an independent establishment as defined under section 104 of title 5, United States Code.

(b) MEMBERSHIP.—The Council shall consist of the following members or their designees:

(1) The National Language Director, who shall serve as the chairperson of the Council.

(2) The Secretary of Education.

(3) The Secretary of Defense.

(4) The Secretary of State.

(5) The Secretary of Homeland Security.

(6) The Attorney General.

(7) The Director of National Intelligence.

(8) The Secretary of Labor.

(9) The Director of the Office of Personnel Management.

(10) The Director of the Office of Management and Budget.

(11) The Secretary of Commerce.

(12) The Secretary of Health and Human Services.

(13) The Secretary of the Treasury.

(14) The Secretary of Housing and Urban Development.

(15) The Secretary of Agriculture.

(16) The Chairman and President of the Export-Import Bank of the United States.

(17) The heads of such other Federal agencies as the Council considers appropriate.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Council shall be charged with—

(A) developing a national foreign language strategy, within 18 months of the date of the enactment of this Act, in consultation with—

(i) State and local government agencies;

(ii) academic sector institutions;

(iii) foreign language related interest groups;

(iv) business associations;

(v) industry;

(vi) heritage associations; and

(vii) other relevant stakeholders;

(B) conducting a survey of the extent of Federal agency foreign language and area expertise, and of Federal agency needs for such expertise;

(C) identifying and evaluating the adequacy of Federal foreign language programs,

including any duplicative or overlapping programs that may impede efficiency; and

(D) monitoring the implementation of such strategy through—

(i) application of current and recently enacted laws; and

(ii) the promulgation and enforcement of rules and regulations.

(2) STRATEGY CONTENT.—The strategy developed under paragraph (1) shall include—

(A) identification of priorities to expand foreign language skills in the public and private sectors;

(B) recommendations for improving coordination of foreign language programs and activities among Federal agencies, enhancing Federal foreign language programs and activities, and allocating resources appropriately in order to maximize the use of resources;

(C) needed national policies and corresponding legislative and regulatory actions in support of, and allocation of designated resources to, promising programs and initiatives at all levels (Federal, State, and local), especially in the less commonly taught languages

that are seen as critical for national security and global competitiveness during the next 20 to 50 years;

(D) effective ways to increase public awareness of the need for foreign language skills and career paths in the public and private sectors that can employ those skills, with the objective of increasing support for foreign language study among—

(i) Federal, State, and local leaders;

(ii) students;

(iii) parents;

(iv) elementary, secondary, and post-secondary educational institutions; and

(v) employers;

(E) recommendations for incentives for developing related educational programs, including foreign language teacher training;

(F) coordination of public and private sector efforts to provide foreign language instruction and acquire foreign language and area expertise;

(G) coordination of public and private sector initiatives to develop a strategic posture for language research;

(H) recommendations for—

(i) the development of foreign language achievement standards; and

(ii) corresponding assessments of foreign language achievement standards for the elementary, secondary, and postsecondary education levels, including the National Assessment of Educational Progress in foreign languages;

(I) recommendations for development of—

(i) language skill-level certification standards;

(ii) frameworks for pre-service and professional development study for those who teach foreign language;

(iii) suggested graduation criteria for foreign language studies in non-language areas, such as—

(I) international business;

(II) national security;

(III) public administration;

(IV) health care;

(V) engineering;

(VI) law;

(VII) journalism; and

(VIII) sciences;

(J) identification of and means for replicating best practices for teaching foreign languages in the public and private sectors, including best practices from the international community; and

(K) recommendations for overcoming barriers in foreign language proficiency.

(d) SUBMISSION OF STRATEGY TO PRESIDENT AND CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Council shall prepare and transmit to the President and the relevant committees of Congress the national foreign language strategy required under subsection (c).

(e) MEETINGS.—The Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate, but shall meet in formal session at least 2 times a year. State and local government agencies and other organizations (such as academic sector institutions, foreign language-related interest groups, business associations, industry, and heritage community organizations) shall be invited, as appropriate, to public meetings of the Council at least once a year.

(f) STAFF.—

(1) IN GENERAL.—The Director may—

(A) appoint, without regard to the provisions of title 5, United States Code, governing the competitive service, such personnel as the Director considers necessary; and

(B) compensate such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title.

(2) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege

(3) EXPERTS AND CONSULTANTS.—With the approval of the Council, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) TRAVEL EXPENSES.—Council members and staff shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(5) SECURITY CLEARANCE.—

(A) IN GENERAL.—Subject to subparagraph (B), the appropriate Federal agencies or departments shall cooperate with the Council in expeditiously providing to the Council members and staff appropriate security clearances to the extent possible pursuant to existing procedures and requirements.

(B) EXCEPTION.—No person shall be provided with access to classified information under this section without the appropriate required security clearance access.

(6) COMPENSATION.—The rate of pay for any employee of the Council (including the Director) may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(g) POWERS.—

(1) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action that the Council is authorized to take in this section.

(2) INFORMATION.—

(A) COUNCIL AUTHORITY TO SECURE.—The Council may secure directly from any Federal agency such information, consistent with

Federal privacy laws, including the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) and the Department of Education's General Education Provisions Act (20 U.S.C. 1232(h)), the Council considers necessary to carry out its responsibilities.

(B) REQUIREMENT TO FURNISH REQUESTED INFORMATION.—Upon request of the Director, the head of such agency shall furnish such information to the Council.

(3) DONATIONS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(4) MAIL.—The Council may use the United States mail in the same manner and under the same conditions as other Federal agencies.

(h) CONFERENCES, NEWSLETTER, AND WEBSITE.—In carrying out this section, the Council—

(1) may arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to improve foreign language education;

(2) may publish a newsletter concerning Federal, State, and local programs that are effectively

meeting the foreign language needs of the nation; and

(3) shall create and maintain a website containing information on the Council and its activities, best practices on language education, and other relevant information.

(i) REPORTS.—Not later than April 1, 2007, and annually thereafter, the Council shall prepare and transmit to the President and the relevant committees of Congress a report that describes—

(1) the activities of the Council to develop the national foreign language strategy required under subsection (c);

(2) the findings of the Council as of the date of such report;

(3) the efforts of the Council to improve foreign language education and training; and

(4) impediments identified by the Council to the implementation of a comprehensive national foreign language strategy, including any statutory and regulatory restrictions.

(j) ESTABLISHMENT OF NATIONAL LANGUAGE DIRECTOR.—

(1) IN GENERAL.—There is established a National Language Director who shall be appointed by

the President. The National Language Director shall be a nationally recognized individual with credentials and abilities in the public and private sectors to be involved with creating and implementing long-term solutions to achieving national foreign language and cultural competency.

(2) RESPONSIBILITIES.—The National Language Director shall—

(A) develop and monitor the implementation of a national foreign language strategy across the public and private sectors;

(B) establish formal relationships among the major stakeholders in meeting the needs of the Nation for improved capabilities in foreign languages and cultural understanding, including Federal, State, and local government agencies, academia, industry, labor, and heritage communities; and

(C) coordinate and lead a public information campaign that raises awareness of public and private sector careers requiring foreign language skills and cultural understanding, with the objective of increasing interest in and support for the study of foreign languages among

national leaders, the business community, local officials, parents, and individuals.

(k) ENCOURAGEMENT OF STATE INVOLVEMENT.—

(1) STATE CONTACT PERSONS.—The Council shall consult with each State to provide for the designation by each State of an individual to serve as a State contact person for the purpose of receiving and disseminating information and communications received from the Council.

(2) STATE INTERAGENCY COUNCILS AND LEAD AGENCIES.—Each State is encouraged to establish a State interagency council on foreign language coordination or designate a lead agency for the State for the purpose of assuming primary responsibility for coordinating and interacting with the Council and State and local government agencies as necessary.

(l) SUNSET.—This section shall cease to have effect on September 30, 2015.

(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 2007, $1,500,000 to carry out this section.

SEC. 1082. SUPPORT OF SUCCESSOR ORGANIZATIONS OF THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING SYSTEM EXECUTIVE BOARD.

Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (Public Law 106–405; 114 Stat. 1753; 10 U.S.C. 2281 note) is amended by striking ''the Interagency Global Positioning System Executive Board, including an Executive Secretariat to be housed at the Department of Commerce'' and inserting ''the National Space-Based Positioning, Navigation, and Timing Executive Committee, the National Space-Based Positioning, Navigation, and Timing Coordination Office, and the National Space-Based Positioning, Navigation, and Timing Advisory Board, and any successor organization''.

SEC. 1083. SENSE OF CONGRESS ON THE QUADRENNIAL DEFENSE REVIEW.

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

(1) The Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, is vital in laying out the strategic military planning and threat objectives of the Department of Defense.

(2) The Quadrennial Defense Review is critical to identifying the correct mix of military planning assumptions, defense capabilities, and strategic focuses for the Armed Forces of the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Quadrennial Defense Review is intended to provide more than an overview of global threats and the general strategic orientation of the Department of Defense;

(2) the Quadrennial Defense Review should include strategic planning guidance and specific capabilities, including the military platforms needed to achieve the strategic and warfighting objectives identified in the Review, and do so in a risk-based framework;

(3) the development of each Quadrennial Defense Review would benefit from an official assessment, by a so-called ''red team'', of Quadrennial Defense Review assumptions, planning guidelines, capability recommendations, and realism, and from having that team brief Congress on the results of its assessment;

(4) the recommendations of the Quadrennial Defense Review should not be constrained by budget considerations; and

(5) the risk assessment prepared by the Chairman of the Joint Chiefs to accompany the Quadrennial Defense Review should be comprehensive and

should include a description of the capabilities needed to address the risks identified in that assessment.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES ON TERMINAL LEAVE PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member is also entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of the uniformed services.''.

SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MANAGEMENT, FUNCTIONAL, AND TECHNICAL WORKFORCE OF THE DEPARTMENT OF DEFENSE.

(a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL PLAN.—The Secretary of Defense shall include in the March 1, 2007, Strategic Human Capital Plan required by section 1122(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape and improve the senior management, functional, and tech-

nical workforce (including scientists and engineers) of the Department of Defense.

(b) SCOPE OF PLAN.—The strategic plan required by subsection (a) shall cover, at a minimum, the following categories of Department of Defense civilian personnel:

(1) Appointees in the senior executive service under section 3131 of title 5, United States Code.

(2) Persons serving in positions described in section 5376(a) of title 5, United States Code.

(3) Highly qualified experts appointed pursuant to section 9903 of title 5, United States Code.

(4) Scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into by law by Public Law 106–398 (114 Stat. 1654A–315)).

(5) Scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note).

(6) Persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code.

(7) Persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code.

(c) CONTENTS OF PLAN.—The strategic plan required by subsection (a) shall include—

(1) an assessment of—

(A) the needs of the Department of Defense for senior management, functional, and technical personnel (including scientists and engineers) in light of recent trends and projected changes in the mission and organization of the Department and in light of staff support needed to accomplish that mission;

(B) the capability of the existing civilian employee workforce of the Department to meet requirements relating to the mission of the Department, including the impact on that capability of projected trends in the senior management, functional, and technical personnel workforce of the Department based on expected losses due to retirement and other attrition; and

(C) gaps in the existing or projected civilian employee workforce of the Department that should be addressed to ensure that the Department has continued access to the senior man-

agement, functional, and technical personnel (including scientists and engineers) it needs; and

(2) a plan of action for developing and reshaping the senior management, functional, and technical workforce of the Department to address the gaps identified under paragraph (1)(C), including—

(A) any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in subsection (b) or to establish a new category of senior management or technical personnel;

(B) any changes in the number of personnel authorized in any category of personnel identified in subsection (b) that may be needed to address such gaps and effectively meet the needs of the Department;

(C) any changes in the rates or methods of pay for any category of personnel identified in subsection (b) that may be needed to address inequities and ensure that the Department has full access to appropriately qualified personnel to address such gaps and meet the needs of the Department;

(D) specific recruiting and retention goals, including the program objectives of the Department to be achieved through such goals;

(E) specific strategies for development, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior management, functional, and technical workforce of the Department, including the program objectives of the Department to be achieved through such strategies; and

(F) specific steps that the Department has taken or plans to take to ensure that the senior management, functional, and technical workforce of the Department is managed in compliance with the requirements of section 129 of title 10, United States Code.

SEC. 1103. AUTHORITY TO EQUALIZE ALLOWANCES, BENEFITS, AND GRATUITIES OF PERSONNEL ON OFFICIAL DUTY IN IRAQ AND AFGHANISTAN.

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

(1) As part of the United States effort to bring democracy and freedom to Iraq and Afghanistan, employees of a broad range of Federal agencies are

needed to serve in those countries, furnishing expertise to their counterpart agencies in the Government of Iraq and the Government of Afghanistan.

(2) While the heads of a number of Federal agencies already possess authority to provide to their personnel on official duty abroad allowances, benefits, and death gratuities comparable to those provided by the Secretary of State to similarly-situated Foreign Service personnel on official duty abroad, other agency heads do not possess such authority.

(3) In order to assist the United States Government in recruiting personnel to serve in Iraq and Afghanistan, and to avoid inequities in allowances, benefits, and death gratuities among similarly-situated United States Government civilian personnel on official duty in these countries, it is essential that the heads of all agencies that have personnel on official duty in Iraq and Afghanistan have the same basic authority with respect to allowances, benefits, and death gratuities for such personnel.

(b) IN GENERAL.—During any fiscal year, the head of an agency may, in the agency head's discretion, provide to an individual employed by, or assigned or detailed to, such agency allowances, benefits, and gratuities comparable to those provided by the Secretary of State to

members of the Foreign Service under section 413 and chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3973; 4081 et seq.), if such individual is on official duty in Iraq or Afghanistan.

(c) CONSTRUCTION.—Nothing in this section shall be construed to impair or otherwise affect the authority of the head of an agency under any other provision of law.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—General Matters

SEC. 1201. EXPANSION OF HUMANITARIAN AND CIVIC ASSISTANCE TO INCLUDE COMMUNICATIONS AND INFORMATION CAPACITY.

Section 401 of title 10, United States Code, as amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) Expenses covered by paragraph (1) include communications or information systems equipment or supplies incurred in providing assistance described in subsection (e)(4).''; and

(C) in paragraph (4), as redesignated by subparagraph (A) of this paragraph, by striking ''paragraph (2)(B)'' and inserting ''paragraph (3)(B)''; and

(2) in subsection (e)(4), by inserting before the period the following: '', including information and communications technology facilities''.

SEC. 1202. MODIFICATION OF AUTHORITIES RELATING TO THE REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) REDESIGNATION OF PROGRAM AS REGIONAL DEFENSE COMBATTING TERRORISM FELLOWSHIP PROGRAM.—Section 2249c of title 10, United States Code, is amended in subsections (a) and (c)(3), by striking ''Counterterrorism'' and inserting ''Combatting Terrorism''.

(b) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Subsection (a) of such section is further amended by striking ''the attendance'' and all that follows through ''military educational institutions'' and inserting ''the education and training of foreign military officers and other foreign officials at military or civilian educational institutions''.

(2) INCREASE IN AMOUNT AVAILABLE.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(3) AVAILABILITY OF AMOUNTS ACROSS FISCAL YEARS.—Subsection (b) of such section is further amended by adding at the end the following new sentence: ''Amounts available under the authority in subsection (a) for a fiscal year may be used for programs that begin in such fiscal year but end in the next fiscal year.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the item relating to section 2249c and insert the following new item:

''2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program.''.

SEC. 1203. LOGISTIC SUPPORT OF ALLIED FORCES FOR COMBINED OPERATIONS.

(a) AUTHORITY TO USE FUNDS TO PROVIDE SUPPORT.—

(1) IN GENERAL.—Subchapter I of chapter 134 of title 10, United States Code, is amended by inserting after section 2249c the following new section:

"§ 2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations

"(a) AUTHORITY TO USE FUNDS.—Subject to subsections (b) and (c), funds appropriated to the Department of Defense for operation and maintenance may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide logistic support, supplies, and services to allied forces participating in combined operations with the armed forces of the United States.

"(b) LIMITATION RELATING TO COMBINED OPERATIONS.—The authority in subsection (a) to provide logistic support, supplies, and services may be exercised only—

"(1) with respect to combined operations during a period of active hostilities, a contingency operation, or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, country stabilization op-

erations, or peacekeeping operations under chapter VI or VII of the Charter of the United Nations); and

"(2) in circumstances in which the Secretary of Defense determines that the allied forces to be provided such logistic support, supplies, and services—

"(A) are essential to the success of such combined operations; and

"(B) would not be able to participate in such combined operations but for the provision of such logistic support, supplies, and services.

"(c) LIMITATIONS RELATING TO AMOUNT.—(1) Except as provided in paragraph (2), the amount of logistic support, supplies, and services provided under subsection (a) in any fiscal year may not exceed $100,000,000.

"(2) In any fiscal year, in addition to any logistic support, supplies, and services provided under subsection (a) that are covered by paragraph (1), logistic support, supplies, and services in the amount of $5,000,000 may be provided under that subsection if such support, supplies, and services are solely for purposes of enhancing the interoperability of the logistical support systems of allied forces with the logistical support systems of the armed forces of the United States in order to facilitate combined operations.

"(d) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on the use of the authority in subsection (a) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

"(1) Each nation provided logistic support, supplies, and services.

"(2) For each such nation, a description of the type and value of logistic support, supplies, and services so provided.

"(e) DEFINITIONS.—In this section:

"(1) The term 'appropriate committees of Congress' means—

"(A) the Committees on Armed Services and Foreign Relations of the Senate; and

"(B) the Committees on Armed Services and International Relations of the House of Representatives.

"(2) The term 'logistic support, supplies, and services' has the meaning given such term in section 2350(1) of this title and includes sealift.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chap-

ter is amended by inserting after the item relating to section 2249c the following new item:

"2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 1204. EXCLUSION OF PETROLEUM, OIL, AND LUBRICANTS FROM LIMITATIONS ON AMOUNT OF LIABILITIES THE UNITED STATES MAY ACCRUE UNDER ACQUISITION AND CROSS-SERVICING AGREEMENTS.

(a) EXCLUSION.—Section 2347 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) The limitations in this section on the amount of reimbursable liabilities or reimbursable credits that the United States may accrue under this subchapter shall not apply with respect to the sale, purchase, or exchange of petroleum, oils, or lubricants.".

(b) CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of subsection (a) of such section are each amended by striking "(other than petroleum, oils, and lubricants)".

SEC. 1205. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LOAN SIGNIFICANT MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Defense may treat significant military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for purposes of providing for the use of such equipment by military forces of nations participating in combined operations with United States Forces in Iraq and Afghanistan if the Secretary, with the concurrence of the Secretary of State, determines in writing that it is in the national security interests of the United States to provide for the use of such equipment in such manner.

(2) LIMITATION ON DURATION OF PROVISION.—Equipment may be used by foreign military forces under this subsection for not longer than one year.

(3) LIMITATION ON USE.—Equipment may be used by foreign military forces under this subsection

solely for personnel protection or to aid in the personnel survivability of such forces.

(b) SEMIANNUAL REPORTS.—

(1) REPORTS REQUIRED.—The Secretary of Defense shall, in coordination with the Secretary of State, submit to the appropriate committees of Congress a report on the exercise of the authority in subsection (a) as follows:

(A) If the authority is exercised during the first six-month period of a fiscal year, not later than 30 days after such period.

(B) If the authority is exercised during the second six-month period of a fiscal year, not later than 30 days after such period.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each exercise of authority under subsection (a) during the period covered by such report, the following:

(A) A copy of the written determination under subsection (a) with respect to the exercise of such authority.

(B) A statement of each recipient of equipment under the exercise of such authority.

(C) A description of the type, quantity, and value of the equipment supplied to each

such recipient, and a description of the terms and duration of the supply of the equipment to such recipient.

(c) CONSTRUCTION WITH LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT.—The provision of significant military equipment for use under this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control regime under law relating to the transfer of military technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services and Foreign Relations of the Senate; and

(B) the Committees on Armed Services and International Relations of the House of Representatives.

(2) The term ''significant military equipment'' means items designated as significant military equipment on the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(e) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2008.

SEC. 1206. MODIFICATION OF AUTHORITIES RELATING TO THE BUILDING OF THE CAPACITY OF FOREIGN MILITARY FORCES.

(a) FUNDS AVAILABLE FOR PRESIDENTIAL PROGRAM.—Subsection (c) of section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3456) is amended by striking ''defense-wide''.

(b) LIMITED AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—Such section is further amended—

(1) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively; and

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

''(f) COMBATANT COMMANDER AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize any commander of a geographic combatant command to respond to unanticipated changes in a security environment within the area of responsibility of such commander by conducting a program to build the capacity of the national military forces of a country

within such area of responsibility in order for such country to—

"(A) conduct counterterrorist operations; or

"(B) participate in or support military and stability operations.

"(2) REQUIRED ELEMENTS.—Any program under paragraph (1) shall include elements that promote—

"(A) observance of and respect for human rights and fundamental freedoms; and

"(B) respect for legitimate civilian authority within the country concerned.

"(3) AUTHORIZED ELEMENTS.—Any program under paragraph (1) may include the provision of equipment, supplies, and training.

"(4) ANNUAL FUNDING LIMITATION.—The Secretary of Defense may make available, from funds available for operation and maintenance for fiscal year 2007 or 2008, not to exceed $200,000,000 to conduct activities under paragraph (1) in such fiscal year. Of the amount so made available for a fiscal year, not more than $50,000,000 may be available for any commander of a particular geographic combatant command in such fiscal year. Amounts avail-

able under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

"(5) ASSISTANCE OTHERWISE PROHIBITED BY LAW.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) that is otherwise prohibited by any provision of law.

"(6) LIMITATION ON ELIGIBLE COUNTRIES.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) to any foreign country that is otherwise prohibited from receiving such type of assistance under any other provision of law.

"(7) FORMULATION AND EXECUTION OF PROGRAMS.—The Secretary of Defense shall prescribe guidance for programs authorized by paragraph (1). Such guidance shall include requirements for the commanders of the geographic combatant commands to—

"(A) formulate any program under paragraph (1) for a country jointly with the United

States ambassador or chief of mission to such country; and

"(B) coordinate with the United States ambassador or chief of mission to a country in implementing any program under paragraph (1) for such country.

"(8) CONGRESSIONAL NOTIFICATION.—Not less than 15 days after the initiation of activities in a country under a program under paragraph (1), the Secretary of Defense, in coordination with the Secretary of State, shall submit to the congressional committees specified in subsection (e)(3) a notice of the following:

"(A) The country being assisted in the building of the capacity of its military forces under the program.

"(B) The budget, implementation timeline with milestones, and completion date for the program.

"(C) The source and planned expenditure of funds to complete the program.".

(c) LIMITED AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—Such section is further amended by inserting

after subsection (f), as added by subsection (b)(2) of this section, the following new subsection (g):

"(g) COMBATANT COMMANDER AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—

"(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may authorize any commander of a geographic combatant command to provide the assistance described in paragraph (2) to respond to urgent and unanticipated humanitarian relief or reconstruction requirements in a foreign country within the area of responsibility of the commander of the geographic combatant command if the commander of the geographic combatant command determines that the provision of such assistance will promote the security interests of the United States and the country to which such assistance will be provided. Such assistance may be provided without regard to any provision of chapter 137, 140, or 141 of title 10, United States Code, or any other provision of law that would prohibit, restrict, or limit the provision of such assistance.

"(2) TYPES OF ASSISTANCE.—The assistance that may be provided under paragraph (1) includes the following:

"(A) Construction, reconstruction, or repair of municipal, educational, cultural, or other local facilities.

"(B) Reconstitution or improvement of utilities or other local infrastructure.

"(C) Provision of any other goods or services necessary to respond to urgent and unanticipated humanitarian relief or reconstruction requirements.

"(3) PROHIBITION ON ASSISTANCE IN CERTAIN COUNTRIES.—Assistance may not be provided under paragraph (1) in Iraq or Afghanistan.

"(4) ANNUAL FUNDING LIMITATION.—From funds available for operation and maintenance for fiscal year 2007 or 2008, not more than $200,000 may be available to the commander of a geographic combatant command to conduct activities under paragraph (1) in any particular country in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

"(5) CONSTRUCTION OF AUTHORITY.—The authority and funds available to the commanders of

the geographic combatant commands under this subsection are in addition to any other authorities and funds available to the commanders of the geographic combatant commands.

"(6) GUIDANCE ON PROVISION OF ASSISTANCE.—(A) No funds may be obligated or expended for the provision of assistance under paragraph (1) until the Secretary of Defense prescribes guidance on the provision of assistance under that paragraph.

"(B) The guidance under this paragraph shall include a requirement that any assistance provided under paragraph (1) in a particular country be provided only with the concurrence of the United States ambassador or chief of mission to that country.

"(C) Not later than 30 days after the issuance of the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

"(D) Not later than 30 days after issuing any modification to the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report on such modification.

"(7) REPORT.—Not later than November 1 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report

on the provision of assistance under paragraph (1) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

"(A) The source of funds utilized to provide assistance under paragraph (1) during such fiscal year.

"(B) Each country in which assistance was so provided.

"(C) For each country so provided assistance, the type and amount of assistance provided.".

(d) TERMINATION OF AUTHORITY.—Subsection (i) of such section, as redesignated by subsection (b)(1) of this section, is further amended to read as follows:

"(i) TERMINATION.—

"(1) TERMINATION OF PRESIDENTIAL PROGRAM.—The authority of the President under subsection (a) to direct the Secretary of Defense to conduct a program terminates at the close of September 30, 2008. Any program directed before that date may be completed, but only using funds available for fiscal year 2006, 2007, or 2008.

"(2) TERMINATION OF COMBATANT COMMANDER AUTHORITIES.—The authority of the com-

manders of the geographic combatant commands to carry out programs under subsection (f), and to provide assistance under subsection (g), terminates at the close of September 30, 2008. Any program or assistance commenced before that date may be completed, but only using funds available for fiscal year 2007 or 2008.''.

SEC. 1207. PARTICIPATION OF THE DEPARTMENT OF DEFENSE IN MULTINATIONAL MILITARY CENTERS OF EXCELLENCE.

(a) PARTICIPATION AUTHORIZED.—During fiscal year 2007, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence hosted by any nation or combination of nations referred to in subsection (b) for purposes of—

(1) enhancing the ability of military forces and civilian personnel of the nations participating in such centers to engage in joint exercises or coalition or international military operations; or

(2) improving interoperability between the Armed Forces of the United States and the military forces of friendly foreign nations.

(b) COVERED NATIONS.—The nations referred to in this section are as follows:

(1) The United States.

(2) Any member nation of the North Atlantic Treaty Organization (NATO).

(3) Any major non-NATO ally.

(4) Any other friendly foreign nation identified by the Secretary of Defense, with the concurrence of the Secretary of State, for purposes of this section.

(c) MEMORANDUM OF UNDERSTANDING.—The participation of the Department of Defense, or of members of the armed forces or civilian personnel of the Department, in a multinational military center of excellence under subsection (a) shall be governed by the terms of one or more memoranda of understanding entered into by the Secretary of Defense, with the concurrence of the Secretary of State, and the foreign nation or nations concerned.

(d) AVAILABILITY OF APPROPRIATED FUNDS.—(1) Funds appropriated to the Department of Defense for operation and maintenance are available as follows:

(A) To pay the United States share of the expenses of any multinational military center of excellence in which the United States participates under this section.

(B) To pay the costs of the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence under this section, including the costs of pay, salaries, and expenses of such members and personnel in participating in such centers.

(2) The amount available under paragraph (1) in fiscal year 2007 for the expenses and costs referred to in that paragraph may not exceed $3,000,000.

(e) USE OF DEPARTMENT OF DEFENSE FACILITIES AND EQUIPMENT.—(1) Facilities and equipment of the Department of Defense may be used for purposes of the support of multinational military centers of excellence under this section that are hosted by the Department.

(2) The use of facilities and equipment for support of a multinational military center of excellence under paragraph (1) may, at the election of the Secretary of Defense, be with or without reimbursement by other nations participating in the center.

(f) REPORT ON USE OF AUTHORITY.—

(1) REPORT REQUIRED.—Not later than October 31, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on

the use of the authority in this section during fiscal year 2007.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the participation of the Department of Defense, and of members of the Armed Forces and civilian personnel of the Department, in multinational military centers of excellence under the authority of this section during fiscal year 2007.

(B) For each multinational military center of excellence in which the Department of Defense, or members of the Armed Forces or civilian personnel of the Department, so participated—

(i) a description of such multinational military center of excellence;

(ii) a description of the activities participated in by the Department, or by members of the Armed Forces or civilian personnel of the Department; and

(iii) a statement of the costs of the Department for such participation, including—

(I) a statement of the United States share of the expenses of such center, and a statement of the percentage of the United States share of the expenses of such center to the total expenses of such center; and

(II) a statement of the amount of such costs (including a separate statement of the amount of costs paid for under the authority of this section by category of costs).

(g) DEFINITIONS.—In this section:

(1) The term ''multinational military center of excellence'' means an entity sponsored by one or more nations that is accredited and approved by the North Atlantic Treaty Organization military committee as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of the North Atlantic Treaty Organization by providing such personnel opportunities to—

(A) enhance education and training;

(B) improve interoperability and capabilities;

(C) assist in the development of doctrine; and

(D) validate concepts through experimentation.

(2) The term ''major non-NATO ally'' means a country (other than a member nation of the North Atlantic Treaty Organization) that is designated as a major non-NATO ally for purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

SEC. 1208. DISTRIBUTION OF EDUCATION AND TRAINING MATERIALS AND INFORMATION TECHNOLOGY TO ENHANCE INTEROPERABILITY.

(a) DISTRIBUTION AUTHORIZED.—In furtherance of the national security objectives of the United States and to improve interoperability between the Armed Forces of the United States and military forces of friendly foreign countries, the Secretary of Defense may—

(1) provide to the personnel referred to in subsection (b) electronically-distributed learning content for the education and training of such personnel for the development and enhancement of allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations; and

(2) provide information technology, including computer software developed for such purpose, to support the use of such learning content for the education and training of such personnel.

(b) PERSONNEL.—The personnel to which learning content and information technology may be provided under subsection (a) are as follows:

(1) Military and civilian personnel of friendly foreign governments.

(2) Personnel of internationally-recognized non-governmental organizations.

(c) EDUCATION AND TRAINING.—The education and training provided under subsection (a) shall include the following:

(1) Internet based education and training.

(2) Advanced distributed learning and similar Internet learning tools, as well as distributed training and computer assisted exercises.

(d) INFORMATION TECHNOLOGY.—In providing information technology under subsection (a)(2), the Secretary of Defense may only expend funds for the development and provision of information technology and learning content necessary to support the provision of education and training authorized by this section.

(e) SECRETARY OF STATE CONCURRENCE IN CERTAIN ACTIVITIES.—In the case of any activity proposed to be undertaken under the authority in this section that is not authorized by another provision of law, the Secretary of Defense may not undertake such activity without the concurrence of the Secretary of State.

(f) CONSTRUCTION WITH OTHER AUTHORITY.—

(1) SUPPLEMENTAL AUTHORITY.—The authority in this section is in addition to any other authority available to the Secretary of Defense to provide assistance to foreign nations or military forces.

(2) LIMITATION.—The provision of learning content and information technology under the authority in this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations.

(g) GUIDANCE.—

(1) GUIDANCE REQUIRED.—The Secretary of Defense shall develop and issue guidance on the procedures for the use of the authority in this section.

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after issuing the guidance required by paragraph (1), the Secretary shall submit to the congres-

sional defense committees a report setting forth such guidance.

(3) MODIFICATION.—In the event the Secretary modifies the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth the modified guidance not later than 30 days after the date of such modification.

(h) ANNUAL REPORT.—

(1) REPORT REQUIRED.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in this section during the preceding fiscal year.

(2) ELEMENTS.—The report under paragraph (1) shall include, for the fiscal year covered by such report, the following:

(A) A statement of the recipients of learning content and information technology provided under this section.

(B) A description of the type, quantity, and value of the learning content and information technology provided under this section.

(i) TERMINATION.—The authority in this section shall expire on September 30, 2008.

Subtitle B—Report Matters

SEC. 1221. REPORT ON INCREASED ROLE AND PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

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

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, and a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

(3) A discussion of whether and how members of the United Nations Command in the Republic of Korea might be persuaded to deploy military forces in peacetime to the Republic of Korea to bolster the deterrence mission of the United Nations Command.

(4) An assessment of how the military and political requirements for United States military forces in the Republic of Korea might be affected were multinational partners in the United Nations Command in the Republic of Korea to increase their contribution of military forces stationed in the Republic of Korea.

(5) An assessment of whether and how the contribution of additional military forces to the United Nations Command in the Republic of Korea by a multinational partner might affect that partner's approach to facilitating a diplomatic resolution of the nuclear challenge posed by the Democratic Peoples Republic of Korea.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 1222. REPORT ON INTERAGENCY OPERATING PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States Government should bring to bear all elements of national power to achieve its national security objectives, including stabilization and reconstruction operations;

(2) civilian agencies of the United States Government lack the capacity to deploy rapidly, and for sustained periods of time, trained personnel to support stabilization and reconstruction operations in the field;

(3) civilian agencies of the United States Government should expand their capacity to plan, coordinate, and conduct stabilization and reconstruction operations, including their capacity to deploy civilians with relevant expertise to participate in sustained stability and reconstruction operations;

(4) National Security Presidential Directive 44, entitled ''Management of Interagency Efforts Concerning Reconstruction and Stabilization'', is a positive step toward improving coordination, planning, and implementation by the United States Government of reconstruction and stabilization assistance for foreign states and regions at risk of, in, or in transition from conflict or civil strife;

(5) all the relevant United States Government agencies should include in their budget requests for future fiscal years adequate funding for planning and preparing to support contingency operations and, as necessary, request emergency supplemental funds for unanticipated contingency operations; and

(6) the President should provide clear guidance to United States Government agencies to manage complex operations and establish a standard, integrated approach to the planning and conduct of interagency operations to ensure a coherent and unified United States Government approach to contingency operations.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the President shall submit to Congress a report setting forth a plan to establish interagency operating procedures for the departments and

agencies of the United States Government for the planning and conduct of stabilization and reconstruction operations.

(c) PLAN ELEMENTS.—The plan required under the report under subsection (b) shall include the following:

(1) A delineation of the roles, responsibilities, and authorities of the departments and agencies of the United States Government for stabilization and reconstruction operations.

(2) A description of operational processes for setting policy direction for stabilization and reconstruction operations in order to guide—

(A) operational planning and funding decisions of such departments and agencies;

(B) oversight of policy implementation;

(C) integration of programs and activities into an implementation plan;

(D) integration of civilian and military planning efforts;

(E) provision of guidance to field-level personnel on program direction and priorities; and

(F) monitoring of field implementation of assistance programs.

(3) A description of available capabilities and resources of each department and agency of the

United States Government that could be used in support of stabilization and reconstruction operations, and an identification of additional resources needed to support the conduct of stabilization and reconstruction activities.

(4) A description of how the capabilities and resources of the departments and agencies of the United States Government under stabilization and reconstruction operations will be coordinated.

(5) A description of existing, or planned, protocols between departments and agencies of the United States Government on the utilization and allocation of assets in field operations under stabilization and reconstruction operations.

(6) Recommendations for improving interagency training, education, and simulation exercises in order to adequately prepare civilian and military personnel in the departments and agencies of the United States Government to perform stabilization and reconstruction operations.

(7) A discussion of the statutory and budgetary impediments, if any, that prevent civilian agencies of the United States Government from fully and effectively participating in stabilization and reconstruction operations, and recommendations for legislative

or administration actions to enhance the ability of the United States Government to conduct stabilization and reconstruction operations.

(8) Guidance for the implementation of the plan.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section

301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,000,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,500,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,400,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) AUTHORITY.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection

(a) in excess of the specific amount authorized for that purpose.

(2) NOTICE AND WAIT.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) LIMITATION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303(b) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public

Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended by striking ''December 31, 2006, and no waiver shall remain in effect after that date'' and inserting ''December 31, 2011''.

TITLE XIV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

SEC. 1401. PURPOSE.

The purpose of this title is to authorize anticipated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1402. ARMY PROCUREMENT.

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

(1) For aircraft, $404,100,000.

(2) For missile procurement, $450,000,000.

(3) For weapons and tracked combat vehicles, $214,400,000.

(4) For other procurement, $686,600,000.

SEC. 1403. MARINE CORPS PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $319,800,000.

SEC. 1404. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the aircraft procurement account for the Air Force in the amount of $51,800,000.

SEC. 1405. OPERATION AND MAINTENANCE.

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

(1) For the Army, $22,124,466,000.

(2) For the Navy, $2,349,560,000.

(3) For the Marine Corps, $1,544,920,000.

(4) For the Air Force, $2,779,898,000.

(5) For Defense-wide activities, $3,388,402,000.

(6) For the Army National Guard, $59,000,000.

SEC. 1406. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health

Program in the amount of $960,200,000 for operation and maintenance.

SEC. 1407. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for military personnel accounts a total of $7,335,872,000.

SEC. 1408. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year for the Joint Improvised Explosive Device Defeat Fund a total of $2,100,000,000.

SEC. 1409. CLASSIFIED PROGRAMS.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for classified programs a total of $3,000,000,000.

SEC. 1410. IRAQ FREEDOM FUND.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Freedom Fund in the amount of $2,230,982,000.

(b) TRANSFER.—

(1) TRANSFER AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Freedom Fund to any accounts as follows:

(A) Operation and maintenance accounts of the Armed Forces.

(B) Military personnel accounts.

(C) Research, development, test, and evaluation accounts of the Department of Defense.

(D) Procurement accounts of the Department of Defense.

(E) Accounts providing funding for classified programs.

(F) The operating expenses account of the Coast Guard.

(2) NOTICE TO CONGRESS.—A transfer may not be made under the authority in paragraph (1) until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the transfer.

(3) TREATMENT OF TRANSFERRED FUNDS.—Amounts transferred to an account under the authority in paragraph (1) shall be merged with amounts in such account and shall be made available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(4) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase

the amount authorized for such account by an amount equal to the amount transferred.

SEC. 1411. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1412. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1413. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

Calendar No. 427

109TH CONGRESS
2D SESSION

S. 2767

A BILL

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

MAY 9, 2006

Read twice and placed on the calendar